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**Labor & Workforce Development  
Committee**

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**HB 2477**

**Brief Description:** Concerning commercial janitorial services.

**Sponsors:** Representatives Reykdal, Sells, Fitzgibbon, Goodman, Pollet and Moscoso.

**Brief Summary of Bill**

- Requires the Department of Labor and Industries to establish workload standards for commercial janitorial services and a health and safety training program for employees and supervising managers of commercial janitorial service businesses.
- Requires that the workload standard specify that the maximum square footage of cleanable area per one full-time employee's eight hour shift cannot exceed 30,000 square feet.
- Requires a commercial janitorial service business to meet certain requirements in order for the existing retail sales tax exemption to apply.
- Expires the retail sales tax exemption for commercial janitorial service businesses on July 1, 2024.

**Hearing Date:** 1/31/14

**Staff:** Trudes Tango (786-7384).

**Background:**

Under the Washington Industrial Health and Safety Act, the Department of Labor and Industries (Department) has authority to adopt safety and health standards governing the conditions of employment in all workplaces. There are general standards that apply to most industries, as well as specific standards that apply only to specific industries. The Division of Occupational Safety and Health, which is part of the Department, develops safety and health rules, provides training

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and on-site consultations to employers, inspects worksites, and enforces the safety and health rules.

Under the state tax laws, businesses that perform services are classified as either a retail service business or a non-retail service business. A retail service business pays Business & Occupation (B&O) taxes under a certain rate and collects sales tax from its customers. A non-retail service business pays taxes under a higher B&O rate class, and the customer does not pay a retail sales tax.

Janitorial services are specifically excluded from the definition of a retail sale, which makes those services a non-retail service.

The retail sales tax exemption statute defines janitorial services as those cleaning and caretaking services ordinarily performed by commercial janitor service businesses, including but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting.

### **Summary of Bill:**

The Department must establish, by rule:

- Standards to address commercial janitorial service employee workloads. The rule must provide that the maximum square footage of cleanable area per one full-time employee's eight hour shift cannot exceed 30,000 square feet; and
- A health and safety training program applicable to employees and supervising managers of commercial janitorial services. The program must provide for at least eight hours of training per year.

For the retail sales tax exemption to apply to a commercial janitorial service business, the business must meet the following requirements:

- show compliance with workload standards, training requirements, and meal and rest break laws;
- classify its workers as employees or contract with businesses that classify its workers as employees;
- not be delinquent on any taxes or fees to the Department of Revenue;
- provide clear grievance procedures for employees; and
- have a safety committee, if required by the Department's rules.

The retail sales tax exemption expires on July 1, 2024. The Joint Legislative Audit and Review Committee must assess the performance of the tax exemption before it expires and report to the Legislature by December 1, 2023.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.