

RCW 49.46.320 Transportation network companies—Department investigation of compensation-related complaints—Penalties—Appeals—Orders—Private right of action. (1) (a) If a driver files a complaint with the department alleging that a transportation network company failed to provide any compensation amounts due to the driver under RCW 49.46.300, the department shall investigate the complaint under this section. Unless otherwise resolved, the department shall issue either a citation and notice of assessment or a determination of compliance no later than 60 days after the date on which the department received the compensation-related complaint. The department may extend the time period by providing advance written notice to the driver and the transportation network company setting forth good cause for an extension of the time period and specifying the duration of the extension.

(b) The department may not investigate any alleged compensation-related violation that occurred more than three years before the date that the driver filed the compensation-related complaint.

(c) The department shall send the citation and notice of assessment or the determination of compliance to both the transportation network company and the driver by service of process or using a method by which the mailing can be tracked or the delivery can be confirmed to their last known addresses. A transportation network company may designate a mailing address of record for service, and additionally may provide an email address to which the department shall direct electronic courtesy copies of mailed correspondence, if such email address is provided.

(2) If the department determines that a transportation network company has violated a compensation requirement in RCW 49.46.300 and issues to the transportation network company a citation and notice of assessment, the department may order the transportation network company to pay drivers all compensation owed, including interest of one percent per month on all compensation owed, to the driver. The compensation and interest owed must be calculated from the first date compensation was owed to the driver, except that the department may not order the transportation network company to pay any compensation and interest that were owed more than three years before the date the complaint was filed with the department.

(3) If the department determines that the compensation-related violation was a willful violation, and the transportation network company fails to take corrective action, the department also may order the transportation network company to pay the department a civil penalty as specified in (a) of this subsection.

(a) A civil penalty for a willful violation shall be not less than \$1,000 or an amount equal to 10 percent of the total amount of unpaid compensation per claimant, whichever is greater. The maximum civil penalty for a willful violation of requirements in RCW 49.46.300 shall be \$20,000 per claimant.

(b) The department may not assess a civil penalty if the transportation network company reasonably relied on: (i) A rule related to any requirements in this section; (ii) a written order, ruling, approval, opinion, advice, determination, or interpretation of the director; or (iii) an interpretive or administrative policy issued by the department and filed with the office of the code reviser. In accordance with the department's retention schedule obligations under chapter 40.14 RCW, the department shall maintain a complete and accurate record of all written orders, rulings, approvals, opinions,

advice, determinations, and interpretations for purposes of determining whether a transportation network company is immune from civil penalties under this subsection (3)(b).

(c) The department shall waive any civil penalty assessed against a transportation network company under this section if the transportation network company is not a repeat willful violator, and the director determines that the transportation network company has provided payment to the driver of all compensation that the department determined that the transportation network company owed to the driver, including interest, within 30 days of the transportation network company's receipt of the citation and notice of assessment from the department.

(d) The department may waive or reduce at any time a civil penalty assessed under this section if the director determines that the transportation network company paid all compensation and interest owed to a driver.

(e) The department shall deposit civil penalties paid under this section in the supplemental pension fund established under RCW 51.44.033.

(4) Upon payment by a transportation network company, and acceptance by a driver, of all compensation and interest assessed by the department in a citation and notice of assessment issued to the transportation network company, the fact of such payment by the transportation network company, and of such acceptance by the driver, shall: (a) Constitute a full and complete satisfaction by the transportation network company of all specific requirements of RCW 49.46.300 addressed in the citation and notice of assessment; and (b) bar the driver from initiating or pursuing any court action or other judicial or administrative proceeding, including arbitration, based on the specific requirements addressed in the citation and notice of assessment. The citation and notice of assessment shall include a notification and summary of the specific requirements of RCW 49.46.300.

(5) The applicable statute of limitations for civil actions is tolled during the department's investigation of a driver's complaint against a transportation network company. For the purposes of this subsection, the department's investigation begins on the date the driver files the complaint with the department and ends when: (a) The complaint is finally determined through a final and binding citation and notice of assessment or determination of compliance; or (b) the department notifies the transportation network company and the driver in writing that the complaint has been otherwise resolved or that the driver has elected to terminate the department's administrative action under subsection (12) of this section.

(6) A person, firm, or corporation aggrieved by a citation and notice of assessment or a determination of compliance issued by the department under this section or the assessment of a civil penalty due to a determination of status as a repeat willful violator may appeal the citation and notice of assessment, the determination of compliance, or the assessment of a civil penalty to the director by filing a notice of appeal with the director within 30 days of the department's service, as provided in subsection (1) of this section, on the aggrieved party of the citation and notice of assessment, the determination of compliance, or the assessment of a civil penalty. A citation and notice of assessment, a determination of compliance, or an assessment of a civil penalty not appealed within 30 days is final and binding, and not subject to further appeal.

(7) A notice of appeal filed with the director under this section shall stay the effectiveness of the citation and notice of assessment, the determination of compliance, or the assessment of a civil penalty pending final review of the appeal by the director as provided for in chapter 34.05 RCW.

(8) Upon receipt of a notice of appeal, the director shall assign the hearing to an administrative law judge of the office of administrative hearings to conduct the hearing and issue an initial order. The hearing and review procedures shall be conducted in accordance with chapter 34.05 RCW, and the standard of review by the administrative law judge of an appealed citation and notice of assessment, an appealed determination of compliance, or an appealed assessment of a civil penalty shall be de novo. Any party who seeks to challenge an initial order shall file a petition for administrative review with the director within 30 days after service of the initial order. The director shall conduct administrative review in accordance with chapter 34.05 RCW.

(9) The director shall issue all final orders after appeal of the initial order. The final order of the director is subject to judicial review in accordance with chapter 34.05 RCW.

(10) Orders that are not appealed within the time period specified in this section and chapter 34.05 RCW are final and binding, and not subject to further appeal.

(11) Absent good cause, a transportation network company that fails to allow adequate inspection of records in an investigation by the department under this chapter within a reasonable time period may not use such records in any appeal under this section to challenge the correctness of any determination by the department of wages owed or penalties assessed.

(12) A driver who has filed a complaint under this section with the department may elect to terminate the department's administrative action, thereby preserving any private right of action, if any exists, by providing written notice to the department within 10 business days after the driver's receipt of the department's citation and notice of assessment.

(13) If the driver elects to terminate the department's administrative action: (a) The department shall immediately discontinue its action against the transportation network company; (b) the department shall vacate a citation and notice of assessment already issued by the department to the transportation network company; and (c) the citation and notice of assessment, and any related findings of fact or conclusions of law by the department, and any payment or offer of payment by the transportation network company of the compensation, including interest, assessed by the department in the citation and notice of assessment, shall not be admissible in any court action or other judicial or administrative proceeding.

(14) Nothing in this section shall be construed to limit or affect: (a) The right of any driver to pursue any judicial, administrative, or other action available with respect to a transportation network company; (b) the right of the department to pursue any judicial, administrative, or other action available with respect to a driver that is identified as a result of a complaint for a violation of RCW 49.46.300; or (c) the right of the department to pursue any judicial, administrative, or other action available with respect to a transportation network company in the absence of a complaint for a violation of RCW 49.46.300. For purposes of this subsection, "driver" means a driver other than a driver who has filed

a complaint with the department and who thereafter has elected to terminate the department's administrative action as provided in subsection (1) of this section.

(15) After a final order is issued under this section, and served as provided in subsection (1) of this section, if a transportation network company defaults in the payment of: (a) Any compensation determined by the department to be owed to a driver, including interest; or (b) any civil penalty ordered by the department under this section, the director may file with the clerk of any county within the state a warrant in the amount of the payment plus any filing fees. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for the warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the transportation network company mentioned in the warrant, the amount of payment due plus any filing fees, and the date when the warrant was filed. The aggregate amount of the warrant as docketed becomes a lien upon the title to, and interest in, all real and personal property of the transportation network company against whom the warrant is issued, the same as a judgment in a civil case docketed with the superior court clerk. The sheriff shall proceed upon the warrant in all respects and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in a court of competent jurisdiction. The warrant so docketed is sufficient to support the issuance of writs of garnishment in favor of the state in a manner provided by law in case of judgment, wholly or partially unsatisfied. The clerk of the court is entitled to a filing fee which will be added to the amount of the warrant. A copy of the warrant shall be served on the transportation network company, as provided in subsection (1) of this section, within three days of filing with the clerk.

(16) (a) The director may issue to any person, firm, corporation, other entity, municipal corporation, political subdivision of the state, public corporation, or any agency of the state, a notice and order to withhold and deliver property of any kind when he or she has reason to believe that there is in the possession of the person, firm, corporation, other entity, municipal corporation, political subdivision of the state, public corporation, or agency of the state, property that is or will become due, owing, or belonging to a transportation network company upon whom a notice of assessment has been served by the department for payments or civil penalties due to the department. The effect of a notice and order is continuous from the date the notice and order is first made until the liability out of which the notice and order arose is satisfied or becomes unenforceable because of lapse of time. The department shall release the notice and order when the liability out of which the notice and order arose is satisfied or becomes unenforceable by reason of lapse of time and shall notify the person against whom the notice and order was made that the notice and order has been released.

(b) The notice and order to withhold and deliver must be served by the sheriff of the county or by the sheriff's deputy, by certified mail, return receipt requested, or by the director. A person, firm, corporation, other entity, municipal corporation, political subdivision of the state, public corporation, or agency of the state upon whom service has been made shall answer the notice within 20 days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice and order.

Upon service of the notice and order, if the party served possesses any property that may be subject to the claim of the department, the party shall promptly deliver the property to the director. The director shall hold the property in trust for application on the transportation network company's indebtedness to the department, or for return without interest, in accordance with a final determination of a petition for review. In the alternative, the party shall furnish a good and sufficient surety bond satisfactory to the director conditioned upon final determination of liability. If a party served and named in the notice fails to answer the notice within the time prescribed in this section, the court may render judgment by default against the party for the full amount claimed by the director in the notice, together with costs. If a notice is served upon a transportation network company and the property subject to it is compensation, the transportation network company may assert in the answer all exemptions provided for by chapter 6.27 RCW to which the compensation earner is entitled.

(c) As an alternative to the methods of service described in this section, the department may electronically serve a financial institution with a notice and order to withhold and deliver by providing a list of its outstanding warrants, except those for which a payment agreement is in good standing, to the department of revenue. The department of revenue may include the warrants provided by the department in a notice and order to withhold and deliver served under RCW 82.32.235(3). A financial institution that is served with a notice and order to withhold and deliver under this subsection (16)(c) must answer the notice within the time period applicable to service under RCW 82.32.235(3). The department and the department of revenue may adopt rules to implement this subsection (16)(c).

(17)(a) In addition to the procedure for collection of compensation owed, including interest, and civil penalties as set forth in this section, the department may recover compensation owed, including interest, and civil penalties assessed under RCW 49.48.083 in a civil action brought in a court of competent jurisdiction of the county where the violation is alleged to have occurred.

(b) The department may use the procedures under this section to foreclose compensation liens established under chapter 60.90 RCW. When the department is foreclosing on a compensation lien, the date the compensation lien was originally filed shall be the date by which priority is determined, regardless of the date the warrant is filed under this section.

(18) Whenever any transportation network company quits business, sells out, exchanges, or otherwise disposes of the transportation network company's business or stock of goods, any person who becomes a successor to the business becomes liable for the full amount of any outstanding citation and notice of assessment or penalty against the transportation network company's business under this chapter if, at the time of the conveyance of the business, the successor has: (a) Actual knowledge of the fact and amount of the outstanding citation and notice of assessment; or (b) a prompt, reasonable, and effective means of accessing and verifying the fact and amount of the outstanding citation and notice of assessment from the department. If the citation and notice of assessment or penalty is not paid in full by the transportation network company within 10 days of the date of the sale, exchange, or disposal, the successor is liable for the payment of the full amount of the citation and notice of assessment or penalty, and payment thereof by the successor must, to the extent

thereof, be deemed a payment upon the purchase price. If the payment is greater in amount than the purchase price, the amount of the difference becomes a debt due the successor from the transportation network company.

(19) This section does not affect other collection remedies that are otherwise provided by law. [2022 c 281 s 3.]