
**Labor & Workplace Standards
Committee**

HB 1217

Brief Description: Concerning wage complaints.

Sponsors: Representatives Ortiz-Self, Fosse, Berry, Reed, Simmons, Gregerson, Ramel, Macri and Pollet.

Brief Summary of Bill

- Authorizes the Department of Labor and Industries (Department) to demand interest on wages owed when a wage complaint is filed, and prohibits the Department from waiving or reducing the interest unless the employee requests a waiver or reduction.
- Requires the Department to convene a work group to develop strategies to provide relief to workers of wage theft, including the creation of a wage recovery fund.

Hearing Date: 1/27/23

Staff: Trudes Tango (786-7384).

Background:

An individual owed wages may file a wage complaint with the Department of Labor and Industries (Department) under the Wage Payment Act (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.

When the Department issues a citation and notice of assessment, it may order the employer to

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pay the employee all wages owed, including interest of one percent per month, calculated from the first date wages were owed. The WPA does not have a provision allowing for the collection of interest when a complaint is resolved before the issuance of a citation and notice of assessment.

Summary of Bill:

The Wage Payment Act is amended to allow the Department to demand all amounts owed, including interest of one percent per month, for all wage complaints filed. The Department may not waive or reduce any interest on any amounts owed unless the employee expressly requests a waiver or reduction of interest.

The Department must convene a work group to develop and recommend strategies to help workers recover wages and be made whole as quickly and as fully as possible. The work group must identify options to enhance the Department's ability to provide swift relief to workers. The work group must explore options that include the creation of a wage recovery fund or similar mechanism to provide relief before the employer has paid the worker or the Department. The work group must also explore other procedures used in other states.

The work group must include at least one representative from:

- the Department;
- a worker advocacy organization;
- a civil legal services organization;
- a business advocacy organization; and
- an academic institution with legal scholars who specialize in employment law.

The work group's recommendations must be made by consensus. The work group must submit a report with its recommendations to the appropriate committees of the Legislature by December 1, 2023.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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