
SUBSTITUTE HOUSE BILL 2478

State of Washington

69th Legislature

2026 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Fosse, Schmidt, Berry, Parshley, Pollet, and Davis; by request of Department of Labor & Industries)

READ FIRST TIME 02/03/26.

1 AN ACT Relating to adding discretion to wage enforcement actions;
2 and amending RCW 49.48.040 and 49.48.083.

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

4 **Sec. 1.** RCW 49.48.040 and 1987 c 172 s 1 are each amended to
5 read as follows:

6 (1) The department of labor and industries may:

7 (a) Upon obtaining information indicating an employer may be
8 committing a violation under this chapter and chapters 39.12(~~(r)~~) and
9 49.46(~~(r) and 49.48~~) RCW and associated rules, conduct investigations
10 to ensure compliance with this chapter and chapters 39.12(~~(r)~~) and
11 49.46(~~(r) and 49.48~~) RCW and associated rules;

12 (b) Order the payment of all (~~wages~~) amounts owed the workers
13 under this chapter and chapters 39.12 and 49.46 RCW, and associated
14 rules and institute actions necessary for the collection of the
15 (~~sums~~) amounts determined owed; and

16 (c) Take assignments of (~~wage~~) claims under this chapter and
17 chapters 39.12 and 49.46 RCW, and associated rules and prosecute
18 actions for the collection of (~~wages~~) amounts owed of persons who
19 are financially unable to employ counsel when in the judgment of the
20 director of the department the claims are valid and enforceable in
21 the courts.

1 (2) When the department orders the payment of all amounts owed
2 under subsection (1)(b) of this section in an administrative order,
3 including interest of one percent per month on all wages owed, the
4 department may also assess penalties under RCW 49.48.083(3). The
5 amounts and interest owed must be calculated from the first date
6 amounts were owed to the employee, except that the department may not
7 order the employer to pay any amounts and interest that were owed
8 more than three years before the date the department obtained
9 information indicating an employer may have committed violations
10 under this chapter and chapters 39.12 and 49.46 RCW or associated
11 rules. Appeals to administrative orders issued under this section are
12 conducted pursuant to RCW 49.48.084. Collections of the
13 administrative orders issued under this section are conducted
14 pursuant to RCW 49.48.086.

15 (3) The director of the department or any authorized
16 representative may, for the purpose of carrying out RCW 49.48.040
17 through 49.48.080: (a) Issue subpoenas to compel the attendance of
18 witnesses or parties and the production of books, papers, or records;
19 (b) administer oaths and examine witnesses under oath; (c) take the
20 verification of proof of instruments of writing; and (d) take
21 depositions and affidavits. If assignments for wage claims are taken,
22 court costs shall not be payable by the department for prosecuting
23 such suits.

24 (~~(3)~~) (4) The director shall have a seal inscribed "Department
25 of Labor and Industries—State of Washington" and all courts shall
26 take judicial notice of such seal. Obedience to subpoenas issued by
27 the director or authorized representative shall be enforced by the
28 courts in any county.

29 (~~(4)~~) (5) The director or authorized representative shall have
30 free access to all places and works of labor. Any employer or any
31 agent or employee of such employer who refuses the director or
32 authorized representative admission therein, or who, when requested
33 by the director or authorized representative, (~~wilfully~~) willfully
34 neglects or refuses to furnish the director or authorized
35 representative any statistics or information pertaining to his or her
36 lawful duties, which statistics or information may be in his or her
37 possession or under the control of the employer or agent, shall be
38 guilty of a misdemeanor.

1 **Sec. 2.** RCW 49.48.083 and 2023 c 243 s 1 are each amended to
2 read as follows:

3 (1) (a) If an employee files a wage complaint with the department,
4 the department ~~((shall))~~ may investigate the wage complaint. The
5 department must establish a written process by which wage complaints
6 will be prioritized based on factors including, but not limited to,
7 the harm to the affected employee, the severity of the complaint, the
8 number of employees potentially affected, and the probability of
9 retaliation. The department's enforcement priorities must be made
10 publicly available.

11 (b) Unless otherwise resolved, when the department ~~((shall~~
12 ~~issue))~~ accepts a complaint, the department shall issue either a
13 citation and notice of assessment or a determination of compliance no
14 later than 60 days after the date on which the department
15 ~~((received))~~ accepted the wage complaint. The department may extend
16 the time period by providing advance written notice to the employee
17 and the employer setting forth good cause for an extension of the
18 time period and specifying the duration of the extension. The
19 department may not investigate any alleged violation of a wage
20 payment requirement that occurred more than three years before the
21 date that the employee filed the wage complaint. The department shall
22 send the citation and notice of assessment or the determination of
23 compliance to both the employer and the employee by service of
24 process or using a method by which the mailing can be tracked or the
25 delivery can be confirmed to their last known addresses.

26 (2) If the department determines that an employer has violated a
27 wage payment requirement and issues to the employer a citation and
28 notice of assessment, the department may order the employer to pay
29 employees all wages owed, including interest of one percent per month
30 on all wages owed, to the employee. The wages and interest owed must
31 be calculated from the first date wages were owed to the employee,
32 except that the department may not order the employer to pay any
33 wages and interest that were owed more than three years before the
34 date the wage complaint was filed with the department.

35 (3) If the department determines that the violation of the wage
36 payment requirement was a willful violation, the department also may
37 order the employer to pay the department a civil penalty as specified
38 in (a) of this subsection.

39 (a) A civil penalty for a willful violation of a wage payment
40 requirement shall be not less than ~~((one thousand dollars))~~ \$1,000 or

1 an amount equal to (~~ten~~) 10 percent of the total amount of unpaid
2 wages, whichever is greater. The maximum civil penalty for a willful
3 violation of a wage payment requirement (~~shall be twenty thousand~~
4 ~~dollars~~) is \$20,000.

5 (b) The department may not assess a civil penalty if the employer
6 reasonably relied on: (i) A rule related to any wage payment
7 requirement; (ii) a written order, ruling, approval, opinion, advice,
8 determination, or interpretation of the director; or (iii) an
9 interpretive or administrative policy issued by the department and
10 filed with the office of the code reviser. In accordance with the
11 department's retention schedule obligations under chapter 40.14 RCW,
12 the department shall maintain a complete and accurate record of all
13 written orders, rulings, approvals, opinions, advice, determinations,
14 and interpretations for purposes of determining whether an employer
15 is immune from civil penalties under (b) (ii) of this subsection.

16 (c) The department shall waive any civil penalty assessed against
17 an employer under this section if the employer is not a repeat
18 willful violator, and the director determines that the employer has
19 provided payment to the employee of all wages that the department
20 determined that the employer owed to the employee, including
21 interest, within (~~ten~~) 10 business days of the employer's receipt
22 of the citation and notice of assessment from the department.

23 (d) The department may waive or reduce at any time a civil
24 penalty assessed under this section if the director determines that
25 the employer paid all wages and interest owed to an employee.

26 (e) The department shall deposit civil penalties paid under this
27 section in the supplemental pension fund established under RCW
28 51.44.033.

29 (4) Upon payment by an employer, and acceptance by an employee,
30 of all wages and interest assessed by the department in a citation
31 and notice of assessment issued to the employer, the fact of such
32 payment by the employer, and of such acceptance by the employee,
33 shall: (a) Constitute a full and complete satisfaction by the
34 employer of all specific wage payment requirements addressed in the
35 citation and notice of assessment; and (b) bar the employee from
36 initiating or pursuing any court action or other judicial or
37 administrative proceeding based on the specific wage payment
38 requirements addressed in the citation and notice of assessment. The
39 citation and notice of assessment shall include a notification and
40 summary of the specific requirements of this subsection.

1 (5) The applicable statute of limitations for civil actions is
2 tolled (~~(during the department's investigation of)~~) for an employee's
3 wage complaint against an employer once filed with the department.
4 For the purposes of this subsection, (~~(the department's investigation~~
5 ~~begins)~~) a complaint is filed with the department on the date the
6 employee files the wage complaint with the department and ends when:
7 (a) The wage complaint is finally determined through a final and
8 binding citation and notice of assessment or determination of
9 compliance; (~~or~~) (b) the department notifies the employer and the
10 employee in writing that the wage complaint has been otherwise
11 resolved or that the employee has elected to terminate the
12 department's administrative action under RCW 49.48.085; or (c) the
13 department notifies the worker the wage complaint will not be
14 accepted.

15 (6) For all wage complaints filed on or after January 1, 2024, if
16 the department offers the employer the option to resolve a wage
17 complaint without a citation and notice of assessment, and the
18 employer chooses to accept the offer, any settlement must include
19 interest of one percent per month on all amounts owed. The employee
20 may request a waiver or reduction of interest as part of the
21 settlement process.

--- END ---