

HOUSE BILL REPORT

SHB 2382

As Amended by the Senate

Title: An act relating to death benefits applicable to drivers of transportation network companies.

Brief Description: Concerning death benefits applicable to drivers of transportation network companies.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Berry, Lekanoff, Reed, Bronoske, Fosse, Pollet and Ormsby).

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/23/24, 1/30/24 [DPS].

Floor Activity:

Passed House: 2/13/24, 57-40.

Senate Amended.

Passed Senate: 2/28/24, 32-17.

Brief Summary of Substitute Bill

- Provides that death benefits under the workers' compensation system must be provided to a transportation network company (TNC) driver if the driver's death results from an injury while the driver was logged onto the TNC's digital network as available for work and other conditions are met.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Berry, Chair; Fosse, Vice Chair; Bronoske, Doglio, Ormsby and Ortiz-Self.

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.

Minority Report: Without recommendation. Signed by 3 members: Representatives Schmidt, Ranking Minority Member; Rude and Ybarra.

Staff: Trudes Tango (786-7384).

Background:

Under the state's industrial insurance laws, workers who, in the course of employment, are injured or disabled from an occupational disease are entitled to benefits. The Department of Labor and Industries (Department) administers the program. Depending on the disability, workers receive medical, temporary time-loss, and vocational rehabilitation benefits, as well as benefits for permanent disabilities.

When death results from the work-related injury, the surviving spouse receives a pension until the spouse remarries. Dependent children of workers who die from a work-related injury are also entitled to benefits, as are other dependents. The beneficiary must submit an application for benefits within one year from the date of the worker's death due to injury. The amount of a monthly survivor benefit varies depending upon whether there is a surviving spouse or registered domestic partner, children, or other dependents. For example, a surviving spouse or registered domestic partner may receive 60 percent of the wages at the time of injury, up to the maximum level allowed by law. If the worker had minor children, an additional 2 percent per child is paid, up to an additional maximum of 10 percent.

A "transportation network company" (TNC) is a company that uses a digital network to connect passengers to drivers for prearranged rides. The Department assesses TNCs premiums for workers' compensation coverage applicable to drivers during the time the driver is traveling from a dispatch location to pick up a passenger and while the driver is transporting the passenger. Workers' compensation coverage does not apply to drivers at other times.

Summary of Substitute Bill:

Death benefits must be provided when a TNC driver's death results from an injury while the driver was: (1) logged onto the TNC's digital network as available for work; (2) physically inside the vehicle or within the immediate proximity of the vehicle; and (3) not otherwise covered under the workers' compensation system. The statute of limitations begins upon the driver's death.

The costs of the benefits must be included in the consideration of rate increases for the risk class and not included in any individual TNC's experience modification factor.

The Department may adopt rules to implement this provision.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment:

- requires the Department of Labor and Industries to conduct or contract out for a study and report to the Legislature by July 1, 2029;
- requires the study to include the number and frequency of transportation network company (TNC) drivers filing claims who are victims of crime while connected to a TNC digital network, whether the claims were accepted or denied, and reasons for denial;
- adds an intent section, including a memorial of specifically named transportation network drivers.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill extends death benefits to surviving families when a driver is killed. Since 2020 there have been five drivers murdered while working for ride share companies. This is a very narrow expansion to address something that was not contemplated when the original bill was enacted. The distinction between when a driver is covered based on whether the driver has a passenger or not is arbitrary. There is a gap in coverage. This bill should not impact the independent contractor status of drivers.

(Opposed) There is a fine demarcation between when someone is in employment and when someone is not. When an employee is walking in the parking lot on the way to the office, they are not covered by workers' compensation. This bill opens up what is considered "in the course of employment." There is a broader concern about blurring that line. It is not just about TNCs.

Persons Testifying: (In support) Representative Liz Berry, prime sponsor; Mohamud Adan, Drivers Union; Khadija Mohamed; Anwar Abdella; Brenda Wiest, Teamsters 117; and Michael Wolfe, Drive Forward.

(Opposed) Robert Battles, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.