

# SENATE BILL REPORT

## SHB 2097

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As Passed Senate, March 1, 2024

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

**Committee Activity:** Labor & Commerce: 2/15/24, 2/19/24 [DP, DNP, w/oRec].

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

### Brief Summary of 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.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Hansen and Stanford.

**Minority Report:** Do not pass.

Signed by Senator Schoesler.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Braun and MacEwen.

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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.*

**Staff:** Jarrett Sacks (786-7448)

**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 (L&I) under the WPA, and L&I must investigate. Unless the complaint is otherwise resolved, the L&I must issue either a citation and notice of assessment or a determination of compliance.

**Summary of Bill:** L&I 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 fully as possible when their employer violates the Minimum Wage Act or state wage payment requirements. The work group must identify options to enhance L&I's ability to provide swift relief to employees. Options the work group must explore include:

- a wage recovery program or a wage recovery fund; and
- procedures and mechanisms used in other states that ensure full and timely recovery for employees and that deter future violations.

The work group must include the following representatives:

- two representatives from employee advocacy organizations;
- two representatives from employer and business advocacy organizations, with one of the members 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, if possible. For each recommendation, the work group must identify and address implementation issues and assess feasibility.

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.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: We need to ensure victims of wage theft are made whole fully and quickly as possible. Many workers cannot survive weeks or months

without pay. Workers that are denied overtime pay have few options and wage theft can lead to falling behind on rent. Receiving paychecks on time or having immediate legal recourse can avoid detrimental consequences for workers. When employers violate law, there is no guarantee that the employer will immediately pay what is owed.

**Persons Testifying:** PRO: Elizabeth Ford; Linnea Snapp; Julie Phillips; Andrea Schmitt, Columbia Legal Services.

**Persons Signed In To Testify But Not Testifying:** No one.