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**SENATE BILL 6068**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Senators Alvarado, Chapman, Conway, Dhingra, Hansen, Hasegawa, Nobles, Orwall, Pedersen, Riccelli, Saldaña, Slatter, Stanford, Trudeau, Valdez, and C. Wilson

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1 AN ACT Relating to ensuring accountability for payment of  
2 workers' wages and benefits in the construction industry; adding a  
3 new section to chapter 18.27 RCW; and adding a new chapter to Title  
4 49 RCW.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

7 (a) There is a substantial underground economy in the  
8 construction industry in the state.

9 (b) Underground economy practices, such as misclassifying  
10 employees as independent contractors, cost workers an estimated  
11 \$142.6 million on average per year in wages and benefits between 2011  
12 and 2021, according to a 2023 report by the Washington state  
13 institute for public policy.

14 (c) State law establishes protections for employees to ensure  
15 they are paid wages fully and on time. However, current law does not  
16 include a mechanism for a worker employed by a subcontractor to seek  
17 payment of unpaid wages and benefits from upper-tier contractors.

18 (2) The legislature intends to create additional mechanisms for  
19 workers to seek payment of wages and benefits owed to them when those  
20 wages and benefits are illegally withheld.

1        NEW SECTION.    **Sec. 2.**    The definitions in this section apply  
2 throughout this chapter unless the context clearly requires  
3 otherwise.

4        (1) "Construction contract" means an express or implied agreement  
5 for the construction, reconstruction, alteration, maintenance,  
6 moving, or demolition of any building, structure, or improvement, or  
7 relating to the excavation or other development of, or improvement  
8 to, land.

9        (2) (a) "Direct contractor" means any person, including a  
10 construction manager, joint venture, or any combination thereof,  
11 along with the person's successors, that enters into a construction  
12 contract with an owner.

13        (b) "Direct contractor" includes any officer, director, managing  
14 member, manager, or other individual who exercises substantial  
15 discretionary control over the finances, overall management, or  
16 employment policies and practices of the entity, regardless of  
17 ownership percentage.

18        (3) "Fringe benefit contributions" means the amount of  
19 compensation that accompanies or is in addition to an employee's  
20 regular salary or wages including, but not limited to, payments made  
21 to profit-sharing plans, retirement or pension plans, medical  
22 insurance plans, severance pay plans, or holiday, vacation, or sick  
23 leave plans, but does not include the benefit payments from such  
24 plans.

25        (4) (a) "Owner" means any person, firm, partnership, corporation,  
26 association, company, organization, or other entity or combination of  
27 any thereof, along with their successors, with an ownership interest,  
28 whether that interest or estate is in fee or is less than fee,  
29 including as vendee under a contract to purchase or as lessee, that  
30 causes:

31        (i) A building, structure, or improvement, new or existing, to be  
32 constructed, reconstructed, erected, altered, remodeled, repaired,  
33 maintained, moved, or demolished; or

34        (ii) Land to be excavated or otherwise developed or improved.

35        (b) "Owner" includes any officer, director, managing member,  
36 manager, or other individual who exercises substantial discretionary  
37 control over the finances, overall management, or employment policies  
38 and practices of the entity, regardless of ownership percentage.

39        (c) "Owner" does not include:

1 (i) An authorized local government, municipality, state, or state  
2 agency as defined in RCW 39.04.010; or

3 (ii) A tribe as defined under RCW 43.376.010.

4 (5) "Reimbursements" means necessary expenditures or losses  
5 incurred by an employee in direct consequence of the discharge of  
6 their duties, including the cost of tools, equipment, personal  
7 protective equipment, or other materials required by the employer or  
8 by the nature of the work.

9 (6) (a) "Subcontractor" means any person that is a party to an  
10 express or implied contract with a direct contractor, or with a  
11 direct contractor's subcontractors at any tier, to perform any  
12 portion of work within the scope of the direct contractor's  
13 construction contract with the owner, including a person that has no  
14 direct privity of contract with the direct contractor.

15 (b) "Subcontractor" includes any officer, director, managing  
16 member, manager, or other individual who exercises substantial  
17 discretionary control over the finances, overall management, or  
18 employment policies and practices of the entity, regardless of  
19 ownership percentage.

20 NEW SECTION.

**Sec. 3.**

(1) An owner that enters into a  
21 construction contract with a direct contractor is jointly and  
22 severally liable with the direct contractor for any unpaid wages,  
23 including fringe benefit contributions, meal and rest periods,  
24 reimbursements, and damages, owed to any employee of the direct  
25 contractor and any employee of a subcontractor at any tier for labor  
26 performed on a project within the scope of the construction contract.

27 (2) The employee, a third party on the employee's behalf, the  
28 attorney general, or the prosecuting attorney of any county may bring  
29 a civil action against an owner, a direct contractor, or a  
30 subcontractor in any court of competent jurisdiction to recover  
31 unpaid wages, including fringe benefit contributions, meal and rest  
32 periods, reimbursements, interest, penalties, double damages,  
33 noneconomic damages, attorney fees, expert witness fees, and costs  
34 incurred in connection with the action. "Penalties" and "double  
35 damages" under this section are mandatory and may be awarded  
36 regardless of whether the failure to pay wages was willful.

37 (3) A civil action under this section to recover unpaid wages,  
38 including fringe benefit contributions, meal and rest periods,  
39 reimbursements, and damages, must commence within three years from

1 the date on which the unpaid wages, including fringe benefit  
2 contributions, meal and rest periods, reimbursements, and damages,  
3 became due.

4 (4) The attorney general's powers to enforce this chapter include  
5 the authority to:

6 (a) Investigate violations of this chapter on its own initiative;

7 (b) Investigate violations of this chapter in response to  
8 complaints and seek remedial relief for the complainant;

9 (c) Educate the public about how to comply with this chapter;

10 (d) Issue written civil investigative demands for pertinent  
11 documents, answers to written interrogatories, or oral testimony, as  
12 required to enforce this chapter;

13 (e) Adopt rules implementing this chapter including rules  
14 specifying applicable penalties; and

15 (f) Pursue administrative sanctions or a lawsuit in the courts  
16 for penalties, costs, and attorneys' fees.

17 (5) Except as specified in subsection (10) of this section, any  
18 agreement to waive or release an owner or direct contractor from  
19 liability, or to indemnify an owner or direct contractor for  
20 liability assigned under this section, is invalid.

21 (6) An owner or direct contractor may not avoid liability under  
22 this section by claiming that a person performing labor on a project  
23 within the scope of a construction contract is an independent  
24 contractor rather than an employee of a direct contractor or  
25 subcontractor, unless the person qualifies as an independent  
26 contractor under chapter 49.46 RCW.

27 (7) In any action brought under this section, there is a  
28 rebuttable presumption that a person performing labor on a project  
29 within the scope of a construction contract is an employee. The party  
30 claiming otherwise may rebut the presumption by establishing that the  
31 person qualifies as an independent contractor under chapter 49.46  
32 RCW.

33 (8) Nothing in this section impairs:

34 (a) The right of an owner or direct contractor to bring an action  
35 against a subcontractor to seek recovery of actual and liquidated  
36 damages for the amounts paid by the owner or direct contractor for  
37 unpaid wages, including fringe benefit contributions, meal and rest  
38 periods, reimbursements, interest, double damages, noneconomic  
39 damages, attorney fees, expert witness fees, and incurred costs  
40 associated with an action brought under this section;

1 (b) The right of an owner to bring an action against a direct  
2 contractor to seek recovery of actual and liquidated damages for the  
3 amounts paid by the owner for unpaid wages, including fringe benefit  
4 contributions, meal and rest periods, reimbursements, interest,  
5 double damages, noneconomic damages, attorney fees, expert witness  
6 fees, and incurred costs associated with an action brought under this  
7 section.

8 (9) Nothing in this section is intended to diminish the rights,  
9 privileges, or remedies of an employee under a collective bargaining  
10 agreement.

11 (10)(a) A collective bargaining agreement may waive the  
12 requirements of this section if the agreement:

13 (i) Is entered into by a bona fide building and construction  
14 trade labor organization that has established itself or its  
15 affiliates as the collective bargaining representative for persons  
16 performing work on a project;

17 (ii) Contains a grievance procedure that results in a final and  
18 binding decision;

19 (iii) May be used to recover unpaid wages on behalf of employees  
20 covered by the agreement; and

21 (iv) Provides for the collection of unpaid contributions to  
22 fringe benefit trust funds established pursuant to 29 U.S.C. Sec. 186  
23 (c)(5) and (6), by or on behalf of such trust funds.

24 (b) The waiver does not apply to an action brought on behalf of  
25 an employee not covered by such collective bargaining agreement.

26 (11) An owner, direct contractor, or subcontractor may not  
27 intimidate, threaten, restrain, coerce, blacklist, discharge, or in  
28 any manner discriminate or retaliate against any employee who has:

29 (a) Filed any complaint or instituted, or caused to be  
30 instituted, any proceeding under this section;

31 (b) Testified or provided evidence, or who is about to testify or  
32 provide evidence, in any proceeding on behalf of themselves or  
33 another person regarding protections afforded under this section; or

34 (c) Raised concerns in good faith about compliance with, or  
35 otherwise provided information regarding, legal rights and remedies  
36 available under this section.

37 (12) Any effort to use a person's immigration status to  
38 negatively impact a worker's wage and hour rights, responsibilities,  
39 or participation in proceedings under this section constitutes

1 intimidation, coercion, discrimination, or retaliation in violation  
2 of subsection (11) of this section.

3 (13) Any violation of subsection (11) of this section entitles  
4 the employee, a third party acting on the employee's behalf, the  
5 attorney general, or the prosecuting attorney of any county to seek  
6 reinstatement, back pay, damages, attorney fees, and any other  
7 equitable relief deemed appropriate by the court.

8 (14) If a direct contractor or subcontractor is found liable in a  
9 final judgment in a court of competent jurisdiction for a violation  
10 of this section, the department of labor and industries shall deny,  
11 suspend, or revoke the contractor's registration under chapter 18.27  
12 RCW.

13 (15) This chapter is in addition to and does not otherwise limit  
14 authority under federal, state, or local law.

15 NEW SECTION. **Sec. 4.** (1) Upon an owner's or direct contractor's  
16 request, any subcontractor with whom a direct contractor has entered  
17 into a contract to perform a portion of a construction project within  
18 the scope of a construction contract between the direct contractor  
19 and an owner must provide the following records to the owner or  
20 direct contractor:

21 (a) Certified payroll reports that, at a minimum, include  
22 sufficient information for the direct contractor to determine whether  
23 a subcontractor has paid in full all wages earned by employees who  
24 performed work on the project as part of the employees' total  
25 compensation;

26 (b) The name, address, and phone number of a contact for the  
27 subcontractor;

28 (c) The names of all workers who performed work on the  
29 construction project and notation of whether each worker is  
30 classified as an employee or an independent contractor;

31 (d) The names of any subcontractors with whom the first-tier  
32 subcontractor contracts;

33 (e) The anticipated contract start date and scheduled duration of  
34 work;

35 (f) An affidavit attesting to whether the subcontractor or any of  
36 its current principals has, within the preceding five years, been the  
37 subject of, or participated in, any civil, administrative, or  
38 criminal proceeding, investigation, citation, or settlement, that

1 involved any allegations of a wage and hour violation under local,  
2 state, or federal law; and

3 (g) (i) If a matter under (f) of this subsection (1) has  
4 concluded, the outcome, including any judgment, settlement, damages,  
5 fees, penalties, or amounts paid to workers or to a government  
6 agency; or

7 (ii) If a matter under (f) of this subsection (1) remains  
8 pending, a description of the status of the proceedings or  
9 investigation.

10 (2) A subcontractor must provide the records described in  
11 subsection (1) of this section to a third party on the employee's  
12 behalf only to the extent that the information contained in the  
13 records pertains specifically to the employee on whose behalf the  
14 third party is acting and to whatever extent that the subcontractor  
15 would be lawfully required to disclose such records to the employee  
16 if the employee was acting on the employee's own behalf.

17 (3) A subcontractor's compliance or failure to comply with a  
18 request under this section does not relieve the owner or direct  
19 contractor of the liability prescribed by section 3 of this act.

20 (4) Nothing in this section alters an owner's or direct  
21 contractor's obligation to timely pay a subcontractor, except that an  
22 owner and direct contractor may:

23 (a) Withhold payment to a subcontractor because of the  
24 subcontractor's failure to comply with the request for records under  
25 subsection (1) of this section; and

26 (b) Withhold payment to a subcontractor if the direct contractor  
27 has paid wages, on behalf of the subcontractor, to the  
28 subcontractor's employees.

29 (5) An owner, direct contractor, or subcontractor may not  
30 disclose personally identifying information about a worker who  
31 performs work on a construction project except as necessary to comply  
32 with section 3 of this act, or as permitted by state or federal law.

33 (6) As used in this section, "principal" means a person,  
34 including an owner or a direct contractor, that commissions a  
35 construction project and that is responsible for the project's scope,  
36 standards, and objectives.

37 NEW SECTION. **Sec. 5.** This chapter does not apply to  
38 construction contracts that relate to real property that is used as  
39 the owner's principal residence, or to real property consisting of

1 five or fewer residential or commercial units on a single tract, as  
2 defined in RCW 84.04.130.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 18.27  
4 RCW to read as follows:

5 If a direct contractor or subcontractor is found liable in a  
6 final judgment in a court of competent jurisdiction for a violation  
7 of section 3 of this act, the department of labor and industries  
8 shall deny, suspend, or revoke the contractor's registration.

9 NEW SECTION. **Sec. 7.** Sections 1 through 5 of this act  
10 constitute a new chapter in Title 49 RCW.

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