
HOUSE BILL 1181

State of Washington

69th Legislature

2025 Regular Session

By Representatives Mena, Berry, Reed, Macri, Obras, Farivar, Fosse, Simmons, Pollet, Ormsby, and Hill

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1 AN ACT Relating to strengthening Washington's labor standards and
2 minimum wage act; amending RCW 49.46.010, 49.46.020, 49.46.180,
3 49.46.200, and 49.46.300; reenacting and amending RCW 49.46.210;
4 adding new sections to chapter 49.46 RCW; prescribing penalties; and
5 providing an effective date.

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

7 **Sec. 1.** RCW 49.46.010 and 2024 c 132 s 1 are each amended to
8 read as follows:

9 As used in this chapter:

- 10 (1) "Department" means the department of labor and industries;
11 (2) "Director" means the director of labor and industries or the
12 director's authorized representative;

13 ~~((2))~~ (3) "Employ" includes to permit to work;

14 ~~((3))~~ (4) "Employee" includes any individual employed by an
15 employer but shall not include:

- 16 (a) Any individual (i) employed as a hand harvest laborer and
17 paid on a piece rate basis in an operation which has been, and is
18 generally and customarily recognized as having been, paid on a piece
19 rate basis in the region of employment; (ii) who commutes daily from
20 ~~((his or her))~~ the individual's permanent residence to the farm on
21 which ~~((he or she))~~ the individual is employed; and (iii) who has

1 been employed in agriculture less than (~~thirteen~~) 13 weeks during
2 the preceding calendar year;

3 (b) Any individual employed in casual labor in or about a private
4 home, unless performed in the course of the employer's trade,
5 business, or profession;

6 (c) Any individual employed in a bona fide executive,
7 administrative, or professional capacity or in the capacity of
8 outside salesperson as those terms are defined and delimited by rules
9 of the director. However, those terms shall be defined and delimited
10 by the human resources director pursuant to chapter 41.06 RCW for
11 employees employed under the director of personnel's jurisdiction;

12 (d) Any individual engaged in the activities of an educational,
13 charitable, religious, state or local governmental body or agency, or
14 nonprofit organization where the employer-employee relationship does
15 not in fact exist or where the services are rendered to such
16 organizations gratuitously. If the individual receives reimbursement
17 in lieu of compensation for normally incurred out-of-pocket expenses
18 or receives a nominal amount of compensation per unit of voluntary
19 service rendered, an employer-employee relationship is deemed not to
20 exist for the purpose of this section or for purposes of membership
21 or qualification in any state, local government, or publicly
22 supported retirement system other than that provided under chapter
23 41.24 RCW;

24 (e) Any individual employed full time by any state or local
25 governmental body or agency who provides voluntary services but only
26 with regard to the provision of the voluntary services. The voluntary
27 services and any compensation therefor shall not affect or add to
28 qualification, entitlement, or benefit rights under any state, local
29 government, or publicly supported retirement system other than that
30 provided under chapter 41.24 RCW;

31 (f) Any newspaper vendor, carrier, or delivery person selling or
32 distributing newspapers on the street, to offices, to businesses, or
33 from house to house and any freelance news correspondent or
34 "stringer" who, using his or her own equipment, chooses to submit
35 material for publication for free or a fee when such material is
36 published;

37 (g) Any carrier subject to regulation by Part 1 of the Interstate
38 Commerce Act;

39 (h) Any individual engaged in forest protection and fire
40 prevention activities;

1 (i) Any individual employed by any charitable institution charged
2 with child care responsibilities engaged primarily in the development
3 of character or citizenship or promoting health or physical fitness
4 or providing or sponsoring recreational opportunities or facilities
5 for young people or members of the armed forces of the United States;

6 (j) Any individual whose duties require that (~~he or she~~) the
7 individual reside or sleep at the place of (~~his or her~~) the
8 individual's employment or who otherwise spends a substantial portion
9 of (~~his or her~~) the individual's work time subject to call, and not
10 engaged in the performance of active duties;

11 (k) Any resident, inmate, or patient of a state, county, or
12 municipal correctional, detention, treatment or rehabilitative
13 institution;

14 (l) Any individual who holds a public elective or appointive
15 office of the state, any county, city, town, municipal corporation or
16 quasi municipal corporation, political subdivision, or any
17 instrumentality thereof, or any employee of the state legislature;

18 (m) All vessel operating crews of the Washington state ferries
19 operated by the department of transportation;

20 (n) Any individual employed as a seaman on a vessel other than an
21 American vessel;

22 (o) Any farm intern providing (~~his or her~~) the farm intern's
23 services to a small farm which has a special certificate issued under
24 RCW 49.12.471;

25 (p) An individual who is at least 16 years old but under
26 (~~twenty-one~~) 21 years old, in (~~his or her~~) the individual's
27 capacity as a player for a junior ice hockey team that is a member of
28 a regional, national, or international league and that contracts with
29 an arena owned, operated, or managed by a public facilities district
30 created under chapter 36.100 RCW; or

31 (q) Any individual who has entered into a contract to play
32 baseball at the minor league level and who is compensated pursuant to
33 the terms of a collective bargaining agreement that expressly
34 provides for wages and working conditions;

35 (~~(4)~~) (5) "Employer" includes any individual, partnership,
36 association, corporation, business trust, or any person or group of
37 persons acting directly or indirectly in the interest of an employer
38 in relation to an employee;

39 (~~(5)~~) (6) (a) "Family member" means a child, grandchild,
40 grandparent, parent, sibling, or spouse of an employee or driver, and

1 also includes any individual who regularly resides in the employee or
2 driver's home or where the relationship creates an expectation that
3 the employee or driver care for the person, and that individual
4 depends on the employee or driver for care. "Family member" includes
5 any individual who regularly resides in the employee or driver's
6 home, except that it does not include an individual who simply
7 resides in the same home with no expectation that the employee or
8 driver care for the individual.

9 (b) For the purposes of this subsection, the following
10 definitions apply:

11 (i) "Child" means a biological, adopted, or foster child, a
12 stepchild, a child's spouse, or a child to whom the employee or
13 driver stands in loco parentis, is a legal guardian, or is a de facto
14 parent, regardless of age or dependency status.

15 (ii) "Grandchild" means a child of the employee or driver's
16 child.

17 (iii) "Grandparent" means a parent of the employee or driver's
18 parent.

19 (iv) "Parent" means the biological, adoptive, de facto, or foster
20 parent, stepparent, or legal guardian of an employee or driver or the
21 employee or driver's spouse, or an individual who stood in loco
22 parentis to an employee or driver when the employee or driver was a
23 child.

24 (v) "Spouse" means a husband or wife, as the case may be, or
25 state registered domestic partner;

26 (7) "Occupation" means any occupation, service, trade, business,
27 industry, or branch or group of industries or employment or class of
28 employment in which employees are gainfully employed;

29 ((+6)) (8) "Retail or service establishment" means an
30 establishment ((seventy-five)) 75 percent of whose annual dollar
31 volume of sales of goods or services, or both, is not for resale and
32 is recognized as retail sales or services in the particular industry;

33 ((+7)) (9) "Wage" means compensation due to an employee by
34 reason of employment, payable in legal tender of the United States or
35 checks on banks convertible into cash on demand at full face value,
36 subject to such deductions, charges, or allowances as may be
37 permitted by rules of the director.

38 **Sec. 2.** RCW 49.46.020 and 2019 c 236 s 2 are each amended to
39 read as follows:

1 ~~(1) ((a) Beginning January 1, 2017, and until January 1, 2018,~~
2 ~~every employer shall pay to each of his or her employees who has~~
3 ~~reached the age of eighteen years wages at a rate of not less than~~
4 ~~eleven dollars per hour.~~

5 ~~(b) Beginning January 1, 2018, and until January 1, 2019, every~~
6 ~~employer shall pay to each of his or her employees who has reached~~
7 ~~the age of eighteen years wages at a rate of not less than eleven~~
8 ~~dollars and fifty cents per hour.~~

9 ~~(c) Beginning January 1, 2019, and until January 1, 2020, every~~
10 ~~employer shall pay to each of his or her employees who has reached~~
11 ~~the age of eighteen years wages at a rate of not less than twelve~~
12 ~~dollars per hour.~~

13 ~~(d) Beginning January 1, 2020, and until January 1, 2021, every~~
14 ~~employer shall pay to each of his or her employees who has reached~~
15 ~~the age of eighteen years wages at a rate of not less than thirteen~~
16 ~~dollars and fifty cents per hour.)~~ Every employer shall pay to each
17 of the employer's employees who has reached the age of 18 years wages
18 at a rate of not less than the following during the following dates:

<u>Dates:</u>	<u>Rate per hour:</u>
<u>Beginning January 1, 2026,</u> <u>until January 1, 2027</u>	<u>\$17.50</u>
<u>Beginning January 1, 2027,</u> <u>until January 1, 2028</u>	<u>\$19.00</u>
<u>Beginning January 1, 2028,</u> <u>until January 1, 2029</u>	<u>\$20.50</u>
<u>Beginning January 1, 2029,</u> <u>until January 1, 2030</u>	<u>\$22.00</u>
<u>Beginning January 1, 2030,</u> <u>until January 1, 2031</u>	<u>\$23.50</u>
<u>Beginning January 1, 2031,</u> <u>until January 1, 2032</u>	<u>\$25.00</u>

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32 (2) (a) Beginning on January 1, ~~((2021))~~ 2032, and each following
33 January 1st as set forth under (b) of this subsection, every employer
34 shall pay to each of ~~((his or her))~~ the employer's employees who has
35 reached the age of ~~((eighteen))~~ 18 years wages at a rate of not less
36 than the amount established under (b) of this subsection.

1 (b) On September 30, (~~(2020)~~) 2031, and on each following
2 September 30th, the department (~~(of labor and industries)~~) shall
3 calculate an adjusted minimum wage rate to maintain employee
4 purchasing power by increasing the current year's minimum wage rate
5 by the rate of inflation. The adjusted minimum wage rate shall be
6 calculated to the nearest cent using the consumer price index for
7 urban wage earners and clerical workers, CPI-W, or a successor index,
8 for the (~~(twelve)~~) 12 months prior to each September 1st as
9 calculated by the United States department of labor. Each adjusted
10 minimum wage rate calculated under this subsection (2)(b) takes
11 effect on the following January 1st.

12 (3) (~~(An)~~) Regardless of whether a local government establishes a
13 minimum wage rate that is higher than required under this chapter, an
14 employer must pay to its employees: (a) All tips and gratuities; and
15 (b) all service charges as defined under RCW 49.46.160 except those
16 that, pursuant to RCW 49.46.160, are itemized as not being payable to
17 the employee or employees servicing the customer. Tips and service
18 charges paid to an employee are in addition to, and may not count
19 towards, the employee's hourly minimum wage required by this section
20 or a local government.

21 (4) Beginning January 1, 2018, except as provided in RCW
22 49.46.180, every employer must provide to each of its employees paid
23 sick leave as provided in RCW 49.46.200 and 49.46.210.

24 (5) Beginning January 1, 2027, except as provided in RCW
25 49.46.180 as amended by chapter . . ., Laws of 2025 (this act), every
26 employer must provide to each of its employees paid vacation leave as
27 provided in section 7 of this act.

28 (6) Beginning January 1, 2027, except as provided in RCW
29 49.46.180 as amended by chapter . . ., Laws of 2025 (this act), every
30 employer must provide to each of its employees paid bereavement leave
31 as provided in section 8 of this act.

32 (7) The director shall by regulation establish the minimum wage
33 for employees under the age of (~~(eighteen)~~) 18 years.

34 NEW SECTION. Sec. 3. A new section is added to chapter 49.46
35 RCW to read as follows:

36 (1) If the director determines that an employer has violated this
37 act, the department may issue a stop-work order to cease all business
38 operations at every site where the violation has occurred.

1 (2) Employers must pay employees normal hourly compensation for
2 all hours they would have been regularly scheduled to work during the
3 stop-work period. This requirement is a wage payment requirement
4 under RCW 49.48.082.

5 (3) A stop-work order issued under this section remains in effect
6 until the director issues an order releasing the stop-work order upon
7 finding that the employer has paid any amounts owed to the employees,
8 including interest, and any penalties due.

9 (4) As a condition for release from a stop-work order, the
10 director may require the employer to file with the department
11 periodic reports for a probationary period that demonstrate the
12 employer's continued compliance with the provisions of this act. Any
13 probationary period may not exceed two years.

14 (5) (a) The director may assess a civil penalty of not more than
15 \$5,000 per day against an employer for each day that the employer
16 conducts business operations that violate the stop-work order.

17 (b) The department may adopt by rule penalty amounts under this
18 subsection that vary by the size of the employer.

19 (c) On September 30, 2028, and on each following September 30th,
20 the department of labor and industries shall calculate adjusted
21 penalties payable pursuant to this section by increasing the current
22 year's penalties by the rate of inflation. The penalties must be
23 calculated to the nearest cent using the consumer price index for
24 urban wage earners and clerical workers, CPI-W, or a successor index,
25 for the 12 months prior to each September 1st as calculated by the
26 United States department of labor. The adjusted penalties calculated
27 under this subsection (5) (c) take effect on the following January
28 1st.

29 (6) An employer may contest a stop-work order within 72 hours of
30 the issuance of the stop-work order by filing a petition for judicial
31 review to superior court. Upon the filing of any such petition, the
32 superior courts of the state of Washington have jurisdiction to issue
33 a temporary stay of the stop-work order pending further agency
34 action. The court may not grant a temporary stay unless the employer
35 meets its burden to show such a stay is appropriate under RCW
36 34.05.550.

37 **Sec. 4.** RCW 49.46.180 and 2023 c 267 s 2 are each amended to
38 read as follows:

1 (1) The ~~((sick leave provisions of RCW 49.46.200 through~~
2 ~~49.46.830)) sick, vacation, and bereavement leave provisions of this~~
3 ~~chapter~~ shall not apply to construction workers covered by a
4 collective bargaining agreement, provided:

5 (a) The union signatory to the collective bargaining agreement is
6 an approved referral union program authorized under RCW 50.20.010 and
7 in compliance with WAC 192-210-110; and

8 (b) The collective bargaining agreement establishes equivalent
9 ~~((sick))~~ or better sick, vacation, and bereavement leave provisions,
10 as provided in subsection (2) of this section; and

11 (c) The requirements of ~~((RCW 49.46.200 through 49.46.830))~~ the
12 sick, vacation, and bereavement leave provisions of this chapter are
13 expressly waived in the collective bargaining agreement in clear and
14 unambiguous terms or in an addendum to an existing agreement
15 including an agreement that is open for negotiation provided the sick
16 leave portions were previously ratified by the membership.

17 (2) Equivalent ~~((sick))~~ leave provisions provided by a collective
18 bargaining agreement must meet the requirements of ~~((RCW 49.46.200~~
19 ~~through 49.46.830))~~ the sick, vacation, and bereavement leave
20 provisions of this chapter and the rules adopted by the department
21 ~~((of labor and industries))~~, except the payment of leave at the
22 normal hourly compensation may occur before usage and the payment of
23 accrued and unused ~~((sick))~~ leave may be made in accordance with RCW
24 49.46.210.

25 **Sec. 5.** RCW 49.46.200 and 2017 c 2 s 4 are each amended to read
26 as follows:

27 The demands of the workplace and of families need to be balanced
28 to promote public health, individual health, family stability,
29 sustainable working habits, and economic security. It is in the
30 public interest to provide reasonable paid ~~((sick))~~ leave for
31 employees to care for the health of themselves and their families.
32 Such paid ~~((sick))~~ leave shall be provided at the greater of the
33 newly increased minimum wage or the employee's regular and normal
34 wage.

35 **Sec. 6.** RCW 49.46.210 and 2024 c 356 s 1 and 2024 c 39 s 1 are
36 each reenacted and amended to read as follows:

1 (~~(1)~~) Beginning January 1, 2018, except as provided in RCW
2 49.46.180, every employer shall provide each of its employees paid
3 sick leave as follows:

4 (~~(a)~~) (1) An employee shall accrue at least one hour of paid
5 sick leave for every (~~(forty)~~) 40 hours worked as an employee. An
6 employer may provide paid sick leave in advance of accrual provided
7 that such front-loading meets or exceeds the requirements of this
8 section for accrual, use, and carryover of paid sick leave.

9 (~~(b)~~) (2) An employee is authorized to use paid sick leave for
10 the following reasons:

11 (~~(i)~~) (a) An absence resulting from an employee's mental or
12 physical illness, injury, or health condition; to accommodate the
13 employee's need for medical diagnosis, care, or treatment of a mental
14 or physical illness, injury, or health condition; or an employee's
15 need for preventive medical care;

16 (~~(ii)~~) (b) To allow the employee to provide care for a family
17 member with a mental or physical illness, injury, or health
18 condition; care of a family member who needs medical diagnosis, care,
19 or treatment of a mental or physical illness, injury, or health
20 condition; or care for a family member who needs preventive medical
21 care; and

22 (~~(iii)~~) (c) When the employee's place of business has been
23 closed by order of a public official for any health-related reason,
24 or when an employee's child's school or place of care has been closed
25 for such a health-related reason or after the declaration of an
26 emergency by a local or state government or agency, or by the federal
27 government.

28 (~~(e)~~) (3) An employee is authorized to use paid sick leave for
29 absences that qualify for leave under the domestic violence leave
30 act, chapter 49.76 RCW.

31 (~~(d)~~) (4) An employee is entitled to use accrued paid sick
32 leave beginning on the ninetieth calendar day after the commencement
33 of (~~(his or her)~~) the employee's employment.

34 (~~(e)~~) (5) Employers are not prevented from providing more
35 generous paid sick leave policies or permitting use of paid sick
36 leave for additional purposes.

37 (~~(f)~~) (6) An employer may require employees to give reasonable
38 notice of an absence from work, so long as such notice does not
39 interfere with an employee's lawful use of paid sick leave.

1 ~~((g))~~ (7) For absences exceeding three days, an employer may
2 require verification that an employee's use of paid sick leave is for
3 an authorized purpose. If an employer requires verification,
4 verification must be provided to the employer within a reasonable
5 time period during or after the leave. An employer's requirements for
6 verification may not result in an unreasonable burden or expense on
7 the employee and may not exceed privacy or verification requirements
8 otherwise established by law.

9 ~~((h))~~ (8) An employer may not require, as a condition of an
10 employee taking paid sick leave, that the employee search for or find
11 a replacement worker to cover the hours during which the employee is
12 on paid sick leave.

13 ~~((i))~~ (9) For each hour of paid sick leave used, an employee
14 shall be paid the greater of the minimum hourly wage rate established
15 in this chapter or ~~((his or her))~~ the employee's normal hourly
16 compensation. The employer is responsible for providing regular
17 notification to employees about the amount of paid sick leave
18 available to the employee.

19 ~~((j))~~ (10) Except as provided in ~~((1) of this))~~ subsection
20 (12) of this section, accrued and unused paid sick leave carries over
21 to the following year, but an employer is not required to allow an
22 employee to carry over paid sick leave in excess of 40 hours.

23 ~~((k))~~ (11) Except as provided in ~~((1) of this))~~ subsection
24 (12) of this section, an employer is not required to provide
25 financial or other reimbursement for accrued and unused paid sick
26 leave to any employee upon the employee's termination, resignation,
27 retirement, or other separation from employment. When there is a
28 separation from employment and the employee is rehired within 12
29 months of separation by the same employer, whether at the same or a
30 different business location of the employer, previously accrued
31 unused paid sick leave shall be reinstated and the previous period of
32 employment shall be counted for purposes of determining the
33 employee's eligibility to use paid sick leave under ~~((d) of this))~~
34 subsection (4) of this section. For purposes of this subsection
35 ~~((1)(k))~~, "previously accrued and unused paid sick leave" does not
36 include sick leave paid out to a construction worker under ~~((1) of~~
37 ~~this))~~ subsection (12) of this section.

38 ~~((1)(i))~~ (12)(a) A construction industry employer must pay a
39 construction worker, who has not met the 90th day eligibility under
40 ~~((d) of this))~~ subsection (4) of this section at the time of

1 separation, the balance of the worker's accrued and unused paid sick
2 leave at the end of the established pay period following the worker's
3 separation pursuant to RCW 49.48.010(2).

4 ~~((ii))~~ (b) The definitions in this subsection ~~((1)(1)(ii))~~
5 (12)(b) apply throughout this subsection ~~((1)(1))~~ unless the
6 context clearly requires otherwise.

7 ~~((A))~~ (i) "Construction worker" means a worker who performed
8 service, maintenance, or construction work on a jobsite, in the field
9 or in a fabrication shop using the tools of the worker's trade or
10 craft.

11 ~~((B))~~ (ii) "Construction industry employer" means an employer
12 in the industry described in North American industry classification
13 system industry code 23, except for residential building construction
14 code 2361.

15 ~~((2) The definitions in this subsection apply throughout this~~
16 ~~section, except for subsection (5) of this section:~~

17 ~~(a) "Family member" means a child, grandchild, grandparent,~~
18 ~~parent, sibling, or spouse of an employee, and also includes any~~
19 ~~individual who regularly resides in the employee's home or where the~~
20 ~~relationship creates an expectation that the employee care for the~~
21 ~~person, and that individual depends on the employee for care. "Family~~
22 ~~member" includes any individual who regularly resides in the~~
23 ~~employee's home, except that it does not include an individual who~~
24 ~~simply resides in the same home with no expectation that the employee~~
25 ~~care for the individual.~~

26 ~~(b) "Child" means a biological, adopted, or foster child, a~~
27 ~~stepchild, a child's spouse, or a child to whom the employee stands~~
28 ~~in loco parentis, is a legal guardian, or is a de facto parent,~~
29 ~~regardless of age or dependency status.~~

30 ~~(c) "Grandchild" means a child of the employee's child.~~

31 ~~(d) "Grandparent" means a parent of the employee's parent.~~

32 ~~(e) "Parent" means the biological, adoptive, de facto, or foster~~
33 ~~parent, stepparent, or legal guardian of an employee or the~~
34 ~~employee's spouse, or an individual who stood in loco parentis to an~~
35 ~~employee when the employee was a child.~~

36 ~~(f) "Spouse" means a husband or wife, as the case may be, or~~
37 ~~state registered domestic partner.~~

38 ~~(3) An employer may not adopt or enforce any policy that counts~~
39 ~~the use of paid sick leave time as an absence that may lead to or~~
40 ~~result in discipline against the employee.~~

1 ~~(4) An employer may not discriminate or retaliate against an~~
2 ~~employee for his or her exercise of any rights under this chapter~~
3 ~~including the use of paid sick leave.~~

4 ~~(5) (a) The definitions in this subsection apply to this~~
5 ~~subsection:~~

6 ~~(i) "Average hourly compensation" means a driver's compensation~~
7 ~~during passenger platform time from, or facilitated by, the~~
8 ~~transportation network company, during the 365 days immediately prior~~
9 ~~to the day that paid sick time is used, divided by the total hours of~~
10 ~~passenger platform time worked by the driver on that transportation~~
11 ~~network company's driver platform during that period. "Average hourly~~
12 ~~compensation" does not include tips.~~

13 ~~(ii) "Driver," "driver platform," "passenger platform time," and~~
14 ~~"transportation network company" have the meanings provided in RCW~~
15 ~~49.46.300.~~

16 ~~(iii) "Earned paid sick time" is the time provided by a~~
17 ~~transportation network company to a driver as calculated under this~~
18 ~~subsection. For each hour of earned paid sick time used by a driver,~~
19 ~~the transportation network company shall compensate the driver at a~~
20 ~~rate equal to the driver's average hourly compensation.~~

21 ~~(iv) For purposes of drivers, the following definitions apply:~~

22 ~~(A) "Family member" means a child, grandchild, grandparent,~~
23 ~~parent, sibling, or spouse of a driver, and also includes any~~
24 ~~individual who regularly resides in the driver's home or where the~~
25 ~~relationship creates an expectation that the driver care for the~~
26 ~~person, and that individual depends on the driver for care. "Family~~
27 ~~member" includes any individual who regularly resides in the driver's~~
28 ~~home, except that it does not include an individual who simply~~
29 ~~resides in the same home with no expectation that the driver care for~~
30 ~~the individual.~~

31 ~~(B) "Child" means a biological, adopted, or foster child, a~~
32 ~~stepchild, a child's spouse, or a child to whom the driver stands in~~
33 ~~loco parentis, is a legal guardian, or is a de facto parent,~~
34 ~~regardless of age or dependency status.~~

35 ~~(C) "Grandchild" means a child of the driver's child.~~

36 ~~(D) "Grandparent" means a parent of the driver's parent.~~

37 ~~(E) "Parent" means the biological, adoptive, de facto, or foster~~
38 ~~parent, stepparent, or legal guardian of a driver or the driver's~~
39 ~~spouse, or an individual who stood in loco parentis to a driver when~~
40 ~~the driver was a child.~~

1 ~~(F) "Spouse" means a husband or wife, as the case may be, or~~
2 ~~state registered domestic partner.~~

3 ~~(b) Beginning January 1, 2023, a transportation network company~~
4 ~~must provide to each driver operating on its driver platform~~
5 ~~compensation for earned paid sick time as required by this subsection~~
6 ~~and subject to the provisions of this subsection. A driver shall~~
7 ~~accrue one hour of earned paid sick time for every 40 hours of~~
8 ~~passenger platform time worked.~~

9 ~~(c) A driver is entitled to use accrued earned paid sick time~~
10 ~~upon recording 90 hours of passenger platform time on the~~
11 ~~transportation network company's driver platform.~~

12 ~~(d) For each hour of earned paid sick time used, a driver shall~~
13 ~~be paid the driver's average hourly compensation.~~

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

18 ~~(f) A driver may carry over up to 40 hours of unused earned paid~~
19 ~~sick time to the next calendar year. If a driver carries over unused~~
20 ~~earned paid sick time to the following year, accrual of earned paid~~
21 ~~sick time in the subsequent year must be in addition to the hours~~
22 ~~accrued in the previous year and carried over.~~

23 ~~(g) A driver is entitled to use accrued earned paid sick time if~~
24 ~~the driver has used the transportation network company's platform as~~
25 ~~a driver within 90 calendar days preceding the driver's request to~~
26 ~~use earned paid sick time.~~

27 ~~(h) A driver is entitled to use earned paid sick time for the~~
28 ~~following reasons:~~

29 ~~(i) An absence resulting from the driver's mental or physical~~
30 ~~illness, injury, or health condition; to accommodate the driver's~~
31 ~~need for medical diagnosis, care, or treatment of a mental or~~
32 ~~physical illness, injury, or health condition; or an employee's need~~
33 ~~for preventive medical care;~~

34 ~~(ii) To allow the driver to provide care for a family member with~~
35 ~~a mental or physical illness, injury, or health condition; care of a~~
36 ~~family member who needs medical diagnosis, care, or treatment of a~~
37 ~~mental or physical illness, injury, or health condition; or care for~~
38 ~~a family member who needs preventive medical care;~~

39 ~~(iii) When the driver's child's school or place of care has been~~
40 ~~closed by order of a public official for any health-related reason or~~

1 ~~has been closed after the declaration of an emergency by a local or~~
2 ~~state government or agency, or by the federal government;~~

3 ~~(iv) For absences for which an employee would be entitled for~~
4 ~~leave under RCW 49.76.030; and~~

5 ~~(v) During a deactivation or other status that prevents the~~
6 ~~driver from performing network services on the transportation network~~
7 ~~company's platform, unless the deactivation or status is due to a~~
8 ~~verified allegation of sexual assault or physical assault perpetrated~~
9 ~~by the driver.~~

10 ~~(i) If a driver does not record any passenger platform time in a~~
11 ~~transportation network company's driver platform for 365 or more~~
12 ~~consecutive days, any unused earned paid sick time accrued up to that~~
13 ~~point with that transportation network company is no longer valid or~~
14 ~~recognized.~~

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

21 ~~(k) A transportation network company shall compensate a driver~~
22 ~~for requested hours or days of earned paid sick time no later than 14~~
23 ~~calendar days or the next regularly scheduled date of compensation~~
24 ~~following the requested hours or days of earned paid sick time.~~

25 ~~(l) A transportation network company shall not request or require~~
26 ~~reasonable verification of a driver's qualifying illness except as~~
27 ~~would be permitted to be requested of an employee under subsection~~
28 ~~(1)(g) of this section. If a transportation network company requires~~
29 ~~verification pursuant to this subsection, the transportation network~~
30 ~~company must compensate the driver for the requested hours or days of~~
31 ~~earned paid sick time no later than the driver's next regularly~~
32 ~~scheduled date of compensation after satisfactory verification is~~
33 ~~provided.~~

34 ~~(m) If a driver accepts an offer of prearranged services for~~
35 ~~compensation from a transportation network company during the four-~~
36 ~~hour period or periods for which the driver requested earned paid~~
37 ~~sick time, a transportation network company may determine that the~~
38 ~~driver did not use earned paid sick time for an authorized purpose.~~

39 ~~(n) A transportation network company shall provide each driver~~
40 ~~with:~~

1 ~~(i) Written notification of the current rate of average hourly~~
2 ~~compensation while a passenger is in the vehicle during the most~~
3 ~~recent calendar month for use of earned paid sick time;~~

4 ~~(ii) An updated amount of accrued earned paid sick time since the~~
5 ~~last notification;~~

6 ~~(iii) Reduced earned paid sick time since the last notification;~~

7 ~~(iv) Any unused earned paid sick time available for use; and~~

8 ~~(v) Any amount that the transportation network company may~~
9 ~~subtract from the driver's compensation for earned paid sick time.~~

10 ~~The transportation network company shall provide this information to~~
11 ~~the driver no less than monthly. The transportation network company~~
12 ~~may choose a reasonable system for providing this notification,~~
13 ~~including but not limited to: A pay stub; a weekly summary of~~
14 ~~compensation information; or an online system where drivers can~~
15 ~~access their own earned paid sick time information. A transportation~~
16 ~~network company is not required to provide this information to a~~
17 ~~driver if the driver has not worked any days since the last~~
18 ~~notification.~~

19 ~~(o) A transportation network company may not adopt or enforce any~~
20 ~~policy that counts the use of earned paid sick time as an absence~~
21 ~~that may lead to or result in any action that adversely affects the~~
22 ~~driver's use of the transportation network.~~

23 ~~(p) A transportation network company may not take any action~~
24 ~~against a driver that adversely affects the driver's use of the~~
25 ~~transportation network due to his or her exercise of any rights under~~
26 ~~this subsection including the use of earned paid sick time.~~

27 ~~(q) The department may adopt rules to implement this~~
28 ~~subsection.))~~

29 NEW SECTION. **Sec. 7.** A new section is added to chapter 49.46
30 RCW to read as follows:

31 Except as provided in RCW 49.46.180, every employer shall provide
32 each of its employees paid vacation leave as follows:

33 (1) An employee shall accrue at least 2.3 hours of paid vacation
34 leave for every 40 hours worked as an employee. An employer may
35 provide paid vacation leave in advance of accrual provided that such
36 front-loading meets or exceeds the requirements of this section for
37 accrual, use, and carryover of paid vacation leave.

1 (2) An employee is entitled to use accrued paid vacation leave
2 for any purpose beginning on the 90th calendar day after the
3 commencement of their employment.

4 (3) Employers are not prevented from providing more generous paid
5 vacation leave policies.

6 (4) An employer may require employees to give reasonable notice
7 of an absence from work, so long as such notice does not interfere
8 with an employee's lawful use of paid vacation leave.

9 (5) An employer may not require, as a condition of an employee
10 taking paid vacation leave, that the employee search for or find a
11 replacement worker to cover the hours during which the employee is on
12 paid vacation leave.

13 (6) For each hour of paid vacation leave used, an employee shall
14 be paid the greater of the minimum hourly wage rate established in
15 this chapter or the employee's normal hourly compensation. The
16 employer is responsible for providing regular notification to
17 employees about the amount of paid vacation leave available to the
18 employee.

19 (7) Except as provided in subsection (9) of this section, accrued
20 and unused paid vacation leave carries over to the following year,
21 but an employer is not required to allow an employee to carry over
22 paid vacation leave in excess of 40 hours.

23 (8) Except as provided in subsection (9) of this section, an
24 employer is not required to provide financial or other reimbursement
25 for accrued and unused paid vacation leave to any employee upon the
26 employee's termination, resignation, retirement, or other separation
27 from employment. When there is a separation from employment and the
28 employee is rehired within 12 months of separation by the same
29 employer, whether at the same or a different business location of the
30 employer, previously accrued unused paid vacation leave shall be
31 reinstated and the previous period of employment shall be counted for
32 purposes of determining the employee's eligibility to use paid
33 vacation leave under subsection (2) of this section. For purposes of
34 this subsection (8), "previously accrued and unused paid vacation
35 leave" does not include vacation leave paid out to a construction
36 worker under subsection (9) of this subsection.

37 (9) (a) A construction industry employer must pay a construction
38 worker, who has not met the 90th day eligibility under subsection (2)
39 of this section at the time of separation, the balance of the
40 worker's accrued and unused paid vacation leave at the end of the

1 established pay period following the worker's separation pursuant to
2 RCW 49.48.010(2).

3 (b) For the purposes of this section, "construction worker" and
4 "construction industry employer" have the same meanings as provided
5 in RCW 49.46.210.

6 NEW SECTION. **Sec. 8.** A new section is added to chapter 49.46
7 RCW to read as follows:

8 (1) Beginning on the 90th calendar day after the commencement of
9 an employee's employment, the employee is entitled to at least five
10 days of paid bereavement leave per calendar year if an employee's
11 family member dies.

12 (2) Employers are not prevented from providing more generous
13 bereavement leave policies or to allow employees to take additional
14 leave without pay for purposes of bereavement.

15 (3) An employer may not require an employee to take paid
16 bereavement leave on consecutive days.

17 (4) For each day of paid bereavement leave used, an employee
18 shall be paid the greater of the minimum hourly wage rate established
19 in this chapter or the employee's normal hourly compensation.

20 (5)(a) An employer may require verification of the family
21 member's death.

22 (b) Employer-required verification may not result in an
23 unreasonable burden or expense on the employee.

24 (c) If an employer requires verification for the use of
25 bereavement leave, the employer must have a written policy or a
26 collective bargaining agreement outlining any such requirements. The
27 employer must notify the employee of such policy or agreement,
28 including the employee's right to assert that the verification
29 requirement results in an unreasonable burden or expense on the
30 employee, prior to requiring the employee to provide verification. An
31 employer must make this information readily available to all
32 employees.

33 NEW SECTION. **Sec. 9.** A new section is added to chapter 49.46
34 RCW to read as follows:

35 (1) An employer may not adopt or enforce any policy that counts
36 the use of paid leave required under this chapter as an absence that
37 may lead to or result in discipline against the employee.

1 (2) An employer may not discriminate or retaliate against an
2 employee for the employee's exercise of any rights under this chapter
3 including the use of paid leave required under RCW 49.46.210 or
4 section 7 or 8 of this act.

5 **Sec. 10.** RCW 49.46.300 and 2022 c 281 s 1 are each amended to
6 read as follows:

7 ~~((1))~~ The definitions in this ~~((subsection))~~ section apply
8 throughout this section and RCW 49.46.310 through 49.46.350 and
9 sections 11 through 15 of this act unless the context clearly
10 requires otherwise.

11 ~~((a))~~ (1) "Account deactivation" means one or more of the
12 following actions with respect to an individual driver or group of
13 drivers that is implemented by a transportation network company and
14 lasts for more than three consecutive days:

15 ~~((i))~~ (a) Blocking access to the transportation network company
16 driver platform;

17 ~~((ii))~~ (b) Changing a driver's status from eligible to provide
18 transportation network company services to ineligible; or

19 ~~((iii))~~ (c) Any other material restriction in access to the
20 transportation network company's driver platform.

21 ~~((b))~~ (2) "Compensation" means payment owed to a driver by
22 reason of providing network services including, but not limited to,
23 the minimum payment for passenger platform time and mileage,
24 incentives, and tips.

25 ~~((c) "Department" means the department of labor and industries.~~

26 ~~(d))~~ (3) "Digital network" means any online-enabled application,
27 website, or system offered or used by a transportation network
28 company that enables the prearrangement of rides between drivers and
29 passengers.

30 ~~((e) "Director" means the director of the department of labor
31 and industries.~~

32 ~~(f))~~ (4) "Dispatch location" means the location of the driver at
33 the time the driver accepts a trip request through the driver
34 platform.

35 ~~((g))~~ (5) "Dispatch platform time" means the time a driver
36 spends traveling from a dispatch location to a passenger pick-up
37 location. Dispatch platform time ends when a passenger cancels a trip
38 or the driver begins the trip through the driver platform. A driver
39 cannot simultaneously be engaged in dispatch platform time and

1 passenger platform time for the same transportation network company.
2 For shared rides, dispatch platform time means the time a driver
3 spends traveling from the first dispatch location to the first
4 passenger pick-up location.

5 ~~((h))~~ (6) "Dispatched trip" means the provision of
6 transportation by a driver for a passenger through the use of a
7 transportation network company's application dispatch system.

8 ~~((i))~~ (7) "Driver" has the same meaning as "commercial
9 transportation services provider driver" in RCW 48.177.005. Except as
10 otherwise specified in chapter 281, Laws of 2022, for purposes of
11 this title and Titles 48, 50A, 50B, and 51 RCW, and any orders,
12 regulations, administrative policies, or opinions of any state or
13 local agency, board, division, or commission, pursuant to those
14 titles, a driver is not an employee or agent of a transportation
15 network company if the following factors are met:

16 ~~((i))~~ (a) The transportation network company does not
17 unilaterally prescribe specific dates, times of day, or a minimum
18 number of hours during which the driver must be logged into the
19 transportation network company's online-enabled application or
20 platform;

21 ~~((ii))~~ (b) The transportation network company may not terminate
22 the contract of the driver for not accepting a specific
23 transportation service request;

24 ~~((iii))~~ (c) The transportation network company does not
25 contractually prohibit the driver from performing services through
26 other transportation network companies except while performing
27 services through the transportation network company's online-enabled
28 application or platform during dispatch platform time and passenger
29 platform time; ~~(and~~

30 ~~(iv))~~ (d) The transportation network company does not
31 contractually prohibit the driver from working in any other lawful
32 occupation or business~~((r))~~;

33 (e) Notwithstanding any state or local law to the contrary, any
34 party seeking to establish that the factors in this subsection
35 ~~((1-i))~~ (7) are not met bears the burden of proof~~((r))~~; and

36 (f) A driver for purposes of this section shall not include any
37 person ultimately and finally determined to be an "employee" within
38 the meaning of section 2(3) of the national labor relations act, 29
39 U.S.C. Sec. 152(3).

1 ~~((j))~~ (8) "Driver platform" means the driver-facing application
2 dispatch system software or any online-enabled application service,
3 website, or system, used by a driver, or which enables services to be
4 delivered to a driver that enables the prearrangement of passenger
5 trips for compensation.

6 ~~((k))~~ (9) "Driver resource center" or "center" means a
7 nonprofit organization that provides services to drivers. The
8 nonprofit organization must be registered with the Washington
9 secretary of state, have organizational bylaws giving drivers right
10 to membership in the organization, and have demonstrated experience:
11 (i) Providing services to gig economy drivers in Washington state,
12 including representing drivers in deactivation appeals proceedings;
13 and (ii) providing culturally competent driver representation
14 services, outreach, and education. The administration and formation
15 of the driver resource center may not be funded, excessively
16 influenced, or controlled by a transportation network company.

17 ~~((l))~~ (10) "Driver resource center fund" or "fund" means the
18 dedicated fund created in RCW 49.46.310, the sole purpose of which is
19 to administer funds collected from transportation network companies
20 to provide services, support, and benefits to drivers.

21 ~~((m))~~ (11) "Network services" means services related to the
22 transportation of passengers through the driver platform that are
23 provided by a driver while logged in to the driver platform,
24 including services provided during available platform time, dispatch
25 platform time, and passenger platform time.

26 ~~((n))~~ (12) "Passenger" has the same meaning as "commercial
27 transportation services provider passenger" in RCW 48.177.005.

28 ~~((o))~~ (13) "Passenger drop-off location" means the location of
29 a driver's vehicle when the passenger leaves the vehicle.

30 ~~((p))~~ (14) "Passenger pick-up location" means the location of
31 the driver's vehicle at the time the driver starts the trip in the
32 driver platform.

33 ~~((q))~~ (15) "Passenger platform miles" means all miles driven
34 during passenger platform time as recorded in a transportation
35 network company's driver platform.

36 ~~((r))~~ (16) "Passenger platform time" means the period of time
37 when the driver is transporting one or more passengers on a trip. For
38 shared rides, passenger platform time means the period of time
39 commencing when the first passenger enters the driver's vehicle until
40 the time when the last passenger exits the driver's vehicle.

1 ~~((s))~~ (17) "Personal vehicle" has the same meaning as "personal
2 vehicle" in RCW 48.177.005.

3 ~~((t))~~ (18) "Shared ride" means a dispatched trip which, prior
4 to its commencement, a passenger requests through the transportation
5 network company's digital network to share the dispatched trip with
6 one or more passengers and each passenger is charged a fare that is
7 calculated, in whole or in part, based on the passenger's request to
8 share all or a part of the dispatched trip with one or more
9 passengers, regardless of whether the passenger actually shares all
10 or a part of the dispatched trip.

11 ~~((u))~~ (19) "Tips" means a verifiable sum to be presented by a
12 passenger as a gift or gratuity in recognition of service performed
13 for the passenger by the driver receiving the tip.

14 ~~((v))~~ (20) "Transportation network company" has the same
15 meaning as defined in RCW 46.04.652. A transportation network company
16 does not provide for hire transportation service.

17 ~~((2) A driver is only covered by this section to the extent that
18 the driver provides network services within the state of Washington.~~

19 ~~(3)(a) A transportation network company is covered by this
20 section if it provides a driver platform within the state of
21 Washington.~~

22 ~~(b) Separate entities that form an integrated enterprise are
23 considered a single transportation network company under this
24 section. Separate entities will be considered an integrated
25 enterprise and a single transportation network company where a
26 separate entity controls the operation of another entity. Factors to
27 consider include, but are not limited to, the degree of interrelation
28 between the operations of multiple entities; the degree to which the
29 entities share common management; the centralized control of labor
30 relations; the degree of common ownership or financial control over
31 the entities; and the use of a common brand, trade, business, or
32 operating name.~~

33 ~~(4)(a) Beginning December 31, 2022, a transportation network
34 company shall ensure that a driver's total compensation is not less
35 than the standard set forth in (a)(i), (ii), or (iii) of this
36 subsection (4).~~

37 ~~(i) For all dispatched trips originating in cities with a
38 population of more than 600,000, on a per trip basis the greater of:~~

1 ~~(A) \$0.59 per passenger platform minute for all passenger~~
2 ~~platform time for that trip, and \$1.38 per passenger platform mile~~
3 ~~for all passenger platform miles driven on that trip; or~~

4 ~~(B) A minimum of \$5.17 per dispatched trip.~~

5 ~~(ii) For all other dispatched trips, the greater of:~~

6 ~~(A) \$0.34 per passenger platform minute and \$1.17 per passenger~~
7 ~~platform mile; or~~

8 ~~(B) A minimum of \$3.00 per dispatched trip.~~

9 ~~(iii) For all trips originating elsewhere and terminating in~~
10 ~~cities with a population of more than 600,000:~~

11 ~~(A) For all passenger platform time spent within the city on that~~
12 ~~trip and for all passenger platform miles driven in the city on that~~
13 ~~trip the compensation standard under (a)(i) of this subsection~~
14 ~~applies.~~

15 ~~(B) For all passenger platform time spent outside the city on~~
16 ~~that trip and for all passenger platform miles driven outside the~~
17 ~~city on that trip the compensation standard under (a)(ii) of this~~
18 ~~subsection applies.~~

19 ~~(b) Beginning September 30, 2022, and on each following September~~
20 ~~30th, the department shall calculate adjusted per mile and per minute~~
21 ~~amounts and per trip minimums by increasing the current year's per~~
22 ~~mile and per minute amounts and per trip minimums by the rate of~~
23 ~~increase of the state minimum wage, calculated to the nearest cent.~~
24 ~~The adjusted amount calculated under this section takes effect on the~~
25 ~~following January 1st.~~

26 ~~(c) For shared rides, the per trip minimums in (a)(i) and (ii) of~~
27 ~~this subsection shall apply only to the entirety of the shared ride,~~
28 ~~and not on the basis of the individual passenger's trip within the~~
29 ~~shared ride.~~

30 ~~(5)(a) For the purposes of this section, a dispatched trip~~
31 ~~includes:~~

32 ~~(i) A dispatched trip in which the driver transports the~~
33 ~~passenger to the passenger drop-off location;~~

34 ~~(ii) A dispatched trip canceled after two minutes by a passenger~~
35 ~~or the transportation network company unless cancellation is due to~~
36 ~~driver conduct, or no cancellation fee is charged to the passenger;~~

37 ~~(iii) A dispatched trip that is canceled by the driver for good~~
38 ~~cause consistent with company policy; and~~

39 ~~(iv) A dispatched trip where the passenger does not appear at the~~
40 ~~passenger pick-up location within five minutes.~~

1 ~~(b) A transportation network company may exclude time and miles~~
2 ~~if doing so is reasonably necessary to remedy or prevent fraudulent~~
3 ~~use of the transportation network company's online-enabled~~
4 ~~application or platform.~~

5 ~~(6) (a) A transportation network company shall remit to drivers~~
6 ~~all tips. Tips paid to a driver are in addition to, and may not count~~
7 ~~towards, the driver's minimum compensation under this section.~~

8 ~~(b) Amounts charged to a passenger and remitted to the driver for~~
9 ~~tolls, fees, or surcharges incurred by a driver during a trip must~~
10 ~~not be included in calculating compensation for purposes of~~
11 ~~subsection (4) of this section.~~

12 ~~(c) (i) Beginning January 1, 2023, except as required by law, a~~
13 ~~transportation network company may only deduct compensation when the~~
14 ~~driver expressly authorizes the deduction in writing and does so in~~
15 ~~advance for a lawful purpose. Any authorization by a driver must be~~
16 ~~voluntary and knowing.~~

17 ~~(ii) Nothing in this section shall prohibit a transportation~~
18 ~~network company from deducting compensation as required by state or~~
19 ~~federal law or as directed by a court order.~~

20 ~~(iii) Neither the transportation network company nor any person~~
21 ~~acting in the interest of the transportation network company may~~
22 ~~derive any financial profit or benefit from any of the deductions~~
23 ~~under this section. For the purposes of this section:~~

24 ~~(A) Reasonable interest charged by the transportation network~~
25 ~~company or any person acting in the interest of a transportation~~
26 ~~network company, for a loan or credit extended to the driver, is not~~
27 ~~considered to be of financial benefit to the transportation network~~
28 ~~company or person acting in the interest of a transportation network~~
29 ~~company; and~~

30 ~~(B) A deduction will be considered for financial profit or~~
31 ~~benefit only if it results in a gain over and above the fair market~~
32 ~~value of the goods or services for which the deduction was made.~~

33 ~~(7) (a) Beginning January 1, 2023, a transportation network~~
34 ~~company shall provide each driver with a written notice of rights~~
35 ~~established by this section in a form and manner sufficient to inform~~
36 ~~drivers of their rights under this section. The notice of rights~~
37 ~~shall provide information on:~~

38 ~~(i) The right to the applicable per minute rate and per mile rate~~
39 ~~or per trip rate guaranteed by this section;~~

1 ~~(ii) The right to be protected from retaliation for exercising in~~
2 ~~good faith the rights protected by this section; and~~

3 ~~(iii) The right to seek legal action or file a complaint with the~~
4 ~~department for violation of the requirements of this section,~~
5 ~~including a transportation network company's failure to pay the~~
6 ~~minimum per minute rate or per mile rate or per trip rate, or a~~
7 ~~transportation network company's retaliation against a driver or~~
8 ~~other person for engaging in an activity protected by this section.~~

9 ~~(b) A transportation network company shall provide the notice of~~
10 ~~rights required by this section in an electronic format that is~~
11 ~~readily accessible to the driver. The notice of rights shall be made~~
12 ~~available to the driver via smartphone application or online web~~
13 ~~portal, in English and the five most common foreign languages spoken~~
14 ~~in this state.~~

15 ~~(8) Beginning December 31, 2022, within 24 hours of completion of~~
16 ~~each dispatched trip, a transportation network company must transmit~~
17 ~~an electronic receipt to the driver that contains the following~~
18 ~~information for each unique trip, or portion of a unique trip,~~
19 ~~covered by this section:~~

20 ~~(a) The total amount of passenger platform time;~~

21 ~~(b) The total mileage driven during passenger platform time;~~

22 ~~(c) Rate or rates of pay, including but not limited to the rate~~
23 ~~per minute, rate per mile, percentage of passenger fare, and any~~
24 ~~applicable price multiplier or variable pricing policy in effect for~~
25 ~~the trip;~~

26 ~~(d) Tip compensation;~~

27 ~~(e) Gross payment;~~

28 ~~(f) Net payment after deductions, fees, tolls, surcharges, lease~~
29 ~~fees, or other charges; and~~

30 ~~(g) Itemized deductions or fees, including any toll, surcharge,~~
31 ~~commission, lease fees, and other charges.~~

32 ~~(9) Beginning January 1, 2023, a transportation network company~~
33 ~~shall make driver per trip receipts available in a downloadable~~
34 ~~format, such as a comma-separated values file or PDF file, via~~
35 ~~smartphone application or online web portal for a period of two years~~
36 ~~from the date the transportation network company provided the receipt~~
37 ~~to the driver.~~

38 ~~(10) Beginning January 1, 2023, on a weekly basis, the~~
39 ~~transportation network company shall provide written notice to the~~
40 ~~driver that contains the following information for trips, or a~~

1 ~~portion of a trip, that is covered by this section and which occurred~~
2 ~~in the prior week:~~

3 ~~(a) The driver's total passenger platform time;~~

4 ~~(b) Total mileage driven by the driver during passenger platform~~
5 ~~time;~~

6 ~~(c) The driver's total tip compensation;~~

7 ~~(d) The driver's gross payment, itemized by: (i) Rate per minute;~~
8 ~~(ii) rate per mile; and (iii) any other method used to calculate pay~~
9 ~~including, but not limited to, base pay, percentage of passenger~~
10 ~~fare, or any applicable price multiplier or variable pricing policy~~
11 ~~in effect for the trip;~~

12 ~~(e) The driver's net payment after deductions, fees, tolls,~~
13 ~~surcharges, lease fees, or other charges; and~~

14 ~~(f) Itemized deductions or fees, including all tolls, surcharges,~~
15 ~~commissions, lease fees, and other charges, from the driver's~~
16 ~~payment.~~

17 ~~(11) Beginning January 1, 2023, within 24 hours of a trip's~~
18 ~~completion, a transportation network company must transmit an~~
19 ~~electronic receipt to the passenger, for on trip time, on behalf of~~
20 ~~the driver that lists:~~

21 ~~(a) The date and time of the trip;~~

22 ~~(b) The passenger pick-up and passenger drop-off locations for~~
23 ~~the trip. In describing the passenger pick-up location and passenger~~
24 ~~drop-off location, the transportation network company shall describe~~
25 ~~the location by indicating the specific block (e.g. "the 300 block of~~
26 ~~Pine Street") in which the passenger pick-up and passenger drop-off~~
27 ~~occurred. A transportation network company is authorized to indicate~~
28 ~~the location with greater specificity, such as with a street address~~
29 ~~or intersection, at its discretion;~~

30 ~~(c) The total duration and distance of the trip;~~

31 ~~(d) The driver's first name;~~

32 ~~(e) The total fare paid, itemizing all charges and fees; and~~

33 ~~(f) The total passenger-paid tips.~~

34 ~~(12)(a) Beginning July 1, 2024, transportation network companies~~
35 ~~shall collect and remit a \$0.15 per trip fee to the driver resource~~
36 ~~center fund, created in RCW 49.46.310, for the driver resource center~~
37 ~~to support the driver community. The remittance under this subsection~~
38 ~~is a pass-through of passenger fares and shall not be considered a~~
39 ~~transportation network company's funding of the driver resource~~
40 ~~center. Passenger fares paid include each individual trip portion on~~

1 shared trips. The remittances to the fund must be made on a quarterly
2 basis.

3 (b) Beginning September 30, 2024, and on each following September
4 30th, the department shall calculate an adjusted per trip fee by
5 adjusting the current amount by the rate of inflation. The adjusted
6 amounts must be calculated to the nearest cent using the consumer
7 price index for urban wage earners and clerical workers, CPI-W, or a
8 successor index, for the 12 months prior to each September 1st as
9 calculated by the United States department of labor. Each adjusted
10 amount calculated under this subsection takes effect on the following
11 January 1st.

12 (13) No later than one year after June 9, 2022, transportation
13 network companies shall provide an opportunity for drivers to make
14 voluntary per trip earnings deduction contributions to the driver
15 resource center, provided that 100 or more drivers working for
16 transportation network companies covered under this section have
17 authorized such a deduction to the driver resource center, and
18 subject to the following:

19 (a) A driver must expressly authorize the deduction in writing.
20 Written authorization must include, at a minimum, sufficient
21 information to identify the driver and the driver's desired per trip
22 deduction amount. These deductions may reduce the driver's per trip
23 earnings below the minimums set forth in this section.

24 (b) The transportation network company may require written
25 authorization to be submitted in electronic format from the driver
26 resource center.

27 (c) The transportation network company shall make the first
28 deductions within 30 days of receiving a written authorization of the
29 driver, and shall remit deductions to the driver resource center each
30 month, with remittance due not later than 28 days following the end
31 of the month.

32 (d) A driver's authorization remains in effect until the driver
33 resource center provides an express revocation to the transportation
34 network company.

35 (e) A transportation network company shall rely on information
36 provided by the driver resource center regarding the authorization
37 and revocation of deductions.

38 (f) Upon request by a transportation network company, the driver
39 resource center shall reimburse the transportation network company

1 for the costs associated with deduction and remittance. The
2 department shall adopt rules to calculate the reimbursable costs.

3 ~~(14) Each transportation network company shall submit to the~~
4 ~~fund, with its remittance under subsection (12) of this section, a~~
5 ~~report detailing the number of trips in the previous quarter and the~~
6 ~~total amount of the surcharge charged to customers. The first payment~~
7 ~~and accounting is due on the 30th day of the quarter following the~~
8 ~~imposition of the surcharge. Failure to remit payments by the~~
9 ~~deadlines is deemed a delinquency and the transportation network~~
10 ~~company is subject to penalties and interest provided in RCW~~
11 ~~49.46.330.~~

12 ~~(15) (a) The state expressly intends to displace competition with~~
13 ~~regulation allowing a transportation network company, at its own~~
14 ~~volition, to enter into an agreement with the driver resource center~~
15 ~~regarding a driver account deactivation appeals process for eligible~~
16 ~~account deactivations. It is the policy of the state to promote a~~
17 ~~fair appeals process related to eligible account deactivations that~~
18 ~~supports the rights of drivers and transportation network companies~~
19 ~~and provides fair processes related to eligible account~~
20 ~~deactivations. The state intends that any agreement under this~~
21 ~~section is immune from all federal and state antitrust laws.~~

22 ~~(i) "Eligible account deactivation" means one or more of the~~
23 ~~following actions with respect to an individual driver that is~~
24 ~~implemented by a transportation network company:~~

25 ~~(A) Blocking or restricting access to the transportation network~~
26 ~~company driver platform for three or more consecutive days; or~~

27 ~~(B) Changing a driver's account status from eligible to provide~~
28 ~~transportation network company services to ineligible for three or~~
29 ~~more consecutive days.~~

30 ~~(ii) An eligible account deactivation does not include any change~~
31 ~~in a driver's access or account status that is:~~

32 ~~(A) Related to an allegation of discrimination, harassment,~~
33 ~~including sexual harassment or harassment due to someone's membership~~
34 ~~in a protected class, or physical or sexual assault, or willful or~~
35 ~~knowing commitment of fraud;~~

36 ~~(B) Related to an allegation that the driver was under the~~
37 ~~influence of drugs or alcohol while a related active investigation~~
38 ~~that takes no longer than 10 business days is under way; or~~

1 ~~(C) Any other categories the transportation network company and~~
2 ~~the driver resource center may agree to as part of the agreement~~
3 ~~under this subsection.~~

4 ~~(iii) A transportation network company shall enter into an~~
5 ~~agreement with the driver resource center regarding the driver~~
6 ~~account deactivation appeals process for eligible account~~
7 ~~deactivations. Any agreement must be approved by the department. The~~
8 ~~department may approve an agreement only if the agreement contains~~
9 ~~the provisions in (a) (iv) of this subsection.~~

10 ~~(iv) The agreement must provide an appeals process for drivers~~
11 ~~whose account has been subject to an eligible account deactivation.~~
12 ~~The appeals process must include the following protections:~~

13 ~~(A) Opportunity for a driver representative to support a driver,~~
14 ~~upon the driver's request, throughout the account deactivation~~
15 ~~appeals process for eligible account deactivations;~~

16 ~~(B) Notification, as required by (d) of this subsection, to~~
17 ~~drivers of their right to representation by the driver resource~~
18 ~~center at the time of the eligible account deactivation;~~

19 ~~(C) Within 30 calendar days of a request, furnishing to the~~
20 ~~driver resource center an explanation and information the~~
21 ~~transportation network company may have relied upon in making the~~
22 ~~deactivation decision, excluding confidential, proprietary, or~~
23 ~~otherwise privileged communications, provided that personal~~
24 ~~identifying information and confidential information is redacted to~~
25 ~~address reasonable privacy and confidentiality concerns;~~

26 ~~(D) A good faith, informal resolution process that is committed~~
27 ~~to efficient resolution of conflicts regarding eligible account~~
28 ~~deactivations within 30 days of the transportation network company~~
29 ~~being notified that the driver contests the explanation offered by~~
30 ~~the company;~~

31 ~~(E) A formal process that includes a just cause standard, with~~
32 ~~deadlines for adjudication of an appeal of an eligible account~~
33 ~~deactivation by a panel that includes a mutually agreed-upon neutral~~
34 ~~third party with experience in dispute resolution. The panel has the~~
35 ~~authority to make binding decisions within the confines of the law~~
36 ~~and make-whole monetary awards, including back pay, based on an~~
37 ~~agreed-upon formula for cases not resolved during the informal~~
38 ~~process;~~

39 ~~(F) Agreement by the transportation network company to use the~~
40 ~~process set forth in this subsection to resolve disputes over~~

1 eligible account deactivation appeals as an alternative to private
2 arbitration with regard to such a dispute, should the driver and
3 transportation network company so choose; and

4 ~~(G) Agreement by the transportation network company that, for~~
5 ~~eligible account deactivations in which the driver or transportation~~
6 ~~network company elect private arbitration in lieu of the formal~~
7 ~~process outlined in (a) (iv) (E) of this subsection (15), the~~
8 ~~transportation network company shall offer the driver the opportunity~~
9 ~~to have the eligible deactivation adjudicated under the just cause~~
10 ~~standard outlined in (a) (iv) (E) of this subsection.~~

11 ~~(b) A transportation network company that enters into an~~
12 ~~agreement with the driver resource center shall reach agreement~~
13 ~~through the following steps:~~

14 ~~(i) (A) For a transportation network company operating a digital~~
15 ~~network in the state of Washington as of June 9, 2022, the driver~~
16 ~~resource center and transportation network company must make good~~
17 ~~faith efforts to reach an agreement within 120 days of an~~
18 ~~organization being selected as the driver resource center under RCW~~
19 ~~49.46.310.~~

20 ~~(B) For a transportation network company who begins operating a~~
21 ~~digital network in the state of Washington after an organization has~~
22 ~~been selected as the driver resource center under RCW 49.46.310, the~~
23 ~~driver resource center and transportation network company must make~~
24 ~~good faith efforts to reach an agreement within 120 days of the~~
25 ~~transportation network company beginning operation of a digital~~
26 ~~network in the state of Washington.~~

27 ~~(ii) If the driver resource center and transportation network~~
28 ~~company cannot reach an agreement, then they are required to submit~~
29 ~~issues of dispute before a jointly agreed-upon mediator.~~

30 ~~(iii) After mediation lasting no more than two months has been~~
31 ~~exhausted and no resolution has been reached, then the parties will~~
32 ~~proceed to binding arbitration before a panel of arbitrators~~
33 ~~consisting of one arbitrator selected by the driver resource center,~~
34 ~~one arbitrator selected by the transportation network company, and a~~
35 ~~third arbitrator selected by the other two. If the two selected~~
36 ~~arbitrators cannot agree to the third arbitrator within 10 days, then~~
37 ~~the third arbitrator shall be determined from a list of seven~~
38 ~~arbitrators with experience in labor disputes or interest arbitration~~
39 ~~designated by the American arbitration association. A coin toss shall~~
40 ~~determine which side strikes the first name. Thereafter the other~~

1 side shall strike a name. The process will continue until only one
2 name remains, who shall be the third arbitrator. Alternatively, the
3 driver resource center and the transportation network company may
4 agree to a single arbitrator.

5 (iv) The arbitrators must submit their decision, based on
6 majority rule, within 60 days of the panel or arbitrator being
7 chosen.

8 (v) The decision of the majority of arbitrators is final and
9 binding and will then be submitted to the director of the department
10 for final approval.

11 (c) In reviewing any agreement between a transportation network
12 company and the driver resource center, under (a) of this subsection,
13 the department shall review the agreement to ensure that its content
14 is consistent with this subsection and the public policy goals set
15 forth in this subsection. The department shall consider in its review
16 both qualitative and quantitative effects of the agreement and how
17 the agreement comports with the state policies set forth in this
18 section. In conducting a review, the record shall not be limited to
19 the submissions of the parties nor to the terms of the proposed
20 agreement and the department shall have the right to conduct public
21 hearings and request additional information from the parties,
22 provided that such information: (i) Is relevant for determining
23 whether the agreement complies with this subsection; and (ii) does
24 not contain either parties' confidential, proprietary, or privileged
25 information, or any individual's personal identifying information
26 from the parties. The department may approve or reject a proposed
27 agreement, and may require the parties to submit a revised proposal
28 on all or particular parts of the proposed agreement. If the
29 department rejects an agreement, it shall set forth its reasoning in
30 writing and shall suggest ways the parties may remedy the failures.
31 Absent good cause, the department shall issue a written determination
32 regarding its approval or rejection within 60 days of submission of
33 the agreement.

34 (d) (i) For any account deactivation, the transportation network
35 company shall provide notification to the driver, at the time of
36 deactivation, that the driver may have the right to representation by
37 the driver resource center to appeal the account deactivation.

38 (ii) A transportation network company must provide any driver
39 whose account is subject to an account deactivation between June 9,
40 2022, and the effective date of the agreement the contact information

~~1 of the driver resource center and notification that the driver may
2 have the right to appeal the account deactivation with representation
3 by the driver resource center.~~

~~4 (16) The department may adopt rules to implement this section.))~~

5 NEW SECTION. **Sec. 11.** A new section is added to chapter 49.46
6 RCW to read as follows:

7 (1) A driver is only covered by this section to the extent that
8 the driver provides network services within the state of Washington.

9 (2)(a) A transportation network company is covered by this
10 section if it provides a driver platform within the state of
11 Washington.

12 (b) Separate entities that form an integrated enterprise are
13 considered a single transportation network company under this
14 section. Separate entities will be considered an integrated
15 enterprise and a single transportation network company where a
16 separate entity controls the operation of another entity. Factors to
17 consider include, but are not limited to: The degree of interrelation
18 between the operations of multiple entities; the degree to which the
19 entities share common management; the centralized control of labor
20 relations; the degree of common ownership or financial control over
21 the entities; and the use of a common brand, trade, business, or
22 operating name.

23 (3)(a) Beginning December 31, 2022, a transportation network
24 company shall ensure that a driver's total compensation is not less
25 than the standard set forth in this subsection (3)(a).

26 (i) For all dispatched trips originating in cities with a
27 population of more than 600,000, on a per trip basis the greater of:

28 (A) \$0.59 per passenger platform minute for all passenger
29 platform time for that trip, and \$1.38 per passenger platform mile
30 for all passenger platform miles driven on that trip; or

31 (B) A minimum of \$5.17 per dispatched trip.

32 (ii) For all other dispatched trips, the greater of:

33 (A) \$0.34 per passenger platform minute and \$1.17 per passenger
34 platform mile; or

35 (B) A minimum of \$3.00 per dispatched trip.

36 (iii) For all trips originating elsewhere and terminating in
37 cities with a population of more than 600,000:

38 (A) For all passenger platform time spent within the city on that
39 trip and for all passenger platform miles driven in the city on that

1 trip the compensation standard under (a)(i) of this subsection
2 applies;

3 (B) For all passenger platform time spent outside the city on
4 that trip and for all passenger platform miles driven outside the
5 city on that trip the compensation standard under (a)(ii) of this
6 subsection applies.

7 (b) Beginning September 30, 2022, and on each following September
8 30th, the department shall calculate adjusted per mile and per minute
9 amounts and per trip minimums by increasing the current year's per
10 mile and per minute amounts and per trip minimums by the rate of
11 increase of the state minimum wage, calculated to the nearest cent.
12 The adjusted amount calculated under this section takes effect on the
13 following January 1st.

14 (c) For shared rides, the per trip minimums in (a)(i) and (ii) of
15 this subsection shall apply only to the entirety of the shared ride,
16 and not on the basis of the individual passenger's trip within the
17 shared ride.

18 (4)(a) For the purposes of this section, a dispatched trip
19 includes:

20 (i) A dispatched trip in which the driver transports the
21 passenger to the passenger drop-off location;

22 (ii) A dispatched trip canceled after two minutes by a passenger
23 or the transportation network company unless cancellation is due to
24 driver conduct, or no cancellation fee is charged to the passenger;

25 (iii) A dispatched trip that is canceled by the driver for good
26 cause consistent with company policy; and

27 (iv) A dispatched trip where the passenger does not appear at the
28 passenger pick-up location within five minutes.

29 (b) A transportation network company may exclude time and miles
30 if doing so is reasonably necessary to remedy or prevent fraudulent
31 use of the transportation network company's online-enabled
32 application or platform.

33 (5)(a) A transportation network company shall remit to drivers
34 all tips. Tips paid to a driver are in addition to, and may not count
35 towards, the driver's minimum compensation under this section.

36 (b) Amounts charged to a passenger and remitted to the driver for
37 tolls, fees, or surcharges incurred by a driver during a trip must
38 not be included in calculating compensation for purposes of
39 subsection (3) of this section.

1 (c)(i) Beginning January 1, 2023, except as required by law, a
2 transportation network company may only deduct compensation when the
3 driver expressly authorizes the deduction in writing and does so in
4 advance for a lawful purpose. Any authorization by a driver must be
5 voluntary and knowing.

6 (ii) Nothing in this section shall prohibit a transportation
7 network company from deducting compensation as required by state or
8 federal law or as directed by a court order.

9 (iii) Neither the transportation network company nor any person
10 acting in the interest of the transportation network company may
11 derive any financial profit or benefit from any of the deductions
12 under this section. For the purposes of this section:

13 (A) Reasonable interest charged by the transportation network
14 company or any person acting in the interest of a transportation
15 network company, for a loan or credit extended to the driver, is not
16 considered to be of financial benefit to the transportation network
17 company or person acting in the interest of a transportation network
18 company; and

19 (B) A deduction will be considered for financial profit or
20 benefit only if it results in a gain over and above the fair market
21 value of the goods or services for which the deduction was made.

22 (6)(a) Beginning January 1, 2023, a transportation network
23 company shall provide each driver with a written notice of rights
24 established by this section in a form and manner sufficient to inform
25 drivers of their rights under this section. The notice of rights
26 shall provide information on:

27 (i) The right to the applicable per minute rate and per mile rate
28 or per trip rate guaranteed by this section;

29 (ii) The right to be protected from retaliation for exercising in
30 good faith the rights protected by this section; and

31 (iii) The right to seek legal action or file a complaint with the
32 department for violation of the requirements of this section,
33 including a transportation network company's failure to pay the
34 minimum per minute rate or per mile rate or per trip rate, or a
35 transportation network company's retaliation against a driver or
36 other person for engaging in an activity protected by this section.

37 (b) A transportation network company shall provide the notice of
38 rights required by this section in an electronic format that is
39 readily accessible to the driver. The notice of rights shall be made
40 available to the driver via smartphone application or online web

1 portal, in English, and the five most common foreign languages spoken
2 in this state.

3 (7) Beginning December 31, 2022, within 24 hours of completion of
4 each dispatched trip, a transportation network company must transmit
5 an electronic receipt to the driver that contains the following
6 information for each unique trip, or portion of a unique trip,
7 covered by this section:

8 (a) The total amount of passenger platform time;

9 (b) The total mileage driven during passenger platform time;

10 (c) Rate or rates of pay including, but not limited to, the rate
11 per minute, rate per mile, percentage of passenger fare, and any
12 applicable price multiplier or variable pricing policy in effect for
13 the trip;

14 (d) Tip compensation;

15 (e) Gross payment;

16 (f) Net payment after deductions, fees, tolls, surcharges, lease
17 fees, or other charges; and

18 (g) Itemized deductions or fees, including any toll, surcharge,
19 commission, lease fees, and other charges.

20 (8) Beginning January 1, 2023, a transportation network company
21 shall make driver per trip receipts available in a downloadable
22 format, such as a comma-separated values file or PDF file, via
23 smartphone application or online web portal for a period of two years
24 from the date the transportation network company provided the receipt
25 to the driver.

26 (9) Beginning January 1, 2023, on a weekly basis, the
27 transportation network company shall provide written notice to the
28 driver that contains the following information for trips, or a
29 portion of a trip, that is covered by this section and which occurred
30 in the prior week:

31 (a) The driver's total passenger platform time;

32 (b) Total mileage driven by the driver during passenger platform
33 time;

34 (c) The driver's total tip compensation;

35 (d) The driver's gross payment, itemized by: (i) Rate per minute;
36 (ii) rate per mile; and (iii) any other method used to calculate pay
37 including, but not limited to, base pay, percentage of passenger
38 fare, or any applicable price multiplier or variable pricing policy
39 in effect for the trip;

1 (e) The driver's net payment after deductions, fees, tolls,
2 surcharges, lease fees, or other charges; and

3 (f) Itemized deductions or fees, including all tolls, surcharges,
4 commissions, lease fees, and other charges, from the driver's
5 payment.

6 (10) Beginning January 1, 2023, within 24 hours of a trip's
7 completion, a transportation network company must transmit an
8 electronic receipt to the passenger, for on trip time, on behalf of
9 the driver that lists:

10 (a) The date and time of the trip;

11 (b) The passenger pick-up and passenger drop-off locations for
12 the trip. In describing the passenger pick-up location and passenger
13 drop-off location, the transportation network company shall describe
14 the location by indicating the specific block (e.g. "the 300 block of
15 Pine Street") in which the passenger pick-up and passenger drop-off
16 occurred. A transportation network company is authorized to indicate
17 the location with greater specificity, such as with a street address
18 or intersection, at its discretion;

19 (c) The total duration and distance of the trip;

20 (d) The driver's first name;

21 (e) The total fare paid, itemizing all charges and fees; and

22 (f) The total passenger-paid tips.

23 NEW SECTION. **Sec. 12.** A new section is added to chapter 49.46
24 RCW to read as follows:

25 (1)(a) Transportation network companies shall collect and remit a
26 \$0.15 per trip fee to the driver resource center fund, created in RCW
27 49.46.310, for the driver resource center to support the driver
28 community. The remittance under this subsection is a pass-through of
29 passenger fares and shall not be considered a transportation network
30 company's funding of the driver resource center. Passenger fares paid
31 include each individual trip portion on shared trips. The remittances
32 to the fund must be made on a quarterly basis.

33 (b) Beginning September 30, 2024, and on each following September
34 30th, the department shall calculate an adjusted per trip fee by
35 adjusting the current amount by the rate of inflation. The adjusted
36 amounts must be calculated to the nearest cent using the consumer
37 price index for urban wage earners and clerical workers, CPI-W, or a
38 successor index, for the 12 months prior to each September 1st as
39 calculated by the United States department of labor. Each adjusted

1 amount calculated under this subsection takes effect on the following
2 January 1st.

3 (2) Transportation network companies shall provide an opportunity
4 for drivers to make voluntary per trip earnings deduction
5 contributions to the driver resource center, provided that 100 or
6 more drivers working for transportation network companies covered
7 under this section have authorized such a deduction to the driver
8 resource center, and subject to the following:

9 (a) A driver must expressly authorize the deduction in writing.
10 Written authorization must include, at a minimum, sufficient
11 information to identify the driver and the driver's desired per trip
12 deduction amount. These deductions may reduce the driver's per trip
13 earnings below the minimums set forth in this section.

14 (b) The transportation network company may require written
15 authorization to be submitted in electronic format from the driver
16 resource center.

17 (c) The transportation network company shall make the first
18 deductions within 30 days of receiving a written authorization of the
19 driver and shall remit deductions to the driver resource center each
20 month, with remittance due not later than 28 days following the end
21 of the month.

22 (d) A driver's authorization remains in effect until the driver
23 resource center provides an express revocation to the transportation
24 network company.

25 (e) A transportation network company shall rely on information
26 provided by the driver resource center regarding the authorization
27 and revocation of deductions.

28 (f) Upon request by a transportation network company, the driver
29 resource center shall reimburse the transportation network company
30 for the costs associated with deduction and remittance. The
31 department shall adopt rules to calculate the reimbursable costs.

32 (3) Each transportation network company shall submit to the fund,
33 with its remittance under subsection (1) of this section, a report
34 detailing the number of trips in the previous quarter and the total
35 amount of the surcharge charged to customers. The first payment and
36 accounting is due on the 30th day of the quarter following the
37 imposition of the surcharge. Failure to remit payments by the
38 deadlines is deemed a delinquency and the transportation network
39 company is subject to penalties and interest provided in RCW
40 49.46.330.

1 (4) (a) The state expressly intends to displace competition with
2 regulation allowing a transportation network company, at its own
3 volition, to enter into an agreement with the driver resource center
4 regarding a driver account deactivation appeals process for eligible
5 account deactivations. It is the policy of the state to promote a
6 fair appeals process related to eligible account deactivations that
7 supports the rights of drivers and transportation network companies
8 and provides fair processes related to eligible account
9 deactivations. The state intends that any agreement under this
10 section is immune from all federal and state antitrust laws.

11 (i) "Eligible account deactivation" means one or more of the
12 following actions with respect to an individual driver that is
13 implemented by a transportation network company:

14 (A) Blocking or restricting access to the transportation network
15 company driver platform for three or more consecutive days; or

16 (B) Changing a driver's account status from eligible to provide
17 transportation network company services to ineligible for three or
18 more consecutive days.

19 (ii) An eligible account deactivation does not include any change
20 in a driver's access or account status that is:

21 (A) Related to an allegation of discrimination, harassment,
22 including sexual harassment or harassment due to someone's membership
23 in a protected class, or physical or sexual assault, or willful or
24 knowing commitment of fraud;

25 (B) Related to an allegation that the driver was under the
26 influence of drugs or alcohol while a related active investigation
27 that takes no longer than 10 business days is underway; or

28 (C) Any other categories the transportation network company and
29 the driver resource center may agree to as part of the agreement
30 under this subsection.

31 (iii) A transportation network company shall enter into an
32 agreement with the driver resource center regarding the driver
33 account deactivation appeals process for eligible account
34 deactivations. Any agreement must be approved by the department. The
35 department may approve an agreement only if the agreement contains
36 the provisions in (a) (iv) of this subsection.

37 (iv) The agreement must provide an appeals process for drivers
38 whose account has been subject to an eligible account deactivation.
39 The appeals process must include the following protections:

1 (A) Opportunity for a driver representative to support a driver,
2 upon the driver's request, throughout the account deactivation
3 appeals process for eligible account deactivations;

4 (B) Notification, as required by (d) of this subsection, to
5 drivers of their right to representation by the driver resource
6 center at the time of the eligible account deactivation;

7 (C) Within 30 calendar days of a request, furnishing to the
8 driver resource center an explanation and information the
9 transportation network company may have relied upon in making the
10 deactivation decision, excluding confidential, proprietary, or
11 otherwise privileged communications, provided that personal
12 identifying information and confidential information is redacted to
13 address reasonable privacy and confidentiality concerns;

14 (D) A good faith, informal resolution process that is committed
15 to efficient resolution of conflicts regarding eligible account
16 deactivations within 30 days of the transportation network company
17 being notified that the driver contests the explanation offered by
18 the company;

19 (E) A formal process that includes a just cause standard, with
20 deadlines for adjudication of an appeal of an eligible account
21 deactivation by a panel that includes a mutually agreed-upon neutral
22 third party with experience in dispute resolution. The panel has the
23 authority to make binding decisions within the confines of the law
24 and make whole monetary awards, including back pay, based on an
25 agreed-upon formula for cases not resolved during the informal
26 process;

27 (F) Agreement by the transportation network company to use the
28 process set forth in this subsection to resolve disputes over
29 eligible account deactivation appeals as an alternative to private
30 arbitration with regard to such a dispute, should the driver and
31 transportation network company so choose; and

32 (G) Agreement by the transportation network company that, for
33 eligible account deactivations in which the driver or transportation
34 network company elect private arbitration in lieu of the formal
35 process outlined in (a)(iv)(E) of this subsection (4), the
36 transportation network company shall offer the driver the opportunity
37 to have the eligible deactivation adjudicated under the just cause
38 standard outlined in (a)(iv)(E) of this subsection.

1 (b) A transportation network company that enters into an
2 agreement with the driver resource center shall reach agreement
3 through the following steps:

4 (i) (A) For a transportation network company operating a digital
5 network in the state of Washington as of June 9, 2022, the driver
6 resource center and transportation network company must make good
7 faith efforts to reach an agreement within 120 days of an
8 organization being selected as the driver resource center under RCW
9 49.46.310.

10 (B) For a transportation network company who begins operating a
11 digital network in the state of Washington after an organization has
12 been selected as the driver resource center under RCW 49.46.310, the
13 driver resource center and transportation network company must make
14 good faith efforts to reach an agreement within 120 days of the
15 transportation network company beginning operation of a digital
16 network in the state of Washington.

17 (ii) If the driver resource center and transportation network
18 company cannot reach an agreement, then they are required to submit
19 issues of dispute before a jointly agreed-upon mediator.

20 (iii) After mediation lasting no more than two months has been
21 exhausted and no resolution has been reached, then the parties will
22 proceed to binding arbitration before a panel of arbitrators
23 consisting of one arbitrator selected by the driver resource center,
24 one arbitrator selected by the transportation network company, and a
25 third arbitrator selected by the other two. If the two selected
26 arbitrators cannot agree to the third arbitrator within 10 days, then
27 the third arbitrator shall be determined from a list of seven
28 arbitrators with experience in labor disputes or interest arbitration
29 designated by the American arbitration association. A coin toss shall
30 determine which side strikes the first name. Thereafter the other
31 side shall strike a name. The process will continue until only one
32 name remains, who shall be the third arbitrator. Alternatively, the
33 driver resource center and the transportation network company may
34 agree to a single arbitrator.

35 (iv) The arbitrators must submit their decision, based on
36 majority rule, within 60 days of the panel or arbitrator being
37 chosen.

38 (v) The decision of the majority of arbitrators is final and
39 binding and will then be submitted to the director of the department
40 for final approval.

1 (c) In reviewing any agreement between a transportation network
2 company and the driver resource center, under (a) of this subsection,
3 the department shall review the agreement to ensure that its content
4 is consistent with this subsection and the public policy goals set
5 forth in this subsection. The department shall consider in its review
6 both qualitative and quantitative effects of the agreement and how
7 the agreement comports with the state policies set forth in this
8 section. In conducting a review, the record shall not be limited to
9 the submissions of the parties nor to the terms of the proposed
10 agreement and the department shall have the right to conduct public
11 hearings and request additional information from the parties,
12 provided that such information: (i) Is relevant for determining
13 whether the agreement complies with this subsection; and (ii) does
14 not contain either parties' confidential, proprietary, or privileged
15 information, or any individual's personal identifying information
16 from the parties. The department may approve or reject a proposed
17 agreement, and may require the parties to submit a revised proposal
18 on all or particular parts of the proposed agreement. If the
19 department rejects an agreement, it shall set forth its reasoning in
20 writing and shall suggest ways the parties may remedy the failures.
21 Absent good cause, the department shall issue a written determination
22 regarding its approval or rejection within 60 days of submission of
23 the agreement.

24 (d) (i) For any account deactivation, the transportation network
25 company shall provide notification to the driver, at the time of
26 deactivation, that the driver may have the right to representation by
27 the driver resource center to appeal the account deactivation.

28 (ii) A transportation network company must provide any driver
29 whose account is subject to an account deactivation between June 9,
30 2022, and the effective date of the agreement the contact information
31 of the driver resource center and notification that the driver may
32 have the right to appeal the account deactivation with representation
33 by the driver resource center.

34 NEW SECTION. **Sec. 13.** A new section is added to chapter 49.46
35 RCW to read as follows:

36 (1) Beginning January 1, 2023, a transportation network company
37 must provide to each driver operating on its driver platform
38 compensation for earned paid sick time as required by this section
39 and subject to the provisions of this section. A driver shall accrue

1 one hour of earned paid sick time for every 40 hours of passenger
2 platform time worked.

3 (2) A driver is entitled to use accrued earned paid sick time
4 upon recording 90 hours of passenger platform time on the
5 transportation network company's driver platform.

6 (3) For each hour of earned paid sick time used, a driver shall
7 be paid the driver's average hourly compensation.

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

12 (5) A driver may carry over up to 40 hours of unused earned paid
13 sick time to the next calendar year. If a driver carries over unused
14 earned paid sick time to the following year, accrual of earned paid
15 sick time in the subsequent year must be in addition to the hours
16 accrued in the previous year and carried over.

17 (6) A driver is entitled to use accrued earned paid sick time if
18 the driver has used the transportation network company's platform as
19 a driver within 90 calendar days preceding the driver's request to
20 use earned paid sick time.

21 (7) A driver is entitled to use earned paid sick time for the
22 following reasons:

23 (a) An absence resulting from the driver's mental or physical
24 illness, injury, or health condition; to accommodate the driver's
25 need for medical diagnosis, care, or treatment of a mental or
26 physical illness, injury, or health condition; or an employee's need
27 for preventive medical care;

28 (b) To allow the driver to provide care for a family member with
29 a mental or physical illness, injury, or health condition; care of a
30 family member who needs medical diagnosis, care, or treatment of a
31 mental or physical illness, injury, or health condition; or care for
32 a family member who needs preventive medical care;

33 (c) When the driver's child's school or place of care has been
34 closed by order of a public official for any health-related reason or
35 has been closed after the declaration of an emergency by a local or
36 state government or agency, or by the federal government;

37 (d) For absences for which an employee would be entitled for
38 leave under RCW 49.76.030; and

39 (e) During a deactivation or other status that prevents the
40 driver from performing network services on the transportation network

1 company's platform, unless the deactivation or status is due to a
2 verified allegation of sexual assault or physical assault perpetrated
3 by the driver.

4 (8) If a driver does not record any passenger platform time in a
5 transportation network company's driver platform for 365 or more
6 consecutive days, any unused earned paid sick time accrued up to that
7 point with that transportation network company is no longer valid or
8 recognized.

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

15 (10) A transportation network company shall compensate a driver
16 for requested hours or days of earned paid sick time no later than 14
17 calendar days or the next regularly scheduled date of compensation
18 following the requested hours or days of earned paid sick time.

19 (11) A transportation network company shall not request or
20 require reasonable verification of a driver's qualifying illness
21 except as would be permitted to be requested of an employee under RCW
22 49.46.210(7). If a transportation network company requires
23 verification pursuant to this subsection, the transportation network
24 company must compensate the driver for the requested hours or days of
25 earned paid sick time no later than the driver's next regularly
26 scheduled date of compensation after satisfactory verification is
27 provided.

28 (12) If a driver accepts an offer of prearranged services for
29 compensation from a transportation network company during the one-
30 hour period or periods for which the driver requested earned paid
31 sick time, a transportation network company may determine that the
32 driver did not use earned paid sick time for an authorized purpose.

33 (13) A transportation network company shall provide each driver
34 with:

35 (a) Written notification of the current rate of average hourly
36 compensation while a passenger is in the vehicle during the most
37 recent calendar month for use of earned paid sick time;

38 (b) An updated amount of accrued earned paid sick time since the
39 last notification;

40 (c) Reduced earned paid sick time since the last notification;

1 (d) Any unused earned paid sick time available for use; and
2 (e) Any amount that the transportation network company may
3 subtract from the driver's compensation for earned paid sick time.
4 The transportation network company shall provide this information to
5 the driver no less than monthly. The transportation network company
6 may choose a reasonable system for providing this notification
7 including, but not limited to: A pay stub; a weekly summary of
8 compensation information; or an online system where drivers can
9 access their own earned paid sick time information. A transportation
10 network company is not required to provide this information to a
11 driver if the driver has not worked any days since the last
12 notification.

13 (14) The definitions in this subsection apply throughout this
14 section:

15 (a) "Average hourly compensation" means a driver's compensation
16 during passenger platform time from, or facilitated by, the
17 transportation network company, during the 365 days immediately prior
18 to the day that paid sick time is used, divided by the total hours of
19 passenger platform time worked by the driver on that transportation
20 network company's driver platform during that period. "Average hourly
21 compensation" does not include tips.

22 (b) "Earned paid sick time" is the time provided by a
23 transportation network company to a driver as calculated under this
24 subsection. For each hour of earned paid sick time used by a driver,
25 the transportation network company shall compensate the driver at a
26 rate equal to the driver's average hourly compensation.

27 NEW SECTION. **Sec. 14.** A new section is added to chapter 49.46
28 RCW to read as follows:

29 (1) A transportation network company must provide to each driver
30 operating on its driver platform compensation for earned vacation
31 time as required by this section and subject to the provisions of
32 this section. A driver shall accrue 2.3 hours of earned paid vacation
33 time for every 40 hours of passenger platform time worked.

34 (2) A driver is entitled to use accrued earned paid vacation time
35 upon recording 90 hours of passenger platform time on the
36 transportation network company's driver platform.

37 (3) For each hour of earned paid vacation time used, a driver
38 shall be paid the driver's average hourly compensation.

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

5 (5) A driver may carry over up to 40 hours of unused earned paid
6 vacation time to the next calendar year. If a driver carries over
7 unused earned paid vacation time to the following year, accrual of
8 earned paid vacation time in the subsequent year must be in addition
9 to the hours accrued in the previous year and carried over.

10 (6) A driver is entitled to use accrued earned paid vacation time
11 if the driver has used the transportation network company's platform
12 as a driver within 90 calendar days preceding the driver's request to
13 use earned paid vacation time.

14 (7) A driver is entitled to use earned paid vacation time during
15 a deactivation or other status that prevents the driver from
16 performing network services on the transportation network company's
17 platform, unless the deactivation or status is due to a verified
18 allegation of sexual assault or physical assault perpetrated by the
19 driver.

20 (8) If a driver does not record any passenger platform time in a
21 transportation network company's driver platform for 365 or more
22 consecutive days, any unused earned paid vacation time accrued up to
23 that point with that transportation network company is no longer
24 valid or recognized.

25 (9) Drivers may use accrued days of earned paid vacation time in
26 increments of a minimum of one or more hours. Drivers are entitled to
27 request one or more hours of earned paid vacation time for immediate
28 use, including consecutive days of use. Drivers are not entitled to
29 use more than eight hours of earned paid vacation time within a
30 single calendar day.

31 (10) A transportation network company shall compensate a driver
32 for requested hours or days of earned paid vacation time no later
33 than 14 calendar days or the next regularly scheduled date of
34 compensation following the requested hours or days of earned paid
35 vacation time.

36 (11) A transportation network company shall provide each driver
37 with:

38 (a) Written notification of the current rate of average hourly
39 compensation while a passenger is in the vehicle during the most
40 recent calendar month for use of earned paid vacation time;

1 (b) An updated amount of accrued earned paid vacation time since
2 the last notification;

3 (c) Reduced earned paid vacation time since the last
4 notification;

5 (d) Any unused earned paid vacation time available for use; and

6 (e) Any amount that the transportation network company may
7 subtract from the driver's compensation for earned paid vacation
8 time. The transportation network company shall provide this
9 information to the driver no less than monthly. The transportation
10 network company may choose a reasonable system for providing this
11 notification including, but not limited to: A pay stub; a weekly
12 summary of compensation information; or an online system where
13 drivers can access their own earned paid vacation time information. A
14 transportation network company is not required to provide this
15 information to a driver if the driver has not worked any days since
16 the last notification.

17 (12) The definitions in this subsection apply throughout this
18 section:

19 (a) "Average hourly compensation" means a driver's compensation
20 during passenger platform time from, or facilitated by, the
21 transportation network company, during the 365 days immediately prior
22 to the day that paid vacation time is used, divided by the total
23 hours of passenger platform time worked by the driver on that
24 transportation network company's driver platform during that period.
25 "Average hourly compensation" does not include tips.

26 (b) "Earned paid vacation time" is the time provided by a
27 transportation network company to a driver as calculated under this
28 subsection. For each hour of earned paid vacation time used by a
29 driver, the transportation network company shall compensate the
30 driver at a rate equal to the driver's average hourly compensation.

31 NEW SECTION. **Sec. 15.** A new section is added to chapter 49.46
32 RCW to read as follows:

33 (1) A transportation network company may not adopt or enforce any
34 policy that counts the use of earned paid sick time required under
35 section 13 of this act or earned vacation leave under section 14 of
36 this act as an absence that may lead to or result in any action that
37 adversely affects the driver's use of the transportation network.

38 (2) A transportation network company may not take any action
39 against a driver that adversely affects the driver's use of the

1 transportation network due to the driver's exercise of any rights
2 under this chapter including the use of earned paid sick time under
3 section 13 of this act or earned vacation leave under section 14 of
4 this act.

5 NEW SECTION. **Sec. 16.** A new section is added to chapter 49.46
6 RCW to read as follows:

7 The department may adopt rules to implement this chapter.

8 NEW SECTION. **Sec. 17.** This act takes effect January 1, 2026.

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