H-2788.1

SUBSTITUTE HOUSE BILL 1905

State of Washington 68th Legislature 2024 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Mena, Senn, Berry, Cortes, Morgan, Ortiz-Self, Ramel, Ramos, Bateman, Reed, Ormsby, Callan, Kloba, Macri, Street, Gregerson, Doglio, Orwall, Bergquist, Goodman, Reeves, Lekanoff, Hackney, Fosse, Pollet, Davis, and Simmons)

READ FIRST TIME 01/23/24.

AN ACT Relating to including protected classes in the Washington equal pay and opportunities act; amending RCW 49.58.005, 49.58.010, 49.58.020, and 49.58.030; adding a new section to chapter 49.58 RCW; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 49.58.005 and 2019 c 345 s 1 are each amended to 7 read as follows:

(1) The legislature finds that despite existing equal pay laws, 8 9 there continues to be a gap in wages and advancement opportunities among workers in Washington, especially women and workers in other 10 11 protected classes. Income disparities limit the ability of ((women)) 12 these workers to provide for their families, leading to higher rates 13 of poverty among women and children and workers in other protected 14 classes. The legislature finds that in order to promote fairness 15 among workers, employees must be compensated equitably. Further, 16 policies that encourage retaliation or discipline towards workers who 17 discuss or inquire about compensation prevent workers from moving 18 forward.

19 (2) The legislature intends to update the existing Washington 20 state equal pay act, not modified since 1943, to address income 1 disparities, employer discrimination, and retaliation practices, and 2 to reflect the equal status of all workers in Washington state.

3 (3) The legislature finds that:

4 (a) The long-held business practice of inquiring about salary
5 history has contributed to persistent earning inequalities;

6 (b) Historically, women have been offered lower initial pay than 7 men for the same jobs even where their levels of education and 8 experience are the same or comparable; and

9 (c) Lower starting salaries translate into lower pay, less family 10 income, and more children and families in poverty.

11 (4) The legislature therefore intends to follow multiple other 12 states and take the additional step towards gender equality by 13 prohibiting an employer from seeking the wage or salary history of an 14 applicant for employment in certain circumstances. Further, the 15 legislature intends to require an employer to provide wage and salary 16 information to applicants and employees.

17 Sec. 2. RCW 49.58.010 and 2018 c 116 s 2 are each amended to 18 read as follows:

19 The definitions in this section apply throughout this chapter 20 unless the context clearly requires otherwise.

(1) "Compensation" means discretionary and nondiscretionary wages and benefits provided by an employer to an employee as a result of the employment relationship.

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(2) "Department" means the department of labor and industries.

(3) "Director" means the director of the department of labor andindustries, or the director's designated representative.

(4) "Employee" means an employee who is employed in the business
of the employee's employer whether by way of manual labor or
otherwise.

30 (5) "Employer" means any person, firm, corporation, partnership, 31 business trust, legal representative, or other business entity which 32 engages in any business, industry, profession, or activity in this 33 state and employs one or more employees, and includes the state, any 34 state institution, state agency, political subdivisions of the state, 35 and any municipal corporation or quasi-municipal corporation.

36 (6) "Protected class" means a person's age, sex, marital status, 37 sexual orientation, race, creed, color, national origin, citizenship 38 or immigration status, honorably discharged veteran or military 39 status, or the presence of any sensory, mental, or physical 1 <u>disability or the use of a trained dog guide or service animal by a</u> 2 <u>person with a disability, as those terms are defined in RCW</u> 3 <u>49.60.040.</u>

4 Sec. 3. RCW 49.58.020 and 2018 c 116 s 3 are each amended to 5 read as follows:

6 (1) Any employer in this state who discriminates in any way in 7 providing compensation based on <u>a person's</u> gender <u>or membership in a</u> protected class between similarly employed employees of the employer 8 9 is quilty of a misdemeanor. If any employee receives less compensation because of discrimination on account of the person's 10 gender or membership in a protected class in violation of this 11 section, that employee is entitled to the remedies in RCW 49.58.060 12 and 49.58.070. In such action, however, the employer shall be 13 credited with any compensation which has been paid to the employee 14 15 upon account.

16 (2) For purposes of this section, employees are similarly 17 employed if the individuals work for the same employer, the 18 performance of the job requires similar skill, effort, and 19 responsibility, and the jobs are performed under similar working 20 conditions. Job titles alone are not determinative of whether 21 employees are similarly employed.

(3) (a) Discrimination within the meaning of this section does not include a differential in compensation based in good faith on a bona fide job-related factor or factors that:

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(i) Are consistent with business necessity;

26 (ii) Are not based on or derived from a gender-based differential 27 <u>and are not based on or derived from the employee being a member of a</u> 28 <u>protected class</u>; and

29 (iii) Account for the entire differential. More than one factor 30 may account for the differential.

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(b) Such bona fide factors include, but are not limited to:

32 (i) Education, training, or experience;

33 (ii) A seniority system;

34 (iii) A merit system;

35 (iv) A system that measures earnings by quantity or quality of 36 production; or

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(v) A bona fide regional difference in compensation levels.

1 (c) A differential in compensation based in good faith on a local 2 government ordinance providing for a minimum wage different from 3 state law does not constitute discrimination under this section.

4 (d) An individual's previous wage or salary history is not a 5 defense under this section.

6 (e) The employer carries the burden of proof on these defenses.

7 (4) A person may file a complaint or bring an action under this
8 chapter asserting discrimination based on the person's membership in
9 more than one protected class.

10 Sec. 4. RCW 49.58.030 and 2018 c 116 s 4 are each amended to 11 read as follows:

12 (1) The legislature finds that equality of opportunity for 13 advancement is key to reducing income disparities based on gender <u>and</u> 14 <u>memberships in protected classes</u>. The legislature further finds that 15 using gender <u>or membership in a protected class</u> as a factor in 16 advancement contributes to pay inequity.

17 (2) An employer may not, on the basis of <u>a person's</u> gender <u>or</u> 18 <u>other membership in a protected class</u>, limit or deprive an employee 19 of career advancement opportunities that would otherwise be 20 available.

(3) A differential in career advancement based on a bona fide job-related factor or factors that meet the criteria in RCW 49.58.020(3)(a) (i) through (iii) does not constitute discrimination within the meaning of this section. Such bona fide factors include, but are not limited to, the factors specified in RCW 49.58.020(3)(b) (i) through (iv).

(4) (a) If it is determined that an employer committed a pattern of violations of this section as to an employee or committed a violation of this section through application of a formal or informal employer policy or practice, the employee is entitled to the remedies in this section and in RCW 49.58.070.

32 (b) Upon complaint by an employee, the director must investigate 33 to determine if there has been compliance with this section and the 34 rules adopted to implement this section. The director, upon 35 complaint, may also initiate an investigation on behalf of one or 36 more employees for a violation of this section and the rules adopted 37 to implement this section. The director may require the testimony of 38 witnesses and production of documents as part of an investigation.

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1 (c) If the director determines that a violation occurred, the 2 director shall attempt to resolve the violation by conference and 3 conciliation.

4 (d) If no agreement is reached to resolve the violation and the 5 director determines that the employer committed a pattern of 6 violations of this section as to an employee or committed a violation 7 of this section through application of a formal or informal employer 8 policy or practice, the director may issue a citation and notice of 9 assessment and order:

(i) The employer to pay to the employee actual damages, statutory damages equal to the actual damages or ((five thousand dollars)) \$5,000, whichever is greater, and interest of one percent per month on all compensation owed;

14 (ii) The employer to pay to the department the costs of 15 investigation and enforcement; and

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(iii) Any other appropriate relief.

(e) In addition to the citation and notice of assessment, if the director determines that the employer committed a pattern of violations of this section as to an employee or committed a violation of this section through application of a formal or informal employer policy or practice, the director may order payment to the department of a civil penalty. The violation as to each affected employee constitutes a separate violation.

24 (i) For a first violation, the civil penalty may not exceed 25 ((five hundred dollars)) \$500.

(ii) For a repeat violation, the civil penalty may not exceed ((one thousand dollars)) <u>\$1,000</u> or ((ten)) <u>10</u> percent of the damages, whichever is greater.

(f) RCW 49.58.060 (3), (4), and (5) applies to this section.
<u>(5) Subject to subsection (4)(a) of this section, a person may</u>

31 <u>file a complaint or bring an action under this chapter asserting</u> 32 <u>discrimination based on the person's membership in more than one</u> 33 <u>protected class.</u>

34 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 49.58 35 RCW to read as follows:

The department must develop educational materials and conduct outreach to inform individuals and businesses of the new provisions related to discrimination based on membership in a protected class.

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