

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE HOUSE BILL 2479

69th Legislature
2026 Regular Session

Passed by the House February 13, 2026
Yeas 94 Nays 0

**Speaker of the House of
Representatives**

Passed by the Senate March 4, 2026
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 2479** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SECOND SUBSTITUTE HOUSE BILL 2479

Passed Legislature - 2026 Regular Session

State of Washington

69th Legislature

2026 Regular Session

By House Appropriations (originally sponsored by Representatives Fosse, Schmidt, Berry, Salahuddin, Zahn, Stearns, Parshley, Goodman, Ramel, Doglio, Bronoske, Cortes, Obras, Pollet, Macri, Nance, and Callan)

READ FIRST TIME 02/09/26.

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

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. In
12 determining which complaints will be investigated, the department
13 must establish a written process by which wage complaints will be
14 prioritized based on factors including, but not limited to, the harm
15 to the affected employee, the severity of the complaint, the number
16 of employees potentially affected, and the probability of
17 retaliation. The department's enforcement priorities must be made
18 publicly available.

19 (b) Unless otherwise resolved, when the department accepts a
20 complaint, the department shall issue either a citation and notice of
21 assessment or a determination of compliance no later than 60 days

1 after the date on which the department (~~received~~) accepted the wage
2 complaint. The department may extend the time period by providing
3 advance written notice to the employee and the employer setting forth
4 good cause for an extension of the time period and specifying the
5 duration of the extension.

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

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

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

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

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

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

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

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

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

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

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

1 determines that the employer has provided payment to the employee of
2 all wages and interest that the department determined that the
3 employer owed to the employee, including interest, within ~~((ten))~~ 10
4 business days of the employer's receipt of the citation and notice of
5 assessment from the department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (3) (a) To help prevent immediate economic harm to the employee,
2 the department should attempt to disburse funds after the department
3 has determined the complaint has merit and at the earliest possible
4 point in the investigation process, as determined by the department.

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

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

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

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

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

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

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

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

1 (b) The department is not criminally or civilly liable and may
2 not have any penalty or cause of action of any nature arise against
3 it regarding the provision or lack of provision of funds for payments
4 under this section.

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

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

10 (b) Amounts paid out from the account;

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

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

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

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

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

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

22 (i) The total outstanding recovery from employers of amounts paid
23 from the account;

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

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

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

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

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

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

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

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

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 44.28
14 RCW to read as follows:

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

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

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

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

30 **Sec. 5.** RCW 43.79A.040 and 2025 c 399 s 13 and 2025 c 190 s 3
31 are each reenacted and amended to read as follows:

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

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

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

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

15 (b) The following accounts and funds must receive their
16 proportionate share of earnings based upon each account's or fund's
17 average daily balance for the period: The 24/7 sobriety account, the
18 Washington promise scholarship account, the Gina Grant Bull memorial
19 legislative page scholarship account, the Rosa Franklin legislative
20 internship program scholarship account, the Washington advanced
21 college tuition payment program account, the Washington college
22 savings program account, the accessible communities account, the
23 Washington achieving a better life experience program account, the
24 Washington career and college pathways innovation challenge program
25 account, the community and technical college innovation account, the
26 agricultural local fund, the American Indian scholarship endowment
27 fund, the behavioral health loan repayment and scholarship program
28 account, the Billy Frank Jr. national statuary hall collection fund,
29 the foster care scholarship endowment fund, the foster care endowed
30 scholarship trust fund, the contract harvesting revolving account,
31 the Washington state combined fund drive account, the county 911
32 excise tax account, the county road administration board emergency
33 loan account, the toll collection account, the developmental
34 disabilities endowment trust fund, the energy account, the energy
35 facility site evaluation council account, the fair fund, the family
36 and medical leave insurance account, the Fern Lodge maintenance
37 account, the fish and wildlife federal lands revolving account, the
38 natural resources federal lands revolving account, the food animal
39 veterinarian conditional scholarship account, the forest health
40 revolving account, the fruit and vegetable inspection account, the

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

38 (c) The following accounts and funds must receive 80 percent of
39 their proportionate share of earnings based upon each account's or
40 fund's average daily balance for the period: The advance right-of-way

1 revolving fund, the advanced environmental mitigation revolving
2 account, the federal narcotics asset forfeitures account, the high
3 occupancy vehicle account, the local rail service assistance account,
4 and the miscellaneous transportation programs account.

5 (d) Any state agency that has independent authority over accounts
6 or funds not statutorily required to be held in the custody of the
7 state treasurer that deposits funds into a fund or account in the
8 custody of the state treasurer pursuant to an agreement with the
9 office of the state treasurer shall receive its proportionate share
10 of earnings based upon each account's or fund's average daily balance
11 for the period.

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

15 **Sec. 6.** RCW 43.79A.040 and 2025 c 399 s 14 and 2025 c 190 s 4
16 are each reenacted and amended to read as follows:

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

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

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

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

36 (b) The following accounts and funds must receive their
37 proportionate share of earnings based upon each account's or fund's
38 average daily balance for the period: The 24/7 sobriety account, the
39 Washington promise scholarship account, the Gina Grant Bull memorial

1 legislative page scholarship account, the Rosa Franklin legislative
2 internship program scholarship account, the Washington advanced
3 college tuition payment program account, the Washington college
4 savings program account, the accessible communities account, the
5 Washington achieving a better life experience program account, the
6 Washington career and college pathways innovation challenge program
7 account, the community and technical college innovation account, the
8 agricultural local fund, the American Indian scholarship endowment
9 fund, the behavioral health loan repayment and scholarship program
10 account, the Billy Frank Jr. national statuary hall collection fund,
11 the foster care scholarship endowment fund, the foster care endowed
12 scholarship trust fund, the contract harvesting revolving account,
13 the Washington state combined fund drive account, the county 911
14 excise tax account, the county road administration board emergency
15 loan account, the toll collection account, the developmental
16 disabilities endowment trust fund, the energy account, the energy
17 facility site evaluation council account, the fair fund, the family
18 and medical leave insurance account, the Fern Lodge maintenance
19 account, the fish and wildlife federal lands revolving account, the
20 natural resources federal lands revolving account, the food animal
21 veterinarian conditional scholarship account, the forest health
22 revolving account, the fruit and vegetable inspection account, the
23 educator conditional scholarship account, the game farm alternative
24 account, the GET ready for math and science scholarship account, the
25 Washington global health technologies and product development
26 account, the grain inspection revolving fund, the Washington history
27 day account, the industrial insurance rainy day fund, the law
28 enforcement officers' and firefighters' plan 2 expense fund, the
29 local tourism promotion account, the low-income home rehabilitation
30 account, the medication for people living with HIV rebate revenue
31 account, the homeowner recovery account, the wage recovery account,
32 the multiagency permitting team account, the northeast Washington
33 wolf-livestock management account, the public use general aviation
34 airport loan revolving account, the regional transportation
35 investment district account, the rural rehabilitation account, the
36 Washington sexual assault kit account, the stadium and exhibition
37 center account, the youth athletic facility account, the self-
38 insurance revolving fund, the children's trust fund, the Washington
39 horse racing commission Washington bred owners' bonus fund and
40 breeder awards account, the Washington horse racing commission class

1 C purse fund account, the individual development account program
2 account, the Washington horse racing commission operating account,
3 the life sciences discovery fund, the Washington state library-
4 archives building account, the reduced cigarette ignition propensity
5 account, the center for deaf and hard of hearing youth account, the
6 school for the blind account, the public employees' and retirees'
7 insurance reserve fund, the school employees' benefits board
8 insurance reserve fund, the public employees' and retirees' insurance
9 account, the school employees' insurance account, the long-term
10 services and supports trust account, the radiation perpetual
11 maintenance fund, the Indian health improvement reinvestment account,
12 the department of licensing tuition recovery trust fund, the student
13 achievement council tuition recovery trust fund, the tuition recovery
14 trust fund, the industrial insurance premium refund account, the
15 mobile home park relocation fund, the natural resources deposit fund,
16 the Washington state health insurance pool account, the federal
17 forest revolving account, the Washington saves administrative trust
18 account, and the library operations account.

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

26 (d) Any state agency that has independent authority over accounts
27 or funds not statutorily required to be held in the custody of the
28 state treasurer that deposits funds into a fund or account in the
29 custody of the state treasurer pursuant to an agreement with the
30 office of the state treasurer shall receive its proportionate share
31 of earnings based upon each account's or fund's average daily balance
32 for the period.

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

36 **Sec. 7.** RCW 49.46.320 and 2022 c 281 s 3 are each amended to
37 read as follows:

38 (1)(a) If a driver files a complaint with the department alleging
39 that a transportation network company failed to provide any

1 compensation amounts due to the driver under RCW 49.46.300, the
2 department shall investigate the complaint under this section. Unless
3 otherwise resolved, the department shall issue either a citation and
4 notice of assessment or a determination of compliance no later than
5 60 days after the date on which the department received the
6 compensation-related complaint. The department may extend the time
7 period by providing advance written notice to the driver and the
8 transportation network company setting forth good cause for an
9 extension of the time period and specifying the duration of the
10 extension.

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

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

23 (2) If the department determines that a transportation network
24 company has violated a compensation requirement in RCW 49.46.300 and
25 issues to the transportation network company a citation and notice of
26 assessment, the department may order the transportation network
27 company to pay drivers all compensation owed, including interest of
28 one percent per month on all compensation owed, to the driver. The
29 compensation and interest owed must be calculated from the first date
30 compensation was owed to the driver, except that the department may
31 not order the transportation network company to pay any compensation
32 and interest that were owed more than three years before the date the
33 complaint was filed with the department.

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

39 (a) A civil penalty for a willful violation shall be not less
40 than \$1,000 or an amount equal to 10 percent of the total amount of

1 unpaid compensation per claimant, whichever is greater. The maximum
2 civil penalty for a willful violation of requirements in RCW
3 49.46.300 shall be \$20,000 per claimant.

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

16 (c) The department shall waive any civil penalty assessed against
17 a transportation network company under this section if the
18 transportation network company is not a repeat willful violator, and
19 the director determines that the transportation network company has
20 provided payment to the driver of all compensation that the
21 department determined that the transportation network company owed to
22 the driver, including interest, within 30 days of the transportation
23 network company's receipt of the citation and notice of assessment
24 from the department.

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

29 (e) The department shall deposit civil penalties paid under this
30 section in the ~~((supplemental pension fund established under RCW
31 51.44.033))~~ wage recovery account created under section 3 of this
32 act.

33 (4) Upon payment by a transportation network company, and
34 acceptance by a driver, of all compensation and interest assessed by
35 the department in a citation and notice of assessment issued to the
36 transportation network company, the fact of such payment by the
37 transportation network company, and of such acceptance by the driver,
38 shall: (a) Constitute a full and complete satisfaction by the
39 transportation network company of all specific requirements of RCW
40 49.46.300 addressed in the citation and notice of assessment; and (b)

1 bar the driver from initiating or pursuing any court action or other
2 judicial or administrative proceeding, including arbitration, based
3 on the specific requirements addressed in the citation and notice of
4 assessment. The citation and notice of assessment shall include a
5 notification and summary of the specific requirements of RCW
6 49.46.300.

7 (5) The applicable statute of limitations for civil actions is
8 tolled during the department's investigation of a driver's complaint
9 against a transportation network company. For the purposes of this
10 subsection, the department's investigation begins on the date the
11 driver files the complaint with the department and ends when: (a) The
12 complaint is finally determined through a final and binding citation
13 and notice of assessment or determination of compliance; or (b) the
14 department notifies the transportation network company and the driver
15 in writing that the complaint has been otherwise resolved or that the
16 driver has elected to terminate the department's administrative
17 action under subsection (12) of this section.

18 (6) A person, firm, or corporation aggrieved by a citation and
19 notice of assessment or a determination of compliance issued by the
20 department under this section or the assessment of a civil penalty
21 due to a determination of status as a repeat willful violator may
22 appeal the citation and notice of assessment, the determination of
23 compliance, or the assessment of a civil penalty to the director by
24 filing a notice of appeal with the director within 30 days of the
25 department's service, as provided in subsection (1) of this section,
26 on the aggrieved party of the citation and notice of assessment, the
27 determination of compliance, or the assessment of a civil penalty. A
28 citation and notice of assessment, a determination of compliance, or
29 an assessment of a civil penalty not appealed within 30 days is final
30 and binding, and not subject to further appeal.

31 (7) A notice of appeal filed with the director under this section
32 shall stay the effectiveness of the citation and notice of
33 assessment, the determination of compliance, or the assessment of a
34 civil penalty pending final review of the appeal by the director as
35 provided for in chapter 34.05 RCW.

36 (8) Upon receipt of a notice of appeal, the director shall assign
37 the hearing to an administrative law judge of the office of
38 administrative hearings to conduct the hearing and issue an initial
39 order. The hearing and review procedures shall be conducted in
40 accordance with chapter 34.05 RCW, and the standard of review by the

1 administrative law judge of an appealed citation and notice of
2 assessment, an appealed determination of compliance, or an appealed
3 assessment of a civil penalty shall be de novo. Any party who seeks
4 to challenge an initial order shall file a petition for
5 administrative review with the director within 30 days after service
6 of the initial order. The director shall conduct administrative
7 review in accordance with chapter 34.05 RCW.

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

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

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

20 (12) A driver who has filed a complaint under this section with
21 the department may elect to terminate the department's administrative
22 action, thereby preserving any private right of action, if any
23 exists, by providing written notice to the department within 10
24 business days after the driver's receipt of the department's citation
25 and notice of assessment.

26 (13) If the driver elects to terminate the department's
27 administrative action: (a) The department shall immediately
28 discontinue its action against the transportation network company;
29 (b) the department shall vacate a citation and notice of assessment
30 already issued by the department to the transportation network
31 company; and (c) the citation and notice of assessment, and any
32 related findings of fact or conclusions of law by the department, and
33 any payment or offer of payment by the transportation network company
34 of the compensation, including interest, assessed by the department
35 in the citation and notice of assessment, shall not be admissible in
36 any court action or other judicial or administrative proceeding.

37 (14) Nothing in this section shall be construed to limit or
38 affect: (a) The right of any driver to pursue any judicial,
39 administrative, or other action available with respect to a
40 transportation network company; (b) the right of the department to

1 pursue any judicial, administrative, or other action available with
2 respect to a driver that is identified as a result of a complaint for
3 a violation of RCW 49.46.300; or (c) the right of the department to
4 pursue any judicial, administrative, or other action available with
5 respect to a transportation network company in the absence of a
6 complaint for a violation of RCW 49.46.300. For purposes of this
7 subsection, "driver" means a driver other than a driver who has filed
8 a complaint with the department and who thereafter has elected to
9 terminate the department's administrative action as provided in
10 subsection (1) of this section.

11 (15) After a final order is issued under this section, and served
12 as provided in subsection (1) of this section, if a transportation
13 network company defaults in the payment of: (a) Any compensation
14 determined by the department to be owed to a driver, including
15 interest; or (b) any civil penalty ordered by the department under
16 this section, the director may file with the clerk of any county
17 within the state a warrant in the amount of the payment plus any
18 filing fees. The clerk of the county in which the warrant is filed
19 shall immediately designate a superior court cause number for the
20 warrant, and the clerk shall cause to be entered in the judgment
21 docket under the superior court cause number assigned to the warrant,
22 the name of the transportation network company mentioned in the
23 warrant, the amount of payment due plus any filing fees, and the date
24 when the warrant was filed. The aggregate amount of the warrant as
25 docketed becomes a lien upon the title to, and interest in, all real
26 and personal property of the transportation network company against
27 whom the warrant is issued, the same as a judgment in a civil case
28 docketed with the superior court clerk. The sheriff shall proceed
29 upon the warrant in all respects and with like effect as prescribed
30 by law with respect to execution or other process issued against
31 rights or property upon judgment in a court of competent
32 jurisdiction. The warrant so docketed is sufficient to support the
33 issuance of writs of garnishment in favor of the state in a manner
34 provided by law in case of judgment, wholly or partially unsatisfied.
35 The clerk of the court is entitled to a filing fee which will be
36 added to the amount of the warrant. A copy of the warrant shall be
37 served on the transportation network company, as provided in
38 subsection (1) of this section, within three days of filing with the
39 clerk.

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

19 (b) The notice and order to withhold and deliver must be served
20 by the sheriff of the county or by the sheriff's deputy, by certified
21 mail, return receipt requested, or by the director. A person, firm,
22 corporation, other entity, municipal corporation, political
23 subdivision of the state, public corporation, or agency of the state
24 upon whom service has been made shall answer the notice within 20
25 days exclusive of the day of service, under oath and in writing, and
26 shall make true answers to the matters inquired of in the notice and
27 order. Upon service of the notice and order, if the party served
28 possesses any property that may be subject to the claim of the
29 department, the party shall promptly deliver the property to the
30 director. The director shall hold the property in trust for
31 application on the transportation network company's indebtedness to
32 the department, or for return without interest, in accordance with a
33 final determination of a petition for review. In the alternative, the
34 party shall furnish a good and sufficient surety bond satisfactory to
35 the director conditioned upon final determination of liability. If a
36 party served and named in the notice fails to answer the notice
37 within the time prescribed in this section, the court may render
38 judgment by default against the party for the full amount claimed by
39 the director in the notice, together with costs. If a notice is
40 served upon a transportation network company and the property subject

1 to it is compensation, the transportation network company may assert
2 in the answer all exemptions provided for by chapter 6.27 RCW to
3 which the compensation earner is entitled.

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

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

22 (b) The department may use the procedures under this section to
23 foreclose compensation liens established under chapter 60.90 RCW.
24 When the department is foreclosing on a compensation lien, the date
25 the compensation lien was originally filed shall be the date by which
26 priority is determined, regardless of the date the warrant is filed
27 under this section.

28 (18) Whenever any transportation network company quits business,
29 sells out, exchanges, or otherwise disposes of the transportation
30 network company's business or stock of goods, any person who becomes
31 a successor to the business becomes liable for the full amount of any
32 outstanding citation and notice of assessment or penalty against the
33 transportation network company's business under this chapter if, at
34 the time of the conveyance of the business, the successor has: (a)
35 Actual knowledge of the fact and amount of the outstanding citation
36 and notice of assessment; or (b) a prompt, reasonable, and effective
37 means of accessing and verifying the fact and amount of the
38 outstanding citation and notice of assessment from the department. If
39 the citation and notice of assessment or penalty is not paid in full
40 by the transportation network company within 10 days of the date of

1 the sale, exchange, or disposal, the successor is liable for the
2 payment of the full amount of the citation and notice of assessment
3 or penalty, and payment thereof by the successor must, to the extent
4 thereof, be deemed a payment upon the purchase price. If the payment
5 is greater in amount than the purchase price, the amount of the
6 difference becomes a debt due the successor from the transportation
7 network company.

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

10 **Sec. 8.** RCW 49.46.330 and 2022 c 281 s 4 are each amended to
11 read as follows:

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

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

19 (b) If a driver files a timely complaint with the department, the
20 department will investigate the complaint and issue either a citation
21 assessing a civil penalty or a closure letter within 60 days after
22 the date on which the department received the complaint, unless the
23 complaint is otherwise resolved. The department may extend the period
24 by providing advance written notice to the driver and the
25 transportation network company setting forth good cause for an
26 extension of the period, and specifying the duration of the
27 extension.

28 (c) The department shall send notice of either a citation and
29 notice of assessment or a citation assessing a civil penalty or the
30 closure letter to both the transportation network company and the
31 driver by service of process or by United States mail using a method
32 by which delivery of such written notice to the transportation
33 network company can be tracked and confirmed. A transportation
34 network company may designate a mailing address of record for
35 service, and additionally may provide an email address to which the
36 department shall direct electronic courtesy copies of mailed
37 correspondence, if such email address is provided.

38 (2) If the department's investigation finds that the driver's
39 allegation cannot be substantiated, the department shall issue a

1 closure letter to the driver and the transportation network company
2 detailing such finding.

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

8 (a) A citation assessing a civil penalty for a willful violation
9 will be \$1,000 for each willful violation. For a repeat willful
10 violator, the citation assessing a civil penalty will not be less
11 than \$2,000 for each repeat willful violation per claimant, but no
12 greater than \$20,000 for each repeat willful violation per claimant.

13 (b) The department may not issue a citation assessing a civil
14 penalty if the transportation network company reasonably relied on:

15 (i) A written order, ruling, approval, opinion, advice,
16 determination, or interpretation of the director; or (ii) an
17 interpretive or administrative policy issued by the department and
18 filed with the office of the code reviser. In accordance with the
19 department's retention schedule obligations under chapter 40.14 RCW,
20 the department shall maintain a complete and accurate record of all
21 written orders, rulings, approvals, opinions, advice, determinations,
22 and interpretations for purposes of determining whether a
23 transportation network company is immune from civil penalties under
24 this subsection (3)(b).

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

29 (d) The department shall deposit civil penalties paid under this
30 section in the (~~supplemental pension fund established under RCW~~
31 ~~51.44.033~~) wage recovery account created under section 3 of this
32 act.

33 (e) If the department determines that a transportation network
34 company has violated RCW 49.46.300(12), and issues to the
35 transportation network company a citation and notice of assessment,
36 the department may order the transportation network company to pay
37 all owed remittance payments as required under RCW 49.46.300(12). The
38 department shall deposit all owed remittance payments in the driver
39 resource center fund.

1 (4) For purposes of this section, the following definitions
2 apply:

3 (a) "Repeat willful violator" means any transportation network
4 company that has been the subject of a final and binding citation for
5 a willful violation of one or more rights under this chapter and all
6 applicable rules, within three years of the date of issuance of the
7 most recent citation for a willful violation of one or more such
8 rights.

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

11 (5) A person, firm, or corporation aggrieved by a citation
12 assessing a civil penalty issued by the department under this section
13 may appeal the citation assessing a civil penalty to the director by
14 filing a notice of appeal with the director within 30 days of the
15 department's issuance of the citation assessing a civil penalty. A
16 citation assessing a civil penalty not appealed within 30 days is
17 final and binding, and not subject to further appeal.

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

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

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

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

39 (10) Absent good cause, a transportation network company that
40 fails to allow adequate inspection of records in an investigation by

1 the department under this section within a reasonable time period may
2 not use such records in any appeal under such rules to challenge the
3 correctness of any determination by the department of penalties
4 assessed.

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

7 (12) If the department determines that a transportation network
8 company has violated the requirements in RCW 49.46.300(12) to collect
9 and remit the established fee, and issues to the transportation
10 network company a citation and notice of assessment, the department
11 may order the transportation network company to pay all owed
12 remittance payments as required under RCW 49.46.300(12). The
13 department shall deposit all unpaid remittance amounts into the
14 driver resource center fund established in RCW 49.46.310.

15 **Sec. 9.** RCW 49.46.340 and 2022 c 281 s 5 are each amended to
16 read as follows:

17 (1) It is unlawful for a transportation network company to
18 interfere with, restrain, or deny the exercise of any driver right
19 provided under or in connection with RCW 49.46.300 and 49.46.210(5).
20 This means a transportation network company may not use a driver's
21 exercise of any of the rights provided under RCW 49.46.300 and
22 49.46.210(5) as a factor in any action that adversely affects the
23 driver's use of the transportation network.

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

30 (3) It is unlawful for a transportation network company to take
31 any adverse action against a driver because the driver has exercised
32 their rights provided under RCW 49.46.300 and 49.46.210(5). Such
33 rights include, but are not limited to: Filing an action, or
34 instituting or causing to be instituted any proceeding under or
35 related to RCW 49.46.300 and 49.46.210(5), or testifying or intending
36 to testify in any such proceeding related to any rights provided
37 under RCW 49.46.300 and 49.46.210(5).

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

4 (5) A driver who believes that he or she was subject to
5 retaliation by a transportation network company for the exercise of
6 any driver right under RCW 49.46.300 and 49.46.210(5) may file a
7 complaint with the department within 180 days of the alleged
8 retaliatory action. The department may, at its discretion, extend the
9 180-day period on recognized equitable principles or because of
10 extenuating circumstances beyond the control of the department. The
11 department may extend the 180-day period when there is a
12 preponderance of evidence that the transportation network company has
13 concealed or misled the driver regarding the alleged retaliatory
14 action.

15 (6) If a driver files a timely complaint with the department
16 alleging retaliation, the department shall investigate the complaint
17 and issue either a citation and notice of assessment or a
18 determination of compliance within 90 days after the date on which
19 the department received the complaint, unless the complaint is
20 otherwise resolved. The department may extend the period by providing
21 advance written notice to the driver and the transportation network
22 company setting forth good cause for an extension of the period, and
23 specifying the duration of the extension.

24 (7) The department may consider a complaint to be otherwise
25 resolved when the driver and the transportation network company reach
26 a mutual agreement to remedy any retaliatory action, or the driver
27 voluntarily and on the driver's own initiative withdraws the
28 complaint.

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

33 (9) If the department's investigation finds that the
34 transportation network company retaliated against the driver, and the
35 complaint is not otherwise resolved, the department may, at its
36 discretion, notify the transportation network company that the
37 department intends to issue a citation and notice of assessment, and
38 may provide up to 30 days after the date of such notification for the
39 transportation network company to take corrective action to remedy
40 the retaliatory action. If the complaint is not otherwise resolved,

1 then the department shall issue a citation and notice of assessment.

2 The department's citation and notice of assessment may:

3 (a) Order the transportation network company to make payable to
4 the driver earnings that the driver did not receive due to the
5 transportation network company's retaliatory action, including
6 interest of one percent per month on all earnings owed. The earnings
7 and interest owed will be calculated from the first date earnings
8 were owed to the driver;

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

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

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

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

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

29 (11) During an investigation of the driver's retaliation
30 complaint, if the department discovers information suggesting alleged
31 violations by the transportation network company of the driver's
32 other rights under this chapter, and all applicable rules, the
33 department may investigate and take appropriate enforcement action
34 without requiring the driver to file a new or separate complaint. In
35 the event the department so expands an investigation, it shall
36 provide reasonable notice to the transportation network company that
37 it is doing so. If the department determines that the transportation
38 network company violated additional rights of the driver under this
39 chapter, and all applicable rules, the transportation network company
40 may be subject to additional enforcement actions for the violation of

1 such rights. If the department discovers information alleging the
2 transportation network company retaliated against or otherwise
3 violated rights of other drivers under this chapter, and all
4 applicable rules, the department may launch further investigation
5 under this chapter, and all applicable rules, without requiring
6 additional complaints to be filed.

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

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

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

13 (15) If the department's investigation finds that a
14 transportation network company retaliated against a driver, pursuant
15 to the procedures outlined in this section, the department may order
16 the transportation network company to pay the department a civil
17 penalty. A civil penalty for a transportation network company's
18 retaliatory action will not be less than \$1,000 or an amount equal to
19 10 percent of the total amount of unpaid earnings attributable to the
20 retaliatory action per claimant, whichever is greater. The maximum
21 civil penalty for a transportation network company's retaliatory
22 action shall be \$20,000 per claimant for the first violation, and
23 \$40,000 for each repeat violation.

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

28 (17) The department will deposit civil penalties paid under this
29 section in the (~~supplemental pension fund established under RCW~~
30 ~~51.44.033~~) wage recovery account created under section 3 of this
31 act.

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

35 (19) A person, firm, or corporation aggrieved by a citation and
36 notice of assessment or a determination of compliance may, within 30
37 days after the date of such determination, submit a request for
38 reconsideration to the department setting forth the grounds for
39 seeking such reconsideration, or submit an appeal to the director
40 pursuant to the procedures outlined in subsection (22) of this

1 section. If the department receives a timely request for
2 reconsideration, the department shall either accept the request or
3 treat the request as a notice of appeal.

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

15 (a) Notify the driver and the transportation network company that
16 the citation and notice of assessment or determination of compliance
17 is affirmed; or

18 (b) Notify the driver and the transportation network company that
19 the citation and notice of assessment or determination of compliance
20 has been reversed or modified.

21 (21) A request for reconsideration submitted to the department
22 shall stay the effectiveness of the citation and notice of assessment
23 or the determination of compliance pending the reconsideration
24 decision by the department.

25 (22)(a) Within 30 days after the date the department issues a
26 citation and notice of assessment or a determination of compliance,
27 or within 30 days after the date the department issues its decision
28 on the request for reconsideration, a person, firm, or corporation
29 aggrieved by a citation and notice of assessment or a determination
30 of compliance may file with the director a notice of appeal.

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

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

1 assessment or determination of compliance shall be de novo. Any party
2 who seeks to challenge an initial order shall file a petition for
3 administrative review with the director within 30 days after service
4 of the initial order. The director shall conduct administrative
5 review in accordance with chapter 34.05 RCW.

6 (23) If a request for reconsideration is not submitted to the
7 department within 30 days after the date of the original citation and
8 notice of assessment or determination of compliance, and a person,
9 firm, or corporation aggrieved by a citation and notice of assessment
10 or determination of compliance did not submit an appeal to the
11 director, then the citation and notice of assessment or determination
12 of compliance is final and binding, and not subject to further
13 appeal.

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

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

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

25 **Sec. 10.** RCW 49.46.370 and 2025 c 236 s 2 are each amended to
26 read as follows:

27 (1) Any employer that coerces an employee in furtherance of the
28 employer committing a violation of wage payment requirements as
29 defined in chapter 49.48 RCW, condition of labor requirements as
30 defined in chapter 49.12 RCW, or any violations under chapter 49.30
31 RCW, including rules issued by the department pursuant to chapter
32 49.30 RCW, is subject to a civil penalty under this section, in
33 addition to any other penalty that may be imposed by the department
34 against an employer for those violations. If an employer's violation
35 subjects the employer to a penalty under this section and a separate
36 penalty under RCW 49.46.100, the employer must be assessed the higher
37 amount of the two penalties.

38 (2) A worker who believes the worker was subject to coercion by
39 the worker's employer based on the worker's immigration status may

1 file a complaint with the department within 180 days of the alleged
2 coercive action.

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

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

9 (c) The department may extend the time period by providing
10 advance written notice to the employee and the employer setting forth
11 good cause for an extension of the time period and specifying the
12 duration of the extension.

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

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

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

23 (i) For the first violation, a civil penalty not to exceed
24 \$1,000;

25 (ii) For the second violation, a civil penalty not to exceed
26 \$5,000; and

27 (iii) For any subsequent violation, a civil penalty not to exceed
28 \$10,000.

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

31 (5) The department shall deposit all civil penalties paid under
32 this section in the (~~supplemental pension fund established under RCW~~
33 ~~51.44.033~~) wage recovery account created under section 3 of this
34 act.

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

39 (b) For purposes of this subsection, "consumer price index"
40 means, for any calendar year, that year's average consumer price

1 index for the Seattle, Washington area for urban wage earners and
2 clerical workers, all items, compiled by the bureau of labor
3 statistics, United States department of labor.

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

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

14 (9)(a) A person, firm, or corporation aggrieved by a citation
15 assessing a civil penalty issued by the department under this section
16 may appeal the citation to the director by filing a notice of appeal
17 with the director within 30 days of the department's issuance of the
18 citation. A citation assessing a civil penalty not appealed within 30
19 days is final and binding, and not subject to further appeal.

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

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

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

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

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

6 (10) The collections procedures under RCW 49.48.086 apply to this
7 section.

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

10 NEW SECTION. **Sec. 11.** Section 5 of this act expires July 1,
11 2030.

12 NEW SECTION. **Sec. 12.** Section 6 of this act takes effect July
13 1, 2030.

14 NEW SECTION. **Sec. 13.** RCW 49.48.125 (Repeat willful violators—
15 Civil penalties) and 2010 c 42 s 6 are each repealed.

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