
HOUSE BILL 2479

State of Washington

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2026 Regular Session

By Representatives Fosse, Schmidt, Berry, Salahuddin, Zahn, Stearns, Parshley, Goodman, Ramel, Doglio, Bronoske, Cortes, Obras, Pollet, Macri, Nance, and Callan

Read first time 01/14/26. Referred to Committee on Labor & Workplace Standards.

1 AN ACT Relating to the recovery of unpaid wages; amending RCW
2 49.48.083, 49.48.125, 49.46.320, 49.46.330, 49.46.340, and 49.46.370;
3 reenacting and amending RCW 43.79A.040 and 43.79A.040; adding new
4 sections to chapter 49.48 RCW; adding a new section to chapter 44.28
5 RCW; providing an effective date; providing expiration dates; and
6 prescribing penalties.

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

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

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

18 (b) Unless otherwise resolved, when the department accepts a
19 complaint, the department shall issue either a citation and notice of
20 assessment or a determination of compliance no later than 60 days
21 after the date on which the department (~~received~~) accepted the wage

1 complaint. The department may extend the time period by providing
2 advance written notice to the employee and the employer setting forth
3 good cause for an extension of the time period and specifying the
4 duration of the extension.

5 (c) The department may not investigate any alleged violation of a
6 wage payment requirement that occurred more than three years before
7 the date that the employee filed the wage complaint.

8 (d) The department shall send the citation and notice of
9 assessment or the determination of compliance to both the employer
10 and the employee by service of process or using a method by which the
11 mailing can be tracked or the delivery can be confirmed to their last
12 known addresses.

13 (e) During an investigation, if the department discovers
14 information suggesting additional violations of any requirements
15 related to compensation under this chapter, or any associated rule,
16 the department may expand its investigation and take appropriate
17 enforcement action to ensure compliance, without any additional
18 complaints filed. The department may also initiate an investigation
19 on behalf of one or more employees for a violation of any requirement
20 related to compensation under this chapter or any associated rule,
21 when the department has reason to believe a violation has occurred or
22 will occur.

23 (f) The department may conduct a consolidated investigation for
24 any alleged violation of a requirement related to compensation under
25 this chapter or associated rule when there are common questions of
26 law or fact involving employees of the same employer.

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

36 (3) If the department determines that the violation of the wage
37 payment requirement was a willful violation, the department also may
38 order the employer to pay the department a civil penalty as specified
39 in (a) of this subsection. The department shall assess a civil
40 penalty against any repeat willful violator as required by RCW

1 49.48.125 or any willful violator where the employer previously
2 settled or otherwise resolved a wage complaint more than once in the
3 preceding 12 months or three times in the preceding 24 months.

4 (a) (i) A civil penalty for a willful violation of a wage payment
5 requirement shall be not less than ~~((one thousand dollars))~~ \$1,500 or
6 an amount equal to ~~((ten))~~ 10 percent of the total amount of unpaid
7 wages, whichever is greater. ~~((The maximum civil penalty for a~~
8 ~~willful violation of a wage payment requirement shall be twenty~~
9 ~~thousand dollars))~~ Beginning in 2030, and every three years
10 thereafter, the department shall increase the base penalty amount by
11 the cumulative rate of inflation, rounded to the nearest 50 dollars,
12 using the same process provided in RCW 49.46.020.

13 (ii) The department shall, by rule, create a matrix of criteria
14 for the imposition of penalties. In creating the matrix, the
15 department must consider the appropriateness of the penalty with
16 respect to the number of affected employees of the employer subject
17 to the penalty, the gravity of the violation, the size of the
18 employer's business, the good faith of the employer, the source or
19 cause of any error, the promptness of remedy, the employer's history
20 of previous complaints and violations, or other factors the
21 department considers relevant.

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

33 (c) The department ~~((shall))~~ may waive any civil penalty assessed
34 against an employer under this section if ~~((the))~~ all of the
35 following conditions are met: The employer is not a repeat willful
36 violator, the employer has not previously settled or otherwise
37 resolved a wage complaint more than once in the preceding 12 months
38 or three times in the preceding 24 months, and the director
39 determines that the employer has provided payment to the employee of
40 all wages and interest that the department determined that the

1 employer owed to the employee, including interest, within ~~((ten))~~ 10
2 business days of the employer's receipt of the citation and notice of
3 assessment from the department.

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

7 (e) ~~((The))~~ Until the effective date of this section, the
8 department shall deposit civil penalties paid under this section in
9 the supplemental pension fund established under RCW 51.44.033.
10 Beginning on the effective date of this section, the department shall
11 deposit all civil penalties paid under this chapter in the wage
12 recovery account created under section 3 of this act.

13 (4) Upon payment by an employer, and acceptance by an employee,
14 of all wages and interest assessed by the department in a citation
15 and notice of assessment issued to the employer, the fact of such
16 payment by the employer, and of such acceptance by the employee,
17 shall: (a) Constitute a full and complete satisfaction by the
18 employer of all specific wage payment requirements addressed in the
19 citation and notice of assessment; and (b) bar the employee from
20 initiating or pursuing any court action or other judicial or
21 administrative proceeding based on the specific wage payment
22 requirements addressed in the citation and notice of assessment. The
23 citation and notice of assessment shall include a notification and
24 summary of the specific requirements of this subsection.

25 (5) The applicable statute of limitations for civil actions is
26 tolled ~~((during the department's investigation of))~~ for an employee's
27 wage complaint against an employer once filed with the department.
28 For the purposes of this subsection, ~~((the department's~~
29 ~~investigation))~~ a complaint filed with the department begins on the
30 date the employee files the wage complaint with the department and
31 ends when: (a) The wage complaint is finally determined through a
32 final and binding citation and notice of assessment or determination
33 of compliance; ~~((or))~~ (b) the department notifies the employer and
34 the employee in writing that the wage complaint has been otherwise
35 resolved or that the employee has elected to terminate the
36 department's administrative action under RCW 49.48.085; or (c) the
37 department notifies the worker the wage complaint will not be
38 accepted.

39 (6) For all wage complaints filed on or after January 1, 2024, if
40 the department offers the employer the option to resolve a wage

1 complaint without a citation and notice of assessment, and the
2 employer chooses to accept the offer, any settlement must include
3 interest of one percent per month on all amounts owed. The employee
4 may request a waiver or reduction of interest as part of the
5 settlement process.

6 NEW SECTION. **Sec. 2.** A new section is added to chapter 49.48
7 RCW to read as follows:

8 (1)(a) Subject to the availability of funds appropriated for this
9 purpose, the wage recovery program is created and administered by the
10 department. The purpose of the wage recovery program is to allow the
11 department to disburse funds to unpaid low-wage employees, prior to
12 the department issuing a citation and notice of assessment or
13 collecting unpaid wages and interest from an employer, if the
14 employee would otherwise experience immediate economic harm due to
15 the nonpayment of wages.

16 (b) The department may adopt rules to administer the program.

17 (2) Beginning July 1, 2028, or when the account created under
18 section 3 of this act contains at least \$130,000, whichever is later,
19 an employee is eligible to recover from the wage recovery program if
20 each of the following conditions is satisfied:

21 (a) The employee has filed a wage complaint with the department
22 under RCW 49.48.083 and the department has investigated and
23 determined that the wage complaint has merit;

24 (b) The employee has assigned the employee's wage complaint to
25 the department as required under this section;

26 (c) The employee requested to be considered a recipient of funds
27 from the wage recovery program;

28 (d) The employee's earnings during the preceding 12 months were
29 less than the maximum amount established by the department by rule
30 and according to the process provided by rule;

31 (e) The employee attests that without relief from the wage
32 recovery program, the employee will suffer immediate economic harm;
33 and

34 (f) The employee, as a condition of receiving funds under the
35 wage recovery program, has waived the ability to appeal the citation
36 and any notice of assessment as well as any private right of action.

37 (3)(a) To help prevent immediate economic harm to the employee,
38 the department should attempt to disburse funds after the department

1 has determined the complaint has merit and at the earliest possible
2 point in the investigation process, as determined by the department.

3 (b) In determining an eligible employee's need for funds to
4 prevent immediate economic harm, the department may identify other
5 factors for consideration, such as resources available to the
6 employee, the employee's current employment status, and family size.

7 (c) The department may determine the priority of payments made
8 between eligible employees and whether to issue funds for eligible
9 employees. Factors to consider in prioritizing applications for funds
10 from the program should include, but are not limited to, the severity
11 of the potential economic harm to the employee, whether the
12 department is likely to recover the unpaid wages and interest from
13 the employer, and availability of funds to be distributed throughout
14 the year given the seasonality of some industries.

15 (4) (a) As a condition of receiving a disbursement of funds under
16 the wage recovery program, the employee must assign to the department
17 the employee's right to any claim on wages and interest owed by the
18 employer.

19 (b) An employee receiving funds from the wage recovery program
20 may not pursue collection, or authorize another entity other than the
21 department to pursue collection on the employee's behalf.

22 (c) When an employer pays the department wages and interest for a
23 wage complaint assigned to the department, the department shall
24 deposit into the wage recovery account created under section 3 of
25 this act the amounts necessary to reimburse the account for the
26 disbursements made to the employee, plus interest. The department
27 shall pay any remaining payment of wages and interest by the employer
28 on the claim to the employee.

29 (5) An eligible employee may receive up to 85 percent of wages
30 the employee is anticipated to be owed at the time of disbursement
31 from the fund, up to a maximum of \$2,500, from the account.

32 (6) Total payments made under the wage recovery program for any
33 fiscal year may not be greater than 80 percent of the account
34 balance, calculated at the end of the previous fiscal year.

35 (7) (a) Eligibility for payment under the wage recovery program
36 does not create a right to payment. Payments under this section are
37 discretionary. This section does not create an entitlement to payment
38 or services. This section does not create a right of action.

39 (b) The department is not criminally or civilly liable and may
40 not have any penalty or cause of action of any nature arise against

1 it regarding the provision or lack of provision of funds for payments
2 under this section.

3 (8) As part of its annual report submitted under RCW 49.12.180,
4 the department shall include a report of the wage recovery program,
5 including the following information:

6 (a) Amounts available in the account for disbursement at the
7 beginning of the year and at the end of the year;

8 (b) Amounts paid out from the account;

9 (c) The number of employees and wage complaints that resulted in
10 payments made from the account;

11 (d) The types and frequency of immediate economic harm identified
12 by the employee through attestation;

13 (e) The total amount of wages and interest owed to employees in
14 notices of assessment where the program issued a payment;

15 (f) The average payment made to employees under the program;

16 (g) The total amount of penalties assessed in notices of
17 assessment where there were payments made under the program;

18 (h) The total recovery from employers of amounts paid from the
19 account;

20 (i) The total outstanding recovery from employers of amounts paid
21 from the account;

22 (j) The total collection of all wages, interest, and penalties
23 assessed in notices of assessment from employers where there was
24 payment from the account;

25 (k) The number of notices of assessment where the wages and
26 interest ultimately assessed were less than the amount paid from the
27 account to the employee;

28 (l) The number of employer appeals of notices of assessment where
29 there was payment from the account;

30 (m) The number of appeals where the final decision resulted in a
31 lower wage owed to the employee than the amount paid out of the
32 account to the employee;

33 (n) The number of appeals where an employee who received payment
34 from the account failed to participate;

35 (o) The number of payments from the account subject to the 85
36 percent disbursement cap.

37 NEW SECTION. **Sec. 3.** A new section is added to chapter 49.48
38 RCW to read as follows:

1 The wage recovery account is created in the custody of the state
2 treasurer. All receipts from civil penalties collected under this
3 chapter and chapter 49.46 RCW, and all moneys recovered from wage
4 complaints assigned to the department as authorized under this
5 section must be deposited into the account. Expenditures from the
6 account may be used only for disbursements to employees in accordance
7 with section 2 of this act. Only the director of or the director's
8 designee may authorize expenditures from the account. The account is
9 subject to allotment procedures under chapter 43.88 RCW, but an
10 appropriation is not required for expenditures.

11 **Sec. 4.** RCW 49.48.125 and 2010 c 42 s 6 are each amended to read
12 as follows:

13 (1) The department shall assess a civil penalty against any
14 repeat willful violator in an amount (~~(of not less than one thousand~~
15 ~~dollars or an amount equal to ten percent of the total amount of~~
16 ~~unpaid wages, whichever is greater. The maximum civil penalty for a~~
17 ~~repeat willful violator under this section is twenty thousand~~
18 ~~dollars)) consistent with RCW 49.48.083(3).~~

19 (2) The department may (~~waive or~~) reduce a civil penalty
20 assessed under this section if the director determines that the
21 employer has paid all wages and interest owed to the employee.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 44.28
23 RCW to read as follows:

24 (1) By June 30, 2034, but no sooner than five years from the date
25 the department of labor and industries begins disbursing funds from
26 the wage recovery program, the joint committee must conduct a program
27 and fiscal review of the wage recovery program created in section 2
28 of this act. The committee must evaluate the effectiveness of the
29 program and the extent to which the program helped low-wage employees
30 avoid immediate economic harm.

31 (2) The committee must report its findings to the appropriate
32 committees of the legislature and the governor by December 1, 2035.
33 The report must be prepared in the manner set forth in RCW 44.28.071
34 and 44.28.075 and may include surveying employees regarding their
35 direct lived experiences with accessing the wage recovery program.

36 (3) The committee may make recommendations to improve the
37 effectiveness and feasibility of the program.

38 (4) This section expires July 1, 2036.

1 **Sec. 6.** RCW 43.79A.040 and 2025 c 399 s 13 and 2025 c 190 s 3
2 are each reenacted and amended to read as follows:

3 (1) Money in the treasurer's trust fund may be deposited,
4 invested, and reinvested by the state treasurer in accordance with
5 RCW 43.84.080 in the same manner and to the same extent as if the
6 money were in the state treasury, and may be commingled with moneys
7 in the state treasury for cash management and cash balance purposes.

8 (2) All income received from investment of the treasurer's trust
9 fund must be set aside in an account in the treasury trust fund to be
10 known as the investment income account.

11 (3) The investment income account may be utilized for the payment
12 of purchased banking services on behalf of treasurer's trust funds
13 including, but not limited to, depository, safekeeping, and
14 disbursement functions for the state treasurer or affected state
15 agencies. The investment income account is subject in all respects to
16 chapter 43.88 RCW, but no appropriation is required for payments to
17 financial institutions. Payments must occur prior to distribution of
18 earnings set forth in subsection (4) of this section.

19 (4)(a) Monthly, the state treasurer must distribute the earnings
20 credited to the investment income account to the state general fund
21 except under (b), (c), and (d) of this subsection.

22 (b) The following accounts and funds must receive their
23 proportionate share of earnings based upon each account's or fund's
24 average daily balance for the period: The 24/7 sobriety account, the
25 Washington promise scholarship account, the Gina Grant Bull memorial
26 legislative page scholarship account, the Rosa Franklin legislative
27 internship program scholarship account, the Washington advanced
28 college tuition payment program account, the Washington college
29 savings program account, the accessible communities account, the
30 Washington achieving a better life experience program account, the
31 Washington career and college pathways innovation challenge program
32 account, the community and technical college innovation account, the
33 agricultural local fund, the American Indian scholarship endowment
34 fund, the behavioral health loan repayment and scholarship program
35 account, the Billy Frank Jr. national statuary hall collection fund,
36 the foster care scholarship endowment fund, the foster care endowed
37 scholarship trust fund, the contract harvesting revolving account,
38 the Washington state combined fund drive account, the county 911
39 excise tax account, the county road administration board emergency
40 loan account, the toll collection account, the developmental

1 disabilities endowment trust fund, the energy account, the energy
2 facility site evaluation council account, the fair fund, the family
3 and medical leave insurance account, the Fern Lodge maintenance
4 account, the fish and wildlife federal lands revolving account, the
5 natural resources federal lands revolving account, the food animal
6 veterinarian conditional scholarship account, the forest health
7 revolving account, the fruit and vegetable inspection account, the
8 educator conditional scholarship account, the game farm alternative
9 account, the GET ready for math and science scholarship account, the
10 Washington global health technologies and product development
11 account, the grain inspection revolving fund, the Washington history
12 day account, the industrial insurance rainy day fund, the law
13 enforcement officers' and firefighters' plan 2 expense fund, the
14 local tourism promotion account, the low-income home rehabilitation
15 account, the medication for people living with HIV rebate revenue
16 account, the homeowner recovery account, the wage recovery account,
17 the multiagency permitting team account, the northeast Washington
18 wolf-livestock management account, the pollution liability insurance
19 program trust account, the public use general aviation airport loan
20 revolving account, the regional transportation investment district
21 account, the rural rehabilitation account, the Washington sexual
22 assault kit account, the stadium and exhibition center account, the
23 youth athletic facility account, the self-insurance revolving fund,
24 the children's trust fund, the Washington horse racing commission
25 Washington bred owners' bonus fund and breeder awards account, the
26 Washington horse racing commission class C purse fund account, the
27 individual development account program account, the Washington horse
28 racing commission operating account, the life sciences discovery
29 fund, the Washington state library-archives building account, the
30 reduced cigarette ignition propensity account, the center for deaf
31 and hard of hearing youth account, the school for the blind account,
32 the public employees' and retirees' insurance reserve fund, the
33 school employees' benefits board insurance reserve fund, the public
34 employees' and retirees' insurance account, the school employees'
35 insurance account, the long-term services and supports trust account,
36 the radiation perpetual maintenance fund, the Indian health
37 improvement reinvestment account, the department of licensing tuition
38 recovery trust fund, the student achievement council tuition recovery
39 trust fund, the tuition recovery trust fund, the industrial insurance
40 premium refund account, the mobile home park relocation fund, the

1 natural resources deposit fund, the Washington state health insurance
2 pool account, the federal forest revolving account, the Washington
3 saves administrative trust account, and the library operations
4 account.

5 (c) The following accounts and funds must receive 80 percent of
6 their proportionate share of earnings based upon each account's or
7 fund's average daily balance for the period: The advance right-of-way
8 revolving fund, the advanced environmental mitigation revolving
9 account, the federal narcotics asset forfeitures account, the high
10 occupancy vehicle account, the local rail service assistance account,
11 and the miscellaneous transportation programs account.

12 (d) Any state agency that has independent authority over accounts
13 or funds not statutorily required to be held in the custody of the
14 state treasurer that deposits funds into a fund or account in the
15 custody of the state treasurer pursuant to an agreement with the
16 office of the state treasurer shall receive its proportionate share
17 of earnings based upon each account's or fund's average daily balance
18 for the period.

19 (5) In conformance with Article II, section 37 of the state
20 Constitution, no trust accounts or funds shall be allocated earnings
21 without the specific affirmative directive of this section.

22 **Sec. 7.** RCW 43.79A.040 and 2025 c 399 s 14 and 2025 c 190 s 4
23 are each reenacted and amended to read as follows:

24 (1) Money in the treasurer's trust fund may be deposited,
25 invested, and reinvested by the state treasurer in accordance with
26 RCW 43.84.080 in the same manner and to the same extent as if the
27 money were in the state treasury, and may be commingled with moneys
28 in the state treasury for cash management and cash balance purposes.

29 (2) All income received from investment of the treasurer's trust
30 fund must be set aside in an account in the treasury trust fund to be
31 known as the investment income account.

32 (3) The investment income account may be utilized for the payment
33 of purchased banking services on behalf of treasurer's trust funds
34 including, but not limited to, depository, safekeeping, and
35 disbursement functions for the state treasurer or affected state
36 agencies. The investment income account is subject in all respects to
37 chapter 43.88 RCW, but no appropriation is required for payments to
38 financial institutions. Payments must occur prior to distribution of
39 earnings set forth in subsection (4) of this section.

1 (4) (a) Monthly, the state treasurer must distribute the earnings
2 credited to the investment income account to the state general fund
3 except under (b), (c), and (d) of this subsection.

4 (b) The following accounts and funds must receive their
5 proportionate share of earnings based upon each account's or fund's
6 average daily balance for the period: The 24/7 sobriety account, the
7 Washington promise scholarship account, the Gina Grant Bull memorial
8 legislative page scholarship account, the Rosa Franklin legislative
9 internship program scholarship account, the Washington advanced
10 college tuition payment program account, the Washington college
11 savings program account, the accessible communities account, the
12 Washington achieving a better life experience program account, the
13 Washington career and college pathways innovation challenge program
14 account, the community and technical college innovation account, the
15 agricultural local fund, the American Indian scholarship endowment
16 fund, the behavioral health loan repayment and scholarship program
17 account, the Billy Frank Jr. national statuary hall collection fund,
18 the foster care scholarship endowment fund, the foster care endowed
19 scholarship trust fund, the contract harvesting revolving account,
20 the Washington state combined fund drive account, the county 911
21 excise tax account, the county road administration board emergency
22 loan account, the toll collection account, the developmental
23 disabilities endowment trust fund, the energy account, the energy
24 facility site evaluation council account, the fair fund, the family
25 and medical leave insurance account, the Fern Lodge maintenance
26 account, the fish and wildlife federal lands revolving account, the
27 natural resources federal lands revolving account, the food animal
28 veterinarian conditional scholarship account, the forest health
29 revolving account, the fruit and vegetable inspection account, the
30 educator conditional scholarship account, the game farm alternative
31 account, the GET ready for math and science scholarship account, the
32 Washington global health technologies and product development
33 account, the grain inspection revolving fund, the Washington history
34 day account, the industrial insurance rainy day fund, the law
35 enforcement officers' and firefighters' plan 2 expense fund, the
36 local tourism promotion account, the low-income home rehabilitation
37 account, the medication for people living with HIV rebate revenue
38 account, the homeowner recovery account, the wage recovery account,
39 the multiagency permitting team account, the northeast Washington
40 wolf-livestock management account, the public use general aviation

1 airport loan revolving account, the regional transportation
2 investment district account, the rural rehabilitation account, the
3 Washington sexual assault kit account, the stadium and exhibition
4 center account, the youth athletic facility account, the self-
5 insurance revolving fund, the children's trust fund, the Washington
6 horse racing commission Washington bred owners' bonus fund and
7 breeder awards account, the Washington horse racing commission class
8 C purse fund account, the individual development account program
9 account, the Washington horse racing commission operating account,
10 the life sciences discovery fund, the Washington state library-
11 archives building account, the reduced cigarette ignition propensity
12 account, the center for deaf and hard of hearing youth account, the
13 school for the blind account, the public employees' and retirees'
14 insurance reserve fund, the school employees' benefits board
15 insurance reserve fund, the public employees' and retirees' insurance
16 account, the school employees' insurance account, the long-term
17 services and supports trust account, the radiation perpetual
18 maintenance fund, the Indian health improvement reinvestment account,
19 the department of licensing tuition recovery trust fund, the student
20 achievement council tuition recovery trust fund, the tuition recovery
21 trust fund, the industrial insurance premium refund account, the
22 mobile home park relocation fund, the natural resources deposit fund,
23 the Washington state health insurance pool account, the federal
24 forest revolving account, the Washington saves administrative trust
25 account, and the library operations account.

26 (c) The following accounts and funds must receive 80 percent of
27 their proportionate share of earnings based upon each account's or
28 fund's average daily balance for the period: The advance right-of-way
29 revolving fund, the advanced environmental mitigation revolving
30 account, the federal narcotics asset forfeitures account, the high
31 occupancy vehicle account, the local rail service assistance account,
32 and the miscellaneous transportation programs account.

33 (d) Any state agency that has independent authority over accounts
34 or funds not statutorily required to be held in the custody of the
35 state treasurer that deposits funds into a fund or account in the
36 custody of the state treasurer pursuant to an agreement with the
37 office of the state treasurer shall receive its proportionate share
38 of earnings based upon each account's or fund's average daily balance
39 for the period.

1 (5) In conformance with Article II, section 37 of the state
2 Constitution, no trust accounts or funds shall be allocated earnings
3 without the specific affirmative directive of this section.

4 **Sec. 8.** RCW 49.46.320 and 2022 c 281 s 3 are each amended to
5 read as follows:

6 (1)(a) If a driver files a complaint with the department alleging
7 that a transportation network company failed to provide any
8 compensation amounts due to the driver under RCW 49.46.300, the
9 department shall investigate the complaint under this section. Unless
10 otherwise resolved, the department shall issue either a citation and
11 notice of assessment or a determination of compliance no later than
12 60 days after the date on which the department received the
13 compensation-related complaint. The department may extend the time
14 period by providing advance written notice to the driver and the
15 transportation network company setting forth good cause for an
16 extension of the time period and specifying the duration of the
17 extension.

18 (b) The department may not investigate any alleged compensation-
19 related violation that occurred more than three years before the date
20 that the driver filed the compensation-related complaint.

21 (c) The department shall send the citation and notice of
22 assessment or the determination of compliance to both the
23 transportation network company and the driver by service of process
24 or using a method by which the mailing can be tracked or the delivery
25 can be confirmed to their last known addresses. A transportation
26 network company may designate a mailing address of record for
27 service, and additionally may provide an email address to which the
28 department shall direct electronic courtesy copies of mailed
29 correspondence, if such email address is provided.

30 (2) If the department determines that a transportation network
31 company has violated a compensation requirement in RCW 49.46.300 and
32 issues to the transportation network company a citation and notice of
33 assessment, the department may order the transportation network
34 company to pay drivers all compensation owed, including interest of
35 one percent per month on all compensation owed, to the driver. The
36 compensation and interest owed must be calculated from the first date
37 compensation was owed to the driver, except that the department may
38 not order the transportation network company to pay any compensation

1 and interest that were owed more than three years before the date the
2 complaint was filed with the department.

3 (3) If the department determines that the compensation-related
4 violation was a willful violation, and the transportation network
5 company fails to take corrective action, the department also may
6 order the transportation network company to pay the department a
7 civil penalty as specified in (a) of this subsection.

8 (a) A civil penalty for a willful violation shall be not less
9 than \$1,000 or an amount equal to 10 percent of the total amount of
10 unpaid compensation per claimant, whichever is greater. The maximum
11 civil penalty for a willful violation of requirements in RCW
12 49.46.300 shall be \$20,000 per claimant.

13 (b) The department may not assess a civil penalty if the
14 transportation network company reasonably relied on: (i) A rule
15 related to any requirements in this section; (ii) a written order,
16 ruling, approval, opinion, advice, determination, or interpretation
17 of the director; or (iii) an interpretive or administrative policy
18 issued by the department and filed with the office of the code
19 reviser. In accordance with the department's retention schedule
20 obligations under chapter 40.14 RCW, the department shall maintain a
21 complete and accurate record of all written orders, rulings,
22 approvals, opinions, advice, determinations, and interpretations for
23 purposes of determining whether a transportation network company is
24 immune from civil penalties under this subsection (3)(b).

25 (c) The department shall waive any civil penalty assessed against
26 a transportation network company under this section if the
27 transportation network company is not a repeat willful violator, and
28 the director determines that the transportation network company has
29 provided payment to the driver of all compensation that the
30 department determined that the transportation network company owed to
31 the driver, including interest, within 30 days of the transportation
32 network company's receipt of the citation and notice of assessment
33 from the department.

34 (d) The department may waive or reduce at any time a civil
35 penalty assessed under this section if the director determines that
36 the transportation network company paid all compensation and interest
37 owed to a driver.

38 (e) The department shall deposit civil penalties paid under this
39 section in the ~~((supplemental pension fund established under RCW~~

1 ~~51.44.033~~) wage recovery account created under section 3 of this
2 act.

3 (4) Upon payment by a transportation network company, and
4 acceptance by a driver, of all compensation and interest assessed by
5 the department in a citation and notice of assessment issued to the
6 transportation network company, the fact of such payment by the
7 transportation network company, and of such acceptance by the driver,
8 shall: (a) Constitute a full and complete satisfaction by the
9 transportation network company of all specific requirements of RCW
10 49.46.300 addressed in the citation and notice of assessment; and (b)
11 bar the driver from initiating or pursuing any court action or other
12 judicial or administrative proceeding, including arbitration, based
13 on the specific requirements addressed in the citation and notice of
14 assessment. The citation and notice of assessment shall include a
15 notification and summary of the specific requirements of RCW
16 49.46.300.

17 (5) The applicable statute of limitations for civil actions is
18 tolled during the department's investigation of a driver's complaint
19 against a transportation network company. For the purposes of this
20 subsection, the department's investigation begins on the date the
21 driver files the complaint with the department and ends when: (a) The
22 complaint is finally determined through a final and binding citation
23 and notice of assessment or determination of compliance; or (b) the
24 department notifies the transportation network company and the driver
25 in writing that the complaint has been otherwise resolved or that the
26 driver has elected to terminate the department's administrative
27 action under subsection (12) of this section.

28 (6) A person, firm, or corporation aggrieved by a citation and
29 notice of assessment or a determination of compliance issued by the
30 department under this section or the assessment of a civil penalty
31 due to a determination of status as a repeat willful violator may
32 appeal the citation and notice of assessment, the determination of
33 compliance, or the assessment of a civil penalty to the director by
34 filing a notice of appeal with the director within 30 days of the
35 department's service, as provided in subsection (1) of this section,
36 on the aggrieved party of the citation and notice of assessment, the
37 determination of compliance, or the assessment of a civil penalty. A
38 citation and notice of assessment, a determination of compliance, or
39 an assessment of a civil penalty not appealed within 30 days is final
40 and binding, and not subject to further appeal.

1 (7) A notice of appeal filed with the director under this section
2 shall stay the effectiveness of the citation and notice of
3 assessment, the determination of compliance, or the assessment of a
4 civil penalty pending final review of the appeal by the director as
5 provided for in chapter 34.05 RCW.

6 (8) Upon receipt of a notice of appeal, the director shall assign
7 the hearing to an administrative law judge of the office of
8 administrative hearings to conduct the hearing and issue an initial
9 order. The hearing and review procedures shall be conducted in
10 accordance with chapter 34.05 RCW, and the standard of review by the
11 administrative law judge of an appealed citation and notice of
12 assessment, an appealed determination of compliance, or an appealed
13 assessment of a civil penalty shall be de novo. Any party who seeks
14 to challenge an initial order shall file a petition for
15 administrative review with the director within 30 days after service
16 of the initial order. The director shall conduct administrative
17 review in accordance with chapter 34.05 RCW.

18 (9) The director shall issue all final orders after appeal of the
19 initial order. The final order of the director is subject to judicial
20 review in accordance with chapter 34.05 RCW.

21 (10) Orders that are not appealed within the time period
22 specified in this section and chapter 34.05 RCW are final and
23 binding, and not subject to further appeal.

24 (11) Absent good cause, a transportation network company that
25 fails to allow adequate inspection of records in an investigation by
26 the department under this chapter within a reasonable time period may
27 not use such records in any appeal under this section to challenge
28 the correctness of any determination by the department of wages owed
29 or penalties assessed.

30 (12) A driver who has filed a complaint under this section with
31 the department may elect to terminate the department's administrative
32 action, thereby preserving any private right of action, if any
33 exists, by providing written notice to the department within 10
34 business days after the driver's receipt of the department's citation
35 and notice of assessment.

36 (13) If the driver elects to terminate the department's
37 administrative action: (a) The department shall immediately
38 discontinue its action against the transportation network company;
39 (b) the department shall vacate a citation and notice of assessment
40 already issued by the department to the transportation network

1 company; and (c) the citation and notice of assessment, and any
2 related findings of fact or conclusions of law by the department, and
3 any payment or offer of payment by the transportation network company
4 of the compensation, including interest, assessed by the department
5 in the citation and notice of assessment, shall not be admissible in
6 any court action or other judicial or administrative proceeding.

7 (14) Nothing in this section shall be construed to limit or
8 affect: (a) The right of any driver to pursue any judicial,
9 administrative, or other action available with respect to a
10 transportation network company; (b) the right of the department to
11 pursue any judicial, administrative, or other action available with
12 respect to a driver that is identified as a result of a complaint for
13 a violation of RCW 49.46.300; or (c) the right of the department to
14 pursue any judicial, administrative, or other action available with
15 respect to a transportation network company in the absence of a
16 complaint for a violation of RCW 49.46.300. For purposes of this
17 subsection, "driver" means a driver other than a driver who has filed
18 a complaint with the department and who thereafter has elected to
19 terminate the department's administrative action as provided in
20 subsection (1) of this section.

21 (15) After a final order is issued under this section, and served
22 as provided in subsection (1) of this section, if a transportation
23 network company defaults in the payment of: (a) Any compensation
24 determined by the department to be owed to a driver, including
25 interest; or (b) any civil penalty ordered by the department under
26 this section, the director may file with the clerk of any county
27 within the state a warrant in the amount of the payment plus any
28 filing fees. The clerk of the county in which the warrant is filed
29 shall immediately designate a superior court cause number for the
30 warrant, and the clerk shall cause to be entered in the judgment
31 docket under the superior court cause number assigned to the warrant,
32 the name of the transportation network company mentioned in the
33 warrant, the amount of payment due plus any filing fees, and the date
34 when the warrant was filed. The aggregate amount of the warrant as
35 docketed becomes a lien upon the title to, and interest in, all real
36 and personal property of the transportation network company against
37 whom the warrant is issued, the same as a judgment in a civil case
38 docketed with the superior court clerk. The sheriff shall proceed
39 upon the warrant in all respects and with like effect as prescribed
40 by law with respect to execution or other process issued against

1 rights or property upon judgment in a court of competent
2 jurisdiction. The warrant so docketed is sufficient to support the
3 issuance of writs of garnishment in favor of the state in a manner
4 provided by law in case of judgment, wholly or partially unsatisfied.
5 The clerk of the court is entitled to a filing fee which will be
6 added to the amount of the warrant. A copy of the warrant shall be
7 served on the transportation network company, as provided in
8 subsection (1) of this section, within three days of filing with the
9 clerk.

10 (16)(a) The director may issue to any person, firm, corporation,
11 other entity, municipal corporation, political subdivision of the
12 state, public corporation, or any agency of the state, a notice and
13 order to withhold and deliver property of any kind when he or she has
14 reason to believe that there is in the possession of the person,
15 firm, corporation, other entity, municipal corporation, political
16 subdivision of the state, public corporation, or agency of the state,
17 property that is or will become due, owing, or belonging to a
18 transportation network company upon whom a notice of assessment has
19 been served by the department for payments or civil penalties due to
20 the department. The effect of a notice and order is continuous from
21 the date the notice and order is first made until the liability out
22 of which the notice and order arose is satisfied or becomes
23 unenforceable because of lapse of time. The department shall release
24 the notice and order when the liability out of which the notice and
25 order arose is satisfied or becomes unenforceable by reason of lapse
26 of time and shall notify the person against whom the notice and order
27 was made that the notice and order has been released.

28 (b) The notice and order to withhold and deliver must be served
29 by the sheriff of the county or by the sheriff's deputy, by certified
30 mail, return receipt requested, or by the director. A person, firm,
31 corporation, other entity, municipal corporation, political
32 subdivision of the state, public corporation, or agency of the state
33 upon whom service has been made shall answer the notice within 20
34 days exclusive of the day of service, under oath and in writing, and
35 shall make true answers to the matters inquired of in the notice and
36 order. Upon service of the notice and order, if the party served
37 possesses any property that may be subject to the claim of the
38 department, the party shall promptly deliver the property to the
39 director. The director shall hold the property in trust for
40 application on the transportation network company's indebtedness to

1 the department, or for return without interest, in accordance with a
2 final determination of a petition for review. In the alternative, the
3 party shall furnish a good and sufficient surety bond satisfactory to
4 the director conditioned upon final determination of liability. If a
5 party served and named in the notice fails to answer the notice
6 within the time prescribed in this section, the court may render
7 judgment by default against the party for the full amount claimed by
8 the director in the notice, together with costs. If a notice is
9 served upon a transportation network company and the property subject
10 to it is compensation, the transportation network company may assert
11 in the answer all exemptions provided for by chapter 6.27 RCW to
12 which the compensation earner is entitled.

13 (c) As an alternative to the methods of service described in this
14 section, the department may electronically serve a financial
15 institution with a notice and order to withhold and deliver by
16 providing a list of its outstanding warrants, except those for which
17 a payment agreement is in good standing, to the department of
18 revenue. The department of revenue may include the warrants provided
19 by the department in a notice and order to withhold and deliver
20 served under RCW 82.32.235(3). A financial institution that is served
21 with a notice and order to withhold and deliver under this subsection
22 (16)(c) must answer the notice within the time period applicable to
23 service under RCW 82.32.235(3). The department and the department of
24 revenue may adopt rules to implement this subsection (16)(c).

25 (17)(a) In addition to the procedure for collection of
26 compensation owed, including interest, and civil penalties as set
27 forth in this section, the department may recover compensation owed,
28 including interest, and civil penalties assessed under RCW 49.48.083
29 in a civil action brought in a court of competent jurisdiction of the
30 county where the violation is alleged to have occurred.

31 (b) The department may use the procedures under this section to
32 foreclose compensation liens established under chapter 60.90 RCW.
33 When the department is foreclosing on a compensation lien, the date
34 the compensation lien was originally filed shall be the date by which
35 priority is determined, regardless of the date the warrant is filed
36 under this section.

37 (18) Whenever any transportation network company quits business,
38 sells out, exchanges, or otherwise disposes of the transportation
39 network company's business or stock of goods, any person who becomes
40 a successor to the business becomes liable for the full amount of any

1 outstanding citation and notice of assessment or penalty against the
2 transportation network company's business under this chapter if, at
3 the time of the conveyance of the business, the successor has: (a)
4 Actual knowledge of the fact and amount of the outstanding citation
5 and notice of assessment; or (b) a prompt, reasonable, and effective
6 means of accessing and verifying the fact and amount of the
7 outstanding citation and notice of assessment from the department. If
8 the citation and notice of assessment or penalty is not paid in full
9 by the transportation network company within 10 days of the date of
10 the sale, exchange, or disposal, the successor is liable for the
11 payment of the full amount of the citation and notice of assessment
12 or penalty, and payment thereof by the successor must, to the extent
13 thereof, be deemed a payment upon the purchase price. If the payment
14 is greater in amount than the purchase price, the amount of the
15 difference becomes a debt due the successor from the transportation
16 network company.

17 (19) This section does not affect other collection remedies that
18 are otherwise provided by law.

19 **Sec. 9.** RCW 49.46.330 and 2022 c 281 s 4 are each amended to
20 read as follows:

21 (1) If a driver files a complaint with the department alleging a
22 violation of any noncompensation requirement of RCW 49.46.300 (7)
23 through (10) and (12) through (14), the department shall investigate
24 the complaint under this section.

25 (a) The department may not investigate any such alleged violation
26 that occurred more than three years before the date that the driver
27 filed the complaint or prior to this law going into effect.

28 (b) If a driver files a timely complaint with the department, the
29 department will investigate the complaint and issue either a citation
30 assessing a civil penalty or a closure letter within 60 days after
31 the date on which the department received the complaint, unless the
32 complaint is otherwise resolved. The department may extend the period
33 by providing advance written notice to the driver and the
34 transportation network company setting forth good cause for an
35 extension of the period, and specifying the duration of the
36 extension.

37 (c) The department shall send notice of either a citation and
38 notice of assessment or a citation assessing a civil penalty or the
39 closure letter to both the transportation network company and the

1 driver by service of process or by United States mail using a method
2 by which delivery of such written notice to the transportation
3 network company can be tracked and confirmed. A transportation
4 network company may designate a mailing address of record for
5 service, and additionally may provide an email address to which the
6 department shall direct electronic courtesy copies of mailed
7 correspondence, if such email address is provided.

8 (2) If the department's investigation finds that the driver's
9 allegation cannot be substantiated, the department shall issue a
10 closure letter to the driver and the transportation network company
11 detailing such finding.

12 (3) If the department determines that the violation was a willful
13 violation, and the transportation network company fails to take
14 corrective action, the department may order the transportation
15 network company to pay the department a civil penalty as specified in
16 (a) of this subsection.

17 (a) A citation assessing a civil penalty for a willful violation
18 will be \$1,000 for each willful violation. For a repeat willful
19 violator, the citation assessing a civil penalty will not be less
20 than \$2,000 for each repeat willful violation per claimant, but no
21 greater than \$20,000 for each repeat willful violation per claimant.

22 (b) The department may not issue a citation assessing a civil
23 penalty if the transportation network company reasonably relied on:
24 (i) A written order, ruling, approval, opinion, advice,
25 determination, or interpretation of the director; or (ii) an
26 interpretive or administrative policy issued by the department and
27 filed with the office of the code reviser. In accordance with the
28 department's retention schedule obligations under chapter 40.14 RCW,
29 the department shall maintain a complete and accurate record of all
30 written orders, rulings, approvals, opinions, advice, determinations,
31 and interpretations for purposes of determining whether a
32 transportation network company is immune from civil penalties under
33 this subsection (3)(b).

34 (c) The department may, at any time, waive or reduce a civil
35 penalty assessed under this section if the director determines that
36 the transportation network company has taken corrective action to
37 resolve the violation.

38 (d) The department shall deposit civil penalties paid under this
39 section in the ~~((supplemental pension fund established under RCW~~

1 ~~51.44.033~~) wage recovery account created under section 3 of this
2 act.

3 (e) If the department determines that a transportation network
4 company has violated RCW 49.46.300(12), and issues to the
5 transportation network company a citation and notice of assessment,
6 the department may order the transportation network company to pay
7 all owed remittance payments as required under RCW 49.46.300(12). The
8 department shall deposit all owed remittance payments in the driver
9 resource center fund.

10 (4) For purposes of this section, the following definitions
11 apply:

12 (a) "Repeat willful violator" means any transportation network
13 company that has been the subject of a final and binding citation for
14 a willful violation of one or more rights under this chapter and all
15 applicable rules, within three years of the date of issuance of the
16 most recent citation for a willful violation of one or more such
17 rights.

18 (b) "Willful" means a knowing and intentional action that is
19 neither accidental nor the result of a bona fide dispute.

20 (5) A person, firm, or corporation aggrieved by a citation
21 assessing a civil penalty issued by the department under this section
22 may appeal the citation assessing a civil penalty to the director by
23 filing a notice of appeal with the director within 30 days of the
24 department's issuance of the citation assessing a civil penalty. A
25 citation assessing a civil penalty not appealed within 30 days is
26 final and binding, and not subject to further appeal.

27 (6) A notice of appeal filed with the director under this section
28 stays the effectiveness of the citation assessing a civil penalty
29 pending final review of the appeal by the director as provided for in
30 chapter 34.05 RCW.

31 (7) Upon receipt of a notice of appeal, the director shall assign
32 the hearing to an administrative law judge of the office of
33 administrative hearings to conduct the hearing and issue an initial
34 order. The hearing and review procedures must be conducted in
35 accordance with chapter 34.05 RCW, and the standard of review by the
36 administrative law judge of an appealed citation assessing a civil
37 penalty must be de novo. Any party who seeks to challenge an initial
38 order shall file a petition for administrative review with the
39 director within 30 days after service of the initial order. The

1 director shall conduct administrative review in accordance with
2 chapter 34.05 RCW.

3 (8) The director shall issue all final orders after appeal of the
4 initial order. The final order of the director is subject to judicial
5 review in accordance with chapter 34.05 RCW.

6 (9) Orders that are not appealed within the period specified in
7 this section and chapter 34.05 RCW are final and binding, and not
8 subject to further appeal.

9 (10) Absent good cause, a transportation network company that
10 fails to allow adequate inspection of records in an investigation by
11 the department under this section within a reasonable time period may
12 not use such records in any appeal under such rules to challenge the
13 correctness of any determination by the department of penalties
14 assessed.

15 (11) Collections of unpaid citations assessing civil penalties
16 will be handled pursuant to the procedures outlined in RCW 49.48.086.

17 (12) If the department determines that a transportation network
18 company has violated the requirements in RCW 49.46.300(12) to collect
19 and remit the established fee, and issues to the transportation
20 network company a citation and notice of assessment, the department
21 may order the transportation network company to pay all owed
22 remittance payments as required under RCW 49.46.300(12). The
23 department shall deposit all unpaid remittance amounts into the
24 driver resource center fund established in RCW 49.46.310.

25 **Sec. 10.** RCW 49.46.340 and 2022 c 281 s 5 are each amended to
26 read as follows:

27 (1) It is unlawful for a transportation network company to
28 interfere with, restrain, or deny the exercise of any driver right
29 provided under or in connection with RCW 49.46.300 and 49.46.210(5).
30 This means a transportation network company may not use a driver's
31 exercise of any of the rights provided under RCW 49.46.300 and
32 49.46.210(5) as a factor in any action that adversely affects the
33 driver's use of the transportation network.

34 (2) It is unlawful for a transportation network company to adopt
35 or enforce any policy that counts the use of earned paid sick time
36 for a purpose authorized under RCW 49.46.210(1) (b) and (c) as time
37 off the platform that may lead to or result in temporary or permanent
38 deactivation by the transportation network company against the
39 driver.

1 (3) It is unlawful for a transportation network company to take
2 any adverse action against a driver because the driver has exercised
3 their rights provided under RCW 49.46.300 and 49.46.210(5). Such
4 rights include, but are not limited to: Filing an action, or
5 instituting or causing to be instituted any proceeding under or
6 related to RCW 49.46.300 and 49.46.210(5), or testifying or intending
7 to testify in any such proceeding related to any rights provided
8 under RCW 49.46.300 and 49.46.210(5).

9 (4) Adverse action means any action taken or threatened by a
10 transportation network company against a driver for the driver's
11 exercise of rights under RCW 49.46.300 and 49.46.210(5).

12 (5) A driver who believes that he or she was subject to
13 retaliation by a transportation network company for the exercise of
14 any driver right under RCW 49.46.300 and 49.46.210(5) may file a
15 complaint with the department within 180 days of the alleged
16 retaliatory action. The department may, at its discretion, extend the
17 180-day period on recognized equitable principles or because of
18 extenuating circumstances beyond the control of the department. The
19 department may extend the 180-day period when there is a
20 preponderance of evidence that the transportation network company has
21 concealed or misled the driver regarding the alleged retaliatory
22 action.

23 (6) If a driver files a timely complaint with the department
24 alleging retaliation, the department shall investigate the complaint
25 and issue either a citation and notice of assessment or a
26 determination of compliance within 90 days after the date on which
27 the department received the complaint, unless the complaint is
28 otherwise resolved. The department may extend the period by providing
29 advance written notice to the driver and the transportation network
30 company setting forth good cause for an extension of the period, and
31 specifying the duration of the extension.

32 (7) The department may consider a complaint to be otherwise
33 resolved when the driver and the transportation network company reach
34 a mutual agreement to remedy any retaliatory action, or the driver
35 voluntarily and on the driver's own initiative withdraws the
36 complaint.

37 (8) If the department's investigation finds that the driver's
38 allegation of retaliation cannot be substantiated, the department
39 shall issue a determination of compliance to the driver and the
40 transportation network company detailing such finding.

1 (9) If the department's investigation finds that the
2 transportation network company retaliated against the driver, and the
3 complaint is not otherwise resolved, the department may, at its
4 discretion, notify the transportation network company that the
5 department intends to issue a citation and notice of assessment, and
6 may provide up to 30 days after the date of such notification for the
7 transportation network company to take corrective action to remedy
8 the retaliatory action. If the complaint is not otherwise resolved,
9 then the department shall issue a citation and notice of assessment.
10 The department's citation and notice of assessment may:

11 (a) Order the transportation network company to make payable to
12 the driver earnings that the driver did not receive due to the
13 transportation network company's retaliatory action, including
14 interest of one percent per month on all earnings owed. The earnings
15 and interest owed will be calculated from the first date earnings
16 were owed to the driver;

17 (b) Order the transportation network company to restore the
18 contract of the driver, unless otherwise prohibited by law;

19 (c) Order the transportation network company to cease using any
20 policy that counts the use of earned paid sick time as time off the
21 platform or an adverse action against the driver;

22 (d) For the first violation, order the transportation network
23 company to pay the department a civil penalty established in
24 subsection (15) of this section; and

25 (e) For a repeat violation, order the transportation network
26 company to pay the department up to double the civil penalty
27 established in subsection (15) of this section.

28 (10) The department shall send the citation and notice of
29 assessment or determination of compliance to both the transportation
30 network company and driver by service of process or using a method by
31 which the mailing can be tracked or the delivery can be confirmed to
32 their last known addresses. A transportation network company may
33 designate a mailing address of record for service, and additionally
34 may provide an email address to which the department shall direct
35 electronic courtesy copies of mailed correspondence, if such email
36 address is provided.

37 (11) During an investigation of the driver's retaliation
38 complaint, if the department discovers information suggesting alleged
39 violations by the transportation network company of the driver's
40 other rights under this chapter, and all applicable rules, the

1 department may investigate and take appropriate enforcement action
2 without requiring the driver to file a new or separate complaint. In
3 the event the department so expands an investigation, it shall
4 provide reasonable notice to the transportation network company that
5 it is doing so. If the department determines that the transportation
6 network company violated additional rights of the driver under this
7 chapter, and all applicable rules, the transportation network company
8 may be subject to additional enforcement actions for the violation of
9 such rights. If the department discovers information alleging the
10 transportation network company retaliated against or otherwise
11 violated rights of other drivers under this chapter, and all
12 applicable rules, the department may launch further investigation
13 under this chapter, and all applicable rules, without requiring
14 additional complaints to be filed.

15 (12) The department may prioritize retaliation investigations as
16 needed to allow for timely resolution of complaints.

17 (13) Nothing in this section impedes the department's ability to
18 investigate under the authority prescribed in RCW 49.48.040.

19 (14) Nothing in this section precludes a driver's right to pursue
20 private legal action, if any exists.

21 (15) If the department's investigation finds that a
22 transportation network company retaliated against a driver, pursuant
23 to the procedures outlined in this section, the department may order
24 the transportation network company to pay the department a civil
25 penalty. A civil penalty for a transportation network company's
26 retaliatory action will not be less than \$1,000 or an amount equal to
27 10 percent of the total amount of unpaid earnings attributable to the
28 retaliatory action per claimant, whichever is greater. The maximum
29 civil penalty for a transportation network company's retaliatory
30 action shall be \$20,000 per claimant for the first violation, and
31 \$40,000 for each repeat violation.

32 (16) The department may, at any time, waive or reduce any civil
33 penalty assessed against a transportation network company under this
34 section if the department determines that the transportation network
35 company has taken corrective action to remedy the retaliatory action.

36 (17) The department will deposit civil penalties paid under this
37 section in the ~~((supplemental pension fund established under RCW~~
38 ~~51.44.033))~~ wage recovery account created under section 3 of this
39 act.

1 (18) Collections of amounts owed for unpaid citations and notices
2 of assessment, as detailed in this section, will be handled pursuant
3 to the procedures outlined in RCW 49.48.086.

4 (19) A person, firm, or corporation aggrieved by a citation and
5 notice of assessment or a determination of compliance may, within 30
6 days after the date of such determination, submit a request for
7 reconsideration to the department setting forth the grounds for
8 seeking such reconsideration, or submit an appeal to the director
9 pursuant to the procedures outlined in subsection (22) of this
10 section. If the department receives a timely request for
11 reconsideration, the department shall either accept the request or
12 treat the request as a notice of appeal.

13 (20) If a request for reconsideration is accepted, the department
14 shall send notice of the request for reconsideration to the
15 transportation network company and the driver. The department shall
16 determine if there are any valid reasons to reverse or modify the
17 department's original decision to issue a citation and notice of
18 assessment or determination of compliance within 30 days of receipt
19 of such request. The department may extend this period by providing
20 advance written notice to the driver and transportation network
21 company setting forth good cause for an extension of the period, and
22 specifying the duration of the extension. After reviewing the
23 reconsideration, the department shall either:

24 (a) Notify the driver and the transportation network company that
25 the citation and notice of assessment or determination of compliance
26 is affirmed; or

27 (b) Notify the driver and the transportation network company that
28 the citation and notice of assessment or determination of compliance
29 has been reversed or modified.

30 (21) A request for reconsideration submitted to the department
31 shall stay the effectiveness of the citation and notice of assessment
32 or the determination of compliance pending the reconsideration
33 decision by the department.

34 (22)(a) Within 30 days after the date the department issues a
35 citation and notice of assessment or a determination of compliance,
36 or within 30 days after the date the department issues its decision
37 on the request for reconsideration, a person, firm, or corporation
38 aggrieved by a citation and notice of assessment or a determination
39 of compliance may file with the director a notice of appeal.

1 (b) A notice of appeal filed with the director under this section
2 shall stay the effectiveness of the citation and notice of assessment
3 or the determination of compliance pending final review of the appeal
4 by the director as provided for in chapter 34.05 RCW.

5 (c) Upon receipt of a notice of appeal, the director shall assign
6 the hearing to an administrative law judge of the office of
7 administrative hearings to conduct the hearing and issue an initial
8 order. The hearing and review procedures shall be conducted in
9 accordance with chapter 34.05 RCW, and the standard of review by the
10 administrative law judge of an appealed citation and notice of
11 assessment or determination of compliance shall be de novo. Any party
12 who seeks to challenge an initial order shall file a petition for
13 administrative review with the director within 30 days after service
14 of the initial order. The director shall conduct administrative
15 review in accordance with chapter 34.05 RCW.

16 (23) If a request for reconsideration is not submitted to the
17 department within 30 days after the date of the original citation and
18 notice of assessment or determination of compliance, and a person,
19 firm, or corporation aggrieved by a citation and notice of assessment
20 or determination of compliance did not submit an appeal to the
21 director, then the citation and notice of assessment or determination
22 of compliance is final and binding, and not subject to further
23 appeal.

24 (24) The director shall issue all final orders after appeal of
25 the initial order. The final order of the director is subject to
26 judicial review in accordance with chapter 34.05 RCW.

27 (25) The director's orders that are not appealed within the time
28 period specified in this section and chapter 34.05 RCW are final and
29 binding, and not subject to further appeal.

30 (26) Absent good cause, a transportation network company that
31 fails to allow adequate inspection of records in an investigation by
32 the department under this section within a reasonable time period may
33 not use such records in any appeal under such rules to challenge the
34 correctness of any determination by the department.

35 **Sec. 11.** RCW 49.46.370 and 2025 c 236 s 2 are each amended to
36 read as follows:

37 (1) Any employer that coerces an employee in furtherance of the
38 employer committing a violation of wage payment requirements as
39 defined in chapter 49.48 RCW, condition of labor requirements as

1 defined in chapter 49.12 RCW, or any violations under chapter 49.30
2 RCW, including rules issued by the department pursuant to chapter
3 49.30 RCW, is subject to a civil penalty under this section, in
4 addition to any other penalty that may be imposed by the department
5 against an employer for those violations. If an employer's violation
6 subjects the employer to a penalty under this section and a separate
7 penalty under RCW 49.46.100, the employer must be assessed the higher
8 amount of the two penalties.

9 (2) A worker who believes the worker was subject to coercion by
10 the worker's employer based on the worker's immigration status may
11 file a complaint with the department within 180 days of the alleged
12 coercive action.

13 (3) (a) The department must investigate a complaint of coercion by
14 an employer based on immigration status.

15 (b) Unless otherwise resolved, the department shall issue either
16 a notice of citation assessing a penalty or a closure letter no later
17 than 90 days after the date on which the department received the
18 complaint.

19 (c) The department may extend the time period by providing
20 advance written notice to the employee and the employer setting forth
21 good cause for an extension of the time period and specifying the
22 duration of the extension.

23 (d) The department shall send the citation assessing a penalty or
24 closure letter to both the employer and the employee by service of
25 process or using a method by which the mailing can be tracked or the
26 delivery can be confirmed to their last known addresses.

27 (e) If the department's investigation finds that the employee's
28 allegation cannot be substantiated, the department must issue a
29 closure letter to the employee and employer detailing such finding.

30 (f) If the department determines the employer violated this
31 section, the department must assess a civil penalty for each coercive
32 act as follows:

33 (i) For the first violation, a civil penalty not to exceed
34 \$1,000;

35 (ii) For the second violation, a civil penalty not to exceed
36 \$5,000; and

37 (iii) For any subsequent violation, a civil penalty not to exceed
38 \$10,000.

39 (4) Each act of coercion against each affected employee
40 constitutes a separate violation of chapter 236, Laws of 2025.

1 (5) The department shall deposit all civil penalties paid under
2 this section in the ((~~supplemental pension fund established under RCW~~
3 ~~51.44.033~~)) wage recovery account created under section 3 of this
4 act.

5 (6) (a) The penalties payable pursuant to this section shall be
6 adjusted for inflation every three years, beginning July 1, 2028,
7 based upon changes in the consumer price index during that time
8 period.

9 (b) For purposes of this subsection, "consumer price index"
10 means, for any calendar year, that year's average consumer price
11 index for the Seattle, Washington area for urban wage earners and
12 clerical workers, all items, compiled by the bureau of labor
13 statistics, United States department of labor.

14 (7) Any personal information about the employee or the employee's
15 family members, including names, in a complaint or investigation is
16 confidential and may be disclosed only to the employer. Any personal
17 information may not be disclosed to any other person or entity
18 without the written permission of the employee.

19 (8) If, during an investigation of any other complaint, the
20 department discovers information that suggests an employer has
21 coerced an employee based on immigration status, the department may
22 investigate and take appropriate enforcement action without requiring
23 the employee to file a new or separate complaint.

24 (9) (a) A person, firm, or corporation aggrieved by a citation
25 assessing a civil penalty issued by the department under this section
26 may appeal the citation to the director by filing a notice of appeal
27 with the director within 30 days of the department's issuance of the
28 citation. A citation assessing a civil penalty not appealed within 30
29 days is final and binding, and not subject to further appeal.

30 (b) A notice of appeal filed with the director under this section
31 stays the effectiveness of the citation assessing a civil penalty
32 pending final review of the appeal by the director as provided for in
33 chapter 34.05 RCW.

34 (c) Upon receipt of a notice of appeal, the director shall assign
35 the hearing to an administrative law judge of the office of
36 administrative hearings to conduct the hearing and issue an initial
37 order. The hearing and review procedures must be conducted in
38 accordance with chapter 34.05 RCW, and the standard of review by the
39 administrative law judge of an appealed citation assessing a civil
40 penalty shall be de novo. Any party who seeks to challenge an initial

1 order shall file a petition for administrative review with the
2 director within 30 days after service of the initial order. The
3 director will conduct administrative review in accordance with
4 chapter 34.05 RCW.

5 (d) The director shall issue all final orders after appeal of the
6 initial order. The final order of the director is subject to judicial
7 review in accordance with chapter 34.05 RCW.

8 (e) Orders that are not appealed within the period specified in
9 this section and chapter 34.05 RCW are final and binding, and not
10 subject to further appeal.

11 (f) An employer who fails to allow adequate inspection of records
12 in an investigation by the department under this section within a
13 reasonable time period may not use such records in any appeal under
14 such rules to challenge the correctness of any determination by the
15 department of penalties assessed.

16 (10) The collections procedures under RCW 49.48.086 apply to this
17 section.

18 (11) For the purposes of this section, "department" means the
19 department of labor and industries.

20 NEW SECTION. **Sec. 12.** Section 6 of this act expires July 1,
21 2030.

22 NEW SECTION. **Sec. 13.** Section 7 of this act takes effect July
23 1, 2030.

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