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## Labor & Workplace Standards Committee

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### HB 2097

**Brief Description:** Assisting workers in recovering wages owed.

**Sponsors:** Representatives Berry, Ortiz-Self, Reed, Simmons, Ormsby, Ramel, Fosse, Goodman, Lekanoff, Doglio, Pollet and Kloba.

#### Brief Summary of Bill

- Requires the Department of Labor and Industries to convene a work group to develop and recommend strategies to help workers recover wages owed when the worker's employer violates provisions of the Minimum Wage Act or wage payment requirements.
- Creates a wage recovery fund and a three-year wage recovery pilot program.

**Hearing Date:** 1/16/24

**Staff:** Trudes Tango (786-7384).

#### Background:

Various laws, such as the Minimum Wage Act (MWA) and Wage Payment Act (WPA), establish standards for payment of wages. Wages include compensation due to an employee by reason of employment. It is unlawful for an employer to deprive an employee of their wages. An individual owed unpaid wages may file a wage complaint with the Department of Labor & Industries (Department) under the WPA, and the Department must investigate. Unless the complaint is otherwise resolved, the Department must issue either a citation and notice of assessment or a determination of compliance.

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

## **Summary of Bill:**

### Work Group.

The Department must convene a work group to develop and recommend strategies that help workers who are owed wages recover those wages and be made whole as quickly and as fully as possible when the worker's employer violates provisions under the WPA or the MWA.

The work group must identify options to enhance the Department's ability to provide swift relief to workers. The work group must explore a wage recovery program or a similar mechanism to a wage recovery fund, and procedures and mechanisms used in other states.

The work group must include representatives from the following:

- two representatives from worker advocacy organizations;
- two representatives from employer and business advocacy organizations;
- one representative from a civil legal aid organization; and
- one expert in employment and wage and hour law from a state postsecondary education institution.

Recommendations from the work group must be made by consensus, and for each recommendation, the work group must identify and address implementation and feasibility issues. The work group must submit a report with recommendations to the appropriate committees of the Legislature by December 1, 2028.

### Wage Recovery Pilot Program.

A three-year wage recovery pilot program, administered by the Department, is created to provide relief to workers who are owed wages. A wage recovery fund in the custody of the state treasurer is established, to be administered by the Department.

The Department may disburse wage recovery funds to eligible workers when: (a) the worker was earning an hourly wage of not more than 1.5 times the minimum hourly wage; and (b) the Department has determined that the employer owes the worker wages and has violated wage payment requirements.

The Department must adopt rules for, among other things, an application process for eligible workers to apply for wage recovery disbursements, procedures for determining priority of applicants and disbursements, and procedures for workers to assign wage claims to the Department.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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