

HOUSE BILL REPORT

HB 2230

As Reported by House Committee On:
Labor & Workforce Development

Title: An act relating to requiring employers to reimburse employees for work-related expenses.

Brief Description: Requiring employers to reimburse employees for work-related expenses.

Sponsors: Representatives Sells, Moscoso and Ryu.

Brief History:

Committee Activity:

Labor & Workforce Development: 1/28/14, 2/5/14 [DPS].

Brief Summary of Substitute Bill

- Requires an employer to reimburse an employee for any cell phone and cell phone plan if the employer requires the employee to use a cell phone in the discharge of the employee's duties.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Sells, Chair; Reykdal, Vice Chair; Green, Moeller and Ormsby.

Minority Report: Do not pass. Signed by 4 members: Representatives Manweller, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Christian and G. Hunt.

Staff: Trudes Tango (786-7384).

Background:

Washington statutes do not specifically address reimbursement of work-related expenses incurred by employees, except for uniforms. Employers are not required to provide or compensate employees for apparel that an employer requires an employee to wear during

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

working hours unless the required apparel is a uniform. The statute defines what constitutes a uniform.

Under federal law, required uniforms and items such as equipment that benefit the employer are generally considered business expenses. The employer may require the employee to pay for such items, but not if the cost reduces the employee's wage below the minimum wage or cuts into overtime compensation.

Summary of Substitute Bill:

An employer must reimburse its employee for a cell phone and cell phone plan if the employer requires the employee to use a cell phone in the discharge of the employee's duties.

If an employer does not reimburse the employee as required, the employee may bring a civil action. The court must award a prevailing employee reasonable attorneys' fees, costs, and interest.

Substitute Bill Compared to Original Bill:

The original bill required the employer to reimburse an employee for all necessary business related expenses incurred by the employee at the request of the employer and used in direct consequence of the discharge of the employee's duties.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Some employers require their employees to be on call and carry cell phones with internet access. Unlike Canada and California, this state does not provide an employee any recourse to get compensation for business expenses. These expenses can seriously impact people who do not make much money. Things are already hard for employees in this economy. It is fair to require an employer to pay for business expenses.

(Opposed) This bill is well-intentioned, but the proposition is complicated. The California law has resulted in increased litigation. As written, the bill refers to other equipment which can mean many things. The bill uses unclear terms and any factual question means the case will go to a jury. This will increase litigation. There should be an exemption from the requirement for collectively bargained agreements.

Persons Testifying: (In support) John Wohlfed.

(Opposed) Kris Tefft, Association of Washington Business; and Larry Stevens, National Electrical Contractors Association.

Persons Signed In To Testify But Not Testifying: None.