## SUBSTITUTE HOUSE BILL 1672

State of Washington 69th Legislature 2025 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Kloba, Stonier, Fosse, Doglio, Parshley, Berry, Reed, Cortes, Bronoske, Ryu, Ramel, Scott, Taylor, and Simmons)

READ FIRST TIME 02/21/25.

- 1 AN ACT Relating to technology used by employers in the workplace;
- 2 adding a new chapter to Title 49 RCW; prescribing penalties; and
- 3 providing an effective date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 8 (1) "Algorithm" means a computerized procedure consisting of a 9 set of steps used to accomplish a determined task.
- 10 "Automated decision system" means an algorithm 11 computational process that is used to make or assist in making decisions, judgments, or conclusions. "Automated decision system" 12 13 includes algorithms and computational processes that are derived from machine 14 learning, statistics, data processing, or artificial 15 intelligence.
- 16 (3) "Automated decision system output" means information, data, 17 assumptions, predictions, scoring, recommendations, decisions, or 18 conclusions generated by an automated decision system.
- 19 (4) "Biometric data" means data that is generated from the 20 measurement or technological processing of an individual's 21 physiological, biological, or behavioral characteristics and that

p. 1 SHB 1672

- identifies a person, whether individually or in combination with other data. "Biometric data" includes, but is not limited to:
- 3 (a) Imagery of the iris, retina, fingerprint, face, hand, palm, 4 vein patterns, and voice recordings, from which an identifier 5 template can be extracted; or
- 6 (b) Keystroke patterns or rhythms and gait patterns or rhythms 7 that contain identifying information.
  - (5) "Data" means information obtained by any means that, directly or indirectly, identifies, relates to, describes, may reasonably be associated with, or could reasonably be linked to an employee, including:
- 12 (a) Personal information; as defined in RCW 19.255.005;
- 13 (b) Biometric data;

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- (c) Health information;
  - (d) Information related to workplace activities;
- (e) Human resources information and personnel files; and
- 17 (f) Information related to the employee's internet and digital 18 activities, including electronic communications, private social media 19 activity, and personal internet protocol address.
  - (6) "Department" means the department of labor and industries.
- (7) "Electronic monitoring" means the collection of information concerning employee activities or communication by any means other than direct, in-person observation, including through the use of a digital device, computer, telephone, wire, radio, camera, or electromagnetic, photoelectronic, or photo-optical system.
- 26 (8) "Employee" means an employee who is employed in the business 27 of the employee's employer whether by way of manual labor or 28 otherwise.
  - (9) "Employer" means any person, firm, corporation, partnership, business trust, legal representative, or other business entity which engages in any business, industry, profession, or activity in this state and employs one or more employees.
- 33 (10) "Employment-related decision" means any decision by an 34 employer that:
- 35 (a) Affects an employee's compensation, benefits, or terms and 36 conditions of employment;
- 37 (b) Relates to the discipline, evaluation, promotion, or 38 termination of an employee; or
- 39 (c) Relates to the hiring of an individual or employee for a 40 position or job.

p. 2 SHB 1672

- 1 (11) "Essential job function" means a fundamental duty of a job 2 or position that an employee with that job or position must be able 3 to perform.
- 4 (12)(a) "Health information" means personal information that is 5 linked or reasonably linkable to a person and that identifies the 6 person's past, present, or future physical or mental health status.
- 7 (b) For the purposes of this definition, physical or mental 8 health status includes, but is not limited to:
- 9 (i) Individual health conditions, treatment, diseases, or 10 diagnosis;
- 11 (ii) Social, psychological, behavioral, and medical interventions;
  - (iii) Health-related surgeries or procedures;
- 14 (iv) Use or purchase of prescribed medication;
- 15 (v) Bodily functions, vital signs, symptoms, or measurements of such information;
  - (vi) Diagnoses or diagnostic testing, treatment, or medication;
- 18 (vii) Gender-affirming care information;
- 19 (viii) Reproductive or sexual health information;
- 20 (ix) Biometric data;
- 21 (x) Genetic data;

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- 22 (xi) Precise location information that could reasonably indicate 23 a person's attempt to acquire or receive health services or supplies;
- 24 (xii) Data that identifies a person seeking health care services; 25 or
- (xiii) Any information that an employer, or the employer's respective processor, processes to associate or identify a person with the data described in (b)(i) through (xii) of this subsection that is derived or extrapolated from nonhealth information, such as proxy, derivative, inferred, or emergent data by any means, including
- 31 algorithms or machine learning.
- NEW SECTION. Sec. 2. Subject to the prohibitions of section 4 of this act, an employer may not engage in electronic monitoring of an employee unless all of the following requirements are met:
- 35 (1) The employer's purpose in utilizing the electronic monitoring 36 is to:
- 37 (a) Assist or allow the employee to accomplish an essential job 38 function;
- 39 (b) Monitor production processes or quality;

p. 3 SHB 1672

1 (c) Ensure compliance with applicable employment or labor laws;

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- (d) Protect the health, safety, or security of the employee; or
- 3 (e) Track time worked or production output for purposes of determining the employee's compensation;
  - (2) Electronic monitoring is necessary to accomplish the purpose identified pursuant to subsection (1) of this section;
  - (3) The specific form of electronic monitoring is the least invasive means, with respect to the employee, of accomplishing the purpose identified pursuant to subsection (1) of this section;
  - (4) The specific form of electronic monitoring is used with the smallest number of employees and collects the smallest amount of data necessary to accomplish the purpose identified pursuant to subsection (1) of this section; and
  - (5) The employer ensures that only authorized persons have access to any data produced through the electronic monitoring and that the data is only used for the purpose and duration that the employee has been notified of pursuant to section 3 of this act.
- NEW SECTION. Sec. 3. (1) Except as provided for in subsection (5) of this section, at least 15 calendar days prior to commencing any form of electronic monitoring in compliance with section 2 of this act, an employer shall provide notice of the electronic monitoring to each employee who will be subject to it.
- 23 (2) The notice required under this section must, at a minimum, 24 include the following information:
  - (a) The specific form of electronic monitoring;
  - (b) A description of the intended purpose of the electronic monitoring and why the electronic monitoring is necessary to accomplish that purpose;
- 29 (c) A description of how any data generated by the electronic 30 monitoring will be used;
- 31 (d) A description of the technologies that will be used to 32 conduct the electronic monitoring;
- 33 (e) Whether and, if so, how the data generated by the electronic 34 monitoring will be used to inform employment-related decisions;
- 35 (f) The name of any person conducting electronic monitoring on 36 the employer's behalf and any associated contract language related to 37 the monitoring;

p. 4 SHB 1672

- (g) The name of any person, apart from the employer, who will have access to any data generated by the electronic monitoring and the reason why the person will have access to the data;
- (h) The positions within the employer that will have access to any data generated by the electronic monitoring;
  - (i) When, where, and how frequently monitoring will occur;
- (j) The period of time for which any data generated by the electronic monitoring will be retained by the employer or another person and when that data will be destroyed;
- (k) Notice of how the employee may access the data generated by the electronic monitoring and the process to correct any errors in the data; and
  - (1) Notice of the employee's rights pursuant to this section.
- (3) Notice of electronic monitoring provided pursuant to this section must be written in plain, clear, and concise language and provided to each employee in the employee's primary language.
- (4) An employer shall provide a new, updated notice to employees if it makes any significant changes to the manner of electronic monitoring or to the way that the employer utilizes the electronic monitoring or any data generated by it.
  - (5) Prior notice of electronic monitoring is not required if:
- 22 (a) The employer has reasonable grounds to believe that the 23 employee is engaged in conduct that:
  - (i) Is illegal;

- (ii) Violates the legal rights of the employer or another employee; or
  - (iii) Creates a hostile work environment; and
- 28 (b) The electronic monitoring is reasonably likely to produce 29 evidence of the conduct.
  - (6) (a) An employer that utilizes electronic monitoring shall annually provide each of its employees with a list of all electronic monitoring systems currently in use by the employer in relation to that employee. The list must be provided in the primary language of the employee.
  - (b) As used in this subsection, "currently in use" means that the employer: (i) Is currently using the system in relation to the employee; (ii) used the electronic monitoring system in relation to the employee within the past 90 days; or (iii) intends to use the electronic monitoring system in relation to the employee within the next 30 days.

p. 5 SHB 1672

- NEW SECTION. Sec. 4. (1) Notwithstanding the purposes for electronic monitoring set forth in section 2 of this act, electronic monitoring may not be used:
- (a) In any manner that violates state or federal labor or employment laws;
- (b) In relation to workers who are off duty and not performing work-related tasks;
  - (c) To identify employees exercising legal rights;

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- 9 (d) For audio-visual monitoring of bathrooms, locker rooms, 10 changing areas, breakrooms, smoking areas, employee cafeterias, 11 lounges, lactation rooms, or other similarly private areas;
  - (e) To determine the frequency with which employees visit or use bathrooms, locker rooms, changing areas, breakrooms, smoking areas, employee cafeterias, lounges, lactation rooms, or other similarly private areas; or
  - (f) For audio-visual monitoring of any space within an employee's residence or personal vehicle, or a property owned or rented by the employee, unless the monitoring is necessary to ensure the employee's health and safety or to verify the security of employer or client data. Monitoring of employee personal vehicles must comply with RCW 49.44.230.
- 22 (2) Electronic monitoring may not incorporate any form of facial, 23 gait, or emotion recognition technology.
- 24 (3) Electronic monitoring of employee social networking accounts 25 must comply with RCW 49.44.200.
  - NEW SECTION. Sec. 5. (1) An employer may not require an employee to install an application on a personal device for purposes of electronic monitoring or to wear a device or attach, embed, or physically implant a device on the employee's clothing that can be used for electronic monitoring, unless the electronic monitoring is:
- 31 (a) Necessary to accomplish the employee's essential job 32 functions; and
- 33 (b) Limited to only the times and activities necessary to 34 accomplish the essential job functions.
  - (2) Any location tracking function of an application or device must be disabled outside of the times when the employee is engaged in activities necessary to accomplish essential job functions.
- 38 (3) An employer may not require an employee to physically implant 39 a device on the employee's body for purposes of employee monitoring.

p. 6 SHB 1672

NEW SECTION. Sec. 6. (1) An employer may not use an automated decision system in a manner that:

(a) Violates state or federal law;

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- (b) Makes predictions about an employee's behavior that are unrelated to the employee's essential job functions;
- (c) Identifies, profiles, or predicts the likelihood that an employee will exercise the employee's legal rights;
- 8 (d) Makes predictions about an employee's emotions, personality, 9 or other sentiments; or
- 10 (e) Uses customer or client data, including customer or client 11 reviews and feedback, as an input of the automated decision system.
- 12 (2)(a) An employer may not solely rely on outputs from an automated decision system when making employment-related decisions.
- 14 (b) An employer may utilize an automated decision system in 15 making employment-related decisions if:
  - (i) The automated decision system outputs considered in making the employment-related decision are corroborated by human oversight of the employee, including supervisory or managerial observations and documentation of the employee's work, personnel records, and consultations with the employee's coworkers;
- 21 (ii) The employer has conducted an impact assessment of the 22 automated decision system pursuant to section 7 of this act; and
- 23 (iii) The employer is in compliance with the notice requirements 24 of section 3 of this act.
- 25 (3) An employer may not use any automated decision system outputs 26 regarding an employee's physical or mental health in relation to an 27 employment-related decision.
- 28 (4) Automated decision systems used by an employer may not 29 incorporate any form of facial, gait, or emotion recognition 30 technology.
- NEW SECTION. Sec. 7. (1) Prior to utilizing an automated decision system, an employer shall create a written impact assessment of the system that includes, at a minimum:
- 34 (a) A detailed description of the automated decision system and 35 its purpose;
  - (b) A description of the data utilized by the system;
- 37 (c) A description of the outputs produced by the system and the 38 types of employment-related decisions in which those outputs may be 39 utilized;

p. 7 SHB 1672

- 1 (d) The rationale for the use of the system, including reasons 2 for utilizing the system to supplement nonautomated means of decision 3 making;
  - (e) A detailed assessment of the potential risks of utilizing the system, including the risk of:
    - (i) Errors;

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- (ii) Discrimination against employees on the basis of age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability;
- 13 (iii) Violating employees' legal rights or chilling employees' 14 exercise of legal rights;
  - (iv) Directly or indirectly harming employees' physical health, mental health, safety, sense of well-being, dignity, or autonomy;
    - (v) Harm to employee privacy, including through potential security breaches or inadvertent disclosure of information; and
    - (vi) Negative economic and material impacts to employees, including potential effects on compensation, benefits, work conditions, evaluations, advancement, and work opportunities;
  - (f) A detailed summary of measures taken by the employer to address or mitigate the risks identified pursuant to (e) of this subsection; and
    - (g) A description of any methodology used in preparing the assessment.
  - (2) An employer shall provide a copy of the assessment prepared pursuant to this section to an employee upon request.
- 29 (3) An employer shall update the assessment required pursuant to 30 this section any time a significant change or update is made to the 31 automated decision system.
- NEW SECTION. Sec. 8. (1) An employer, any person that develops, operates, or maintains electronic monitoring or an automated decision system on behalf of an employer, and any person who collects, stores, analyzes, interprets, disseminates, or otherwise uses data produced or utilized by electronic monitoring or an automated decision system shall implement reasonable security procedures and practices appropriate to the nature of the data to protect employees' personal

p. 8 SHB 1672

information from unauthorized or illegal access, destruction, use, modification, or disclosure.

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- (2) Any person that develops, operates, or maintains electronic monitoring or an automated decision system on behalf of an employer and any person who collects, stores, analyzes, interprets, disseminates, or otherwise uses data produced or utilized by electronic monitoring or an automated decision system on behalf of an employer shall, upon termination of the contract with the employer:
- 9 (a) Return all data and automated decision system outputs to the 10 employer; and
- 11 (b) Destroy all data and automated decision system outputs in the 12 person's possession.
- 13 (3) An employer shall, upon request, provide an employee with any 14 data that relates to the employee that was produced or utilized by 15 electronic monitoring or an automated decision system used by the 16 employer.
- NEW SECTION. Sec. 9. An employer may not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the employee's rights under this chapter.
- NEW SECTION. Sec. 10. (1)(a) An employee may file a complaint with the department alleging a violation under this chapter or applicable rules. The department shall investigate the complaint.
  - (b) The department may not investigate any such alleged violation of rights that occurred more than three years before the date that the employee filed the complaint.
    - (c) If an employee files a timely complaint with the department, the department shall issue either a citation and notice of assessment or a determination of compliance within 90 days after the date on which the department received the complaint, unless the complaint is otherwise resolved. The department may extend the period by providing advance written notice to the employee and the employer setting forth good cause for an extension of the period and specifying the duration of the extension.
  - (d) The department shall send the citation and notice of assessment or the determination of compliance to both the employer and the employee by service of process or using a method by which the mailing can be tracked or the delivery can be confirmed to their last known addresses.

p. 9 SHB 1672

(2) If the department's investigation finds that the employee's allegation cannot be substantiated, the department shall issue a determination of compliance to the employee and the employer detailing such finding.

- (3) The director may initiate an investigation without ar employee's complaint to ensure compliance with this chapter.
- (4) Upon the department's request, an employer shall notify affected employees in writing that the department is conducting an investigation. The department may require the employer to include a general description of each investigation as part of the notification, including the allegations and whether the notified employee may be affected. The employer may consult with the department to provide the information for the description of the notification or investigation.
- (5) If the department determines that the employer has violated a requirement of this chapter or any rule adopted under this chapter, the department may also order the employer to pay the department a civil penalty of not less than \$1,000. The first violation may not exceed \$1,000. The department may, at any time, waive or reduce any civil penalty assessed against an employer under this section if the department determines that the employer has taken corrective action to remedy a violation. The department shall adopt rules creating a schedule to enhance penalties, not to exceed \$10,000 per violation, based on repeat violations by the employer. The department shall collect civil penalties and deposit them into the supplemental pension fund established under RCW 51.44.033.
- (6) Upon receiving a complaint, the department may request or subpoena the records of the employer.
- (7) For enforcement actions under this section, if any person fails to pay an assessment under this chapter, or under any rule under this chapter, after it has become a final and unappealable order, or after the court has entered final judgment in favor of the department, the director may initiate collection procedures in accordance with the collection procedures under RCW 49.48.086.
- (8) In addition to any enforcement authority provided in this chapter or applicable rules, the department may enforce any violation under this chapter or applicable rules by filing an action in the superior court for the county in which the violation is alleged to have occurred. If the department prevails, it is entitled to

p. 10 SHB 1672

- 1 reasonable attorneys' fees and costs, in the amount to be determined
- 2 by the court.
- 3 <u>NEW SECTION.</u> **Sec. 11.** The department may adopt and implement
- 4 rules to carry out and enforce the provisions of this chapter.
- 5 <u>NEW SECTION.</u> **Sec. 12.** Sections 1 through 11 and 13 of this act
- 6 constitute a new chapter in Title 49 RCW.
- 7 <u>NEW SECTION.</u> **Sec. 13.** Sections 1 through 10 of this act take
- 8 effect July 1, 2026.

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p. 11 SHB 1672