

FINAL BILL REPORT

SSB 5360

C 210 L 14

Synopsis as Enacted

Brief Description: Addressing the collection of unpaid wages.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senators Conway, Keiser, Hasegawa, Kohl-Welles, Frockt and Kline; by request of Department of Labor & Industries).

Senate Committee on Commerce & Labor
House Committee on Labor & Workforce Development
House Committee on Appropriations

Background: The Wage Payment Act allows the Department of Labor & Industries (L&I) to collect unpaid wages on behalf of workers. A worker who believes an employer owes the worker wages can file a wage complaint with L&I. Upon receipt of a wage complaint, L&I has 60 days to investigate the complaint and determine whether the employer owes wages. If L&I determines that wages are owed, a citation and notice of assessment will be issued and sent to the employer and employee. L&I can order the employer to pay wages owed, including interest, and a civil penalty if the violation was willful.

If a final order is issued and the employer defaults in payment of wages owed or the civil penalty, L&I can file a warrant with the county clerk, the amount of which becomes a lien on the employer's real or personal property.

If L&I believes any person or entity possesses any property belonging to the employer, L&I can issue a notice to withhold and deliver (NWD). An NWD allows L&I to levy the employer's property held by third parties, including banks and other financial institutions. NWDs must be served personally or via certified mail. A person or entity who receives an NWD has 20 days to respond, and if the person or entity possesses any property subject to the claim, the property must be promptly delivered to L&I.

The Department of Revenue (DOR) also uses NWDs to secure payment of delinquent taxes. DOR is authorized to electronically serve the NWD to financial institutions.

Summary: L&I may electronically serve NWDs to financial institutions by providing a list of outstanding warrants to DOR. DOR may include the L&I warrants in any NWD served by DOR.

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.

A financial institution served with an electronic NWD must respond within 30 days.

Votes on Final Passage:

Senate 48 0

House 98 0

Effective: June 12, 2014