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SENATE BILL 5726

State of Washington

68th Legislature

2023 Regular Session

By Senator King

- 1 AN ACT Relating to the prevailing wages and sick leave benefits
- 2 for construction workers; amending RCW 39.12.015, 39.12.030, and
- 3 49.46.210; and providing an effective date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 39.12.015 and 2019 c 29 s 2 are each amended to read 6 as follows:
- 7 (1) All determinations of the prevailing rate of wage shall be 8 made by the industrial statistician of the department of labor and 9 industries.
- 10 (2) The time period for recovery of any wages owed to a worker 11 affected by the determination is tolled until the prevailing wage 12 determination is final.
- (3) (a) Except as provided in RCW 39.12.017, and notwithstanding RCW 39.12.010(1), the industrial statistician shall establish the prevailing rate of wage by adopting the hourly wage, usual benefits, and overtime paid for the geographic jurisdiction established in collective bargaining agreements for those trades and occupations that have collective bargaining agreements. For trades and occupations with more than one collective bargaining agreement in the

20 county, the ((higher rate will prevail.

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(b)) industrial statistician shall determine and prevail the majority rate from those agreements. When a majority rate is not present, the industrial statistician shall determine and prevail the rate representing the preponderance of hours.

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- (b) An interested party may contest a determination by the industrial statistician under this subsection. The interested party must allege and prove by competent evidence that the actual rate used in the determination is less than the rate representing the majority number or preponderance of hours worked. Until final determination thereof, the work in question shall proceed under the rate established by the appropriate fiscal officer.
- 12 (c) For trades and occupations in which there are no collective bargaining agreements in the county, the industrial statistician 13 shall establish the prevailing rate of wage as defined in RCW 14 15 39.12.010 by conducting wage and hour surveys. In instances when 16 there are no applicable collective bargaining agreements 17 conducting wage and hour surveys is not feasible, the industrial statistician may employ other appropriate methods to establish the 18 19 prevailing rate of wage.
- 20 **Sec. 2.** RCW 39.12.030 and 2009 c 62 s 1 are each amended to read 21 as follows:
 - (1) The specifications for every contract for the construction, reconstruction, maintenance or repair of any public work to which the state or any county, municipality, or political subdivision created by its laws is a party, shall contain a provision stating the hourly minimum rate of wage, not less than the prevailing rate of wage, which may be paid to laborers, workers, or mechanics in each trade or occupation required for such public work employed in the performance of the contract either by the contractor, subcontractor or other person doing or contracting to do the whole or any part of the work contemplated by the contract, and the contract shall ((contain a stipulation)) stipulate that such laborers, workers, or mechanics shall be paid not less than such specified hourly minimum rate of wage. The contract shall stipulate that the hourly minimum rate of wage for laborers, workers, or mechanics must be adjusted as necessary to provide that such wage is not less than the latest prevailing rate of wage in effect at the time the work is performed. Any cost increases associated by wage adjustments of the prevailing rate of wage under this chapter shall be a basis for equitable

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adjustment for the contractor affected by said increase. If the awarding agency determines that the work contracted for meets the definition of residential construction, the contract must include that information.

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- (2) If the hourly minimum rate of wage stated in the contract 5 6 specifies residential construction rates and it is later determined 7 that the work performed is commercial and subject to commercial construction rates, the state, county, municipality, or political 8 subdivision that entered into the contract must pay the difference 9 between the residential rate stated and the actual commercial rate to 10 the contractor, subcontractor, or other person doing or contracting 11 to do the whole or any part of the work under the contract. 12
- 13 **Sec. 3.** RCW 49.46.210 and 2022 c 281 s 6 are each amended to 14 read as follows:
- 15 (1) Beginning January 1, 2018, except as provided in RCW 49.46.180, every employer shall provide each of its employees paid sick leave as follows:
 - (a) An employee shall accrue at least one hour of paid sick leave for every forty hours worked as an employee. An employer may provide paid sick leave in advance of accrual provided that such front-loading meets or exceeds the requirements of this section for accrual, use, and carryover of paid sick leave.
- 23 (b) An employee is authorized to use paid sick leave for the following reasons:
 - (i) An absence resulting from an employee's mental or physical illness, injury, or health condition; to accommodate the employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's need for preventive medical care;
 - (ii) To allow the employee to provide care for a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a family member who needs preventive medical care; and
- 35 (iii) When the employee's place of business has been closed by 36 order of a public official for any health-related reason, or when an 37 employee's child's school or place of care has been closed for such a 38 reason.

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1 (c) An employee is authorized to use paid sick leave for absences 2 that qualify for leave under the domestic violence leave act, chapter 3 49.76 RCW.

- (d) An employee is entitled to use accrued paid sick leave beginning on the ninetieth calendar day after the commencement of his or her employment.
- (e) Employers are not prevented from providing more generous paid sick leave policies or permitting use of paid sick leave for additional purposes.
- (f) An employer may require employees to give reasonable notice of an absence from work, so long as such notice does not interfere with an employee's lawful use of paid sick leave.
- (g) For absences exceeding three days, an employer may require verification that an employee's use of paid sick leave is for an authorized purpose. If an employer requires verification, verification must be provided to the employer within a reasonable time period during or after the leave. An employer's requirements for verification may not result in an unreasonable burden or expense on the employee and may not exceed privacy or verification requirements otherwise established by law.
- (h) An employer may not require, as a condition of an employee taking paid sick leave, that the employee search for or find a replacement worker to cover the hours during which the employee is on paid sick leave.
- (i) For each hour of paid sick leave used, an employee shall be paid the greater of the minimum hourly wage rate established in this chapter or his or her normal hourly compensation. The employer is responsible for providing regular notification to employees about the amount of paid sick leave available to the employee.
- (j) ((Unused)) Except as provided in (l) of this subsection, accrued and unused paid sick leave carries over to the following year, ((except that)) but an employer is not required to allow an employee to carry over paid sick leave in excess of ((forty)) 40 hours.
- (k) ((This section does not require an employer)) Except as provided in (l) of this subsection, an employer is not required to provide financial or other reimbursement for accrued and unused paid sick leave to any employee upon the employee's termination, resignation, retirement, or other separation from employment. When there is a separation from employment and the employee is rehired

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- 1 within ((twelve)) $\underline{12}$ months of separation by the same employer, whether at the same or a different business location of the employer, 2 previously accrued unused paid sick leave shall be reinstated and the 3 previous period of employment shall be counted for purposes of 4 determining the employee's eligibility to use paid sick leave under 5 6 subsection (1)(d) of this section. For purposes of this subsection (1)(k), "previously accrued and unused paid sick leave" does not 7 include sick leave paid out to a construction worker under (1) of 8 9 this subsection.
 - (1) For construction workers covered under an approved referral union program authorized under RCW 50.20.010 and in compliance with WAC 192-210-110, who have not met the ninetieth day eligibility under (d) of this subsection at the time of separation, the employer must pay the former worker the balance of their accrued and unused paid sick leave upon separation.
- 16 (2) For purposes of this section, "family member" means any of the following:
 - (a) A child, including a biological, adopted, or foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status;
 - (b) A biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child;
 - (c) A spouse;
 - (d) A registered domestic partner;
 - (e) A grandparent;
- 29 (f) A grandchild; or
- 30 (q) A sibling.

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- 31 (3) An employer may not adopt or enforce any policy that counts 32 the use of paid sick leave time as an absence that may lead to or 33 result in discipline against the employee.
 - (4) An employer may not discriminate or retaliate against an employee for his or her exercise of any rights under this chapter including the use of paid sick leave.
- 37 (5)(a) The definitions in this subsection apply to this 38 subsection:
- (i) "Average hourly compensation" means a driver's compensation during passenger platform time from, or facilitated by, the

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- transportation network company, during the 365 days immediately prior to the day that paid sick time is used, divided by the total hours of passenger platform time worked by the driver on that transportation network company's driver platform during that period. "Average hourly compensation" does not include tips.
- (ii) "Driver," "driver platform," "passenger platform time," and "transportation network company" have the meanings provided in RCW 49.46.300.
- (iii) "Earned paid sick time" is the time provided by a transportation network company to a driver as calculated under this subsection. For each hour of earned paid sick time used by a driver, the transportation network company shall compensate the driver at a rate equal to the driver's average hourly compensation.
- 14 (iv) For purposes of drivers, "family member" means any of the 15 following:
 - (A) A child, including a biological, adopted, or foster child, stepchild, or a child to whom the driver stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status;
 - (B) A biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of a driver or the driver's spouse or registered domestic partner, or a person who stood in loco parentis when the driver was a minor child;
 - (C) A spouse;
 - (D) A registered domestic partner;
 - (E) A grandparent;
 - (F) A grandchild; or
- 28 (G) A sibling.

- (b) Beginning January 1, 2023, a transportation network company must provide to each driver operating on its driver platform compensation for earned paid sick time as required by this subsection and subject to the provisions of this subsection. A driver shall accrue one hour of earned paid sick time for every 40 hours of passenger platform time worked.
- (c) A driver is entitled to use accrued earned paid sick time upon recording 90 hours of passenger platform time on the transportation network company's driver platform.
- 38 (d) For each hour of earned paid sick time used, a driver shall 39 be paid the driver's average hourly compensation.

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(e) A transportation network company shall establish an accessible system for drivers to request and use earned paid sick time. The system must be available to drivers via smartphone application and online web portal.

- (f) A driver may carry over up to 40 hours of unused earned paid sick time to the next calendar year. If a driver carries over unused earned paid sick time to the following year, accrual of earned paid sick time in the subsequent year must be in addition to the hours accrued in the previous year and carried over.
- (g) A driver is entitled to use accrued earned paid sick time if the driver has used the transportation network company's platform as a driver within 90 calendar days preceding the driver's request to use earned paid sick time.
- 14 (h) A driver is entitled to use earned paid sick time for the 15 following reasons:
 - (i) An absence resulting from the driver's mental or physical illness, injury, or health condition; to accommodate the driver's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's need for preventive medical care;
 - (ii) To allow the driver to provide care for a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a family member who needs preventive medical care;
 - (iii) When the driver's child's school or place of care has been closed by order of a public official for any health-related reason;
 - (iv) For absences for which an employee would be entitled for leave under RCW 49.76.030; and
 - (v) During a deactivation or other status that prevents the driver from performing network services on the transportation network company's platform, unless the deactivation or status is due to a verified allegation of sexual assault or physical assault perpetrated by the driver.
 - (i) If a driver does not record any passenger platform time in a transportation network company's driver platform for 365 or more consecutive days, any unused earned paid sick time accrued up to that point with that transportation network company is no longer valid or recognized.

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(j) Drivers may use accrued days of earned paid sick time in increments of a minimum of four or more hours. Drivers are entitled to request four or more hours of earned paid sick time for immediate use, including consecutive days of use. Drivers are not entitled to use more than eight hours of earned paid sick time within a single calendar day.

- (k) A transportation network company shall compensate a driver for requested hours or days of earned paid sick time no later than 14 calendar days or the next regularly scheduled date of compensation following the requested hours or days of earned paid sick time.
- (1) A transportation network company shall not request or require reasonable verification of a driver's qualifying illness except as would be permitted to be requested of an employee under subsection (1)(g) of this section. If a transportation network company requires verification pursuant to this subsection, the transportation network company must compensate the driver for the requested hours or days of earned paid sick time no later than the driver's next regularly scheduled date of compensation after satisfactory verification is provided.
- (m) If a driver accepts an offer of prearranged services for compensation from a transportation network company during the four-hour period or periods for which the driver requested earned paid sick time, a transportation network company may determine that the driver did not use earned paid sick time for an authorized purpose.
- (n) A transportation network company shall provide each driver with:
- (i) Written notification of the current rate of average hourly compensation while a passenger is in the vehicle during the most recent calendar month for use of earned paid sick time;
- (ii) An updated amount of accrued earned paid sick time since the last notification;
 - (iii) Reduced earned paid sick time since the last notification;
 - (iv) Any unused earned paid sick time available for use; and
- (v) Any amount that the transportation network company may subtract from the driver's compensation for earned paid sick time. The transportation network company shall provide this information to the driver no less than monthly. The transportation network company may choose a reasonable system for providing this notification, including but not limited to: A pay stub; a weekly summary of compensation information; or an online system where drivers can

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access their own earned paid sick time information. A transportation network company is not required to provide this information to a driver if the driver has not worked any days since the last notification.

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- (o) A transportation network company may not adopt or enforce any policy that counts the use of earned paid sick time as an absence that may lead to or result in any action that adversely affects the driver's use of the transportation network.
- 9 (p) A transportation network company may not take any action 10 against a driver that adversely affects the driver's use of the 11 transportation network due to his or her exercise of any rights under 12 this subsection including the use of earned paid sick time.
- 13 (q) The department may adopt rules to implement this subsection.
- NEW SECTION. Sec. 4. Section 2 of this act takes effect July 1, 2024.

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