SENATE BILL REPORT SB 5501

As Reported by Senate Committee On: Labor & Commerce, February 14, 2025

Title: An act relating to employer requirements for driving.

Brief Description: Concerning employer requirements for driving.

Sponsors: Senators Stanford, Saldaña, Hasegawa and Nobles.

Brief History:

Committee Activity: Labor & Commerce: 2/04/25, 2/14/25 [DPS, DNP, w/oRec].

Brief Summary of First Substitute Bill

• Prohibits an employer from requiring a driver's license as a condition of employment, or including a statement in a job posting that an applicant must have a valid driver's license, unless driving is an essential job function or is related to a legitimate business purpose for the position.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5501 be substituted therefor, and the substitute bill do pass.

Signed by Senators Saldaña, Chair; Conway, Vice Chair; Alvarado, Ramos and Stanford.

Minority Report: Do not pass.

Signed by Senators MacEwen and Schoesler.

Minority Report: That it be referred without recommendation. Signed by Senator King, Ranking Member.

Staff: Jarrett Sacks (786-7448)

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: <u>The Equal Pay and Opportunities Act.</u> Under the Equal Pay and Opportunities Act (EPOA), it is a misdemeanor for an employer in the state to discriminate in compensation against similarly employed employees based on the employee's gender or membership in a protected class. The EPOA also prohibits employers from discriminating, based on gender or membership in a protected class, in career advancement opportunities against similarly employees.

The employee may file a complaint with the Department of Labor and Industries (L&I). L&I must investigate the complaint and if it determines a violation has occurred, the director of L&I must attempt to resolve the issue by conference and conciliation. If no agreement is reached, L&I may issue a citation and notice of assessment and order actual damages, statutory damages equal to the greater of actual damages or \$5,000, interest, costs and fees, and other appropriate relief, including civil penalties.

The employee may bring a civil action against the employer, in which case the employee's administrative complaint is terminated. The employee may be entitled to actual damages, statutory damages equal to the greater of actual damages or \$5,000, interest, and costs and reasonable attorneys' fees. The court may also order reinstatement and injunctive relief.

Under EPOA, an employer is person, firm, corporation, partnership, business trust, legal representative, or other business entity which engages in any business, industry, profession, or activity in this state and employs one or more employees, and includes the state, any state institution, state agency, political subdivisions of the state, and any municipal corporation or quasi-municipal corporation.

<u>Washington Law Against Discrimination.</u> The Washington Law Against Discrimination (WLAD) makes it an unfair practice for an employer to discriminate with regard to compensation or other terms or conditions of employment against an employee based on the individual's age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental or physical disability or the use of a trained dog guide or service animal by a person with a disability.

WLAD applies to employers that employ eight or more persons and does not include any religious or sectarian organization not organized for private profit.

An employee alleging an unfair practice may file a complaint with the Human Rights Commission, which must investigate and attempt to eliminate the unfair practice by conference, conciliation, and persuasion. An employee may also bring a civil cause of action in court to recover actual damages, costs, and reasonable attorneys' fees, and any other appropriate remedy.

<u>Americans with Disabilities Act.</u> The Americans with Disabilities Act (ADA) prohibits discrimination against a qualified individual on the basis of disability in regard to job

application procedures, the hiring, advancement, or discharge of employees, employee compensation, job training, and other terms, conditions, and privileges of employment. A qualified individual is an individual who, with or without reasonable accommodation, can perform essential functions of the employment position that such individual holds or desires. It is a defense to a charge of discrimination under the ADA that an alleged qualification standard, tests, or selection criteria that screen out or tend to screen out an individual with a disability has been shown to be job-related and consistent with business necessity, and such performance cannot be accomplished by reasonable accommodation.

Summary of Bill (First Substitute): Unless driving is one of the essential job functions or is related to a legitimate business purpose for a position, it is unlawful to:

- require a valid driver's license as a condition of employment; or
- include a statement in a job posting for a job opening that an applicant must have a valid driver's license.

L&I must investigate complaints regarding violations of the bill and, if it determines a violation has occurred, order the payment to the complainant of:

- any actual damages;
- statutory damages equal to the actual damages or \$5,000, whichever is greater; and
- interest of 1 percent per month on all compensation owed.

L&I may also order payment of the costs of the investigation and enforcement, order any other appropriate relief, and assess a civil penalty of:

- for the first violation, up to \$500; and
- for a repeat violation, up to \$1,000 or 10 percent of the damages, whichever is greater.

If no violation is found, L&I must issue a closure letter detailing the finding. L&I's determinations may be appealed. An employee who prevails is entitled to costs and reasonable attorneys' fees. Any wages and interest owed must be calculated from four years from the last violation before the complaint.

L&I's rulemaking authority under the Equal Pay and Opportunities Act is expanded to cover the entire act, including the bill, rather than specific statutes.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

• Allows an employer to require a driver's license as a condition of employment or in a job posting if driving is one of the essential job functions or is related to a legitimate business purpose for a position, rather than if the employer reasonably expects driving to be one of the essential job functions.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The bill will open up more opportunities for people with disabilities, but it extends beyond to anyone who may not have a license. More young people are choosing not to drive, so the bill will help them, too. People with disabilities are excluded from certain jobs, including state jobs, because of license requirements. The state should allow for reasonable accommodations, such as the use of ride shares and public transit.

CON: The bill needs to define certain terms such as reasonable. It should also have an exception for auto businesses who have people moving and interacting with cars routinely. The bill should require L&I do outreach to educate businesses about the bill.

OTHER: The underlying intent of the bill is good, but there are concerns around some of the terms. The agency may have a different definition of what is reasonable.

Persons Testifying: PRO: Anna Zivarts, Disability Rights Washington; Krystal Monteros; Hayley Edick.

CON: Rose Gundersen, WA Retail Association.

OTHER: Mike Ennis, Building Industry Association of Washington and Washington Trucking Associations .

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