

HOUSE BILL REPORT

SHB 2097

As Passed Legislature

Title: An act relating to assisting workers in recovering wages owed.

Brief Description: Assisting workers in recovering wages owed.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Berry, Ortiz-Self, Reed, Simmons, Ormsby, Ramel, Fosse, Goodman, Lekanoff, Doglio, Pollet and Kloba).

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/16/24, 1/24/24 [DPS].

Floor Activity:

Passed House: 2/7/24, 95-0.

Passed Senate: 3/1/24, 49-0.

Passed Legislature.

Brief Summary of Substitute Bill

- Requires the Department of Labor and Industries to convene a work group to develop and recommend strategies to help employees recover wages owed when employers violate provisions of the Minimum Wage Act or wage payment requirements.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Berry, Chair; Fosse, Vice Chair; Schmidt, Ranking Minority Member; Bronoske, Doglio, Ormsby, Ortiz-Self, Rude and Ybarra.

Staff: Trudes Tango (786-7384).

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.

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 and 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.

Summary of Substitute Bill:Work Group.

The Department must convene a work group to develop and recommend strategies that help employees who are owed wages recover those wages and be made whole as quickly and as fully as possible when their employers violate provisions under the WPA or the MWA.

The work group must identify options to enhance the Department's ability to provide swift relief to employees. 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, with one member representing small employers;
- 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, 2025.

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) Many low-wage workers experience wage theft and the complaints filed at the

Department of Labor and Industries (Department) only represent a fraction of the wage thefts that happen. This work group is a good first step. When workers do not get paid, they are unable to pay their bills, and they quickly fall behind. They suffer detrimental consequences and cannot catch up. It can take 60 days or more for the Department to investigate, and the collection rate is low. Workers need to be able to access funds sooner.

(Opposed) None.

(Other) Because the proposed substitute bill removed some provisions, the bill is more acceptable.

Persons Testifying: (In support) Representative Liz Berry, prime sponsor; Elizabeth Ford; Julie Phillips; Linnea Snapp; and Andrea Schmitt, Columbia Legal Services.

(Other) Tricia Gullion, Building Industry Association of Washington; and Robert Battles, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.