

SENATE BILL REPORT

ESHB 1467

As of April 2, 2013

Title: An act relating to the collection of unpaid wages.

Brief Description: Addressing the collection of unpaid wages.

Sponsors: House Committee on Labor & Workforce Development (originally sponsored by Representatives Green, Sells, Reykdal, Ormsby, McCoy, Van De Wege, Appleton and Bergquist; by request of Department of Labor & Industries).

Brief History: Passed House: 3/08/13, 98-0.

Committee Activity: Commerce & Labor: 4/01/13.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Mac Nicholson (786-7445)

Background: The Wage Payment Act allows the Department of Labor & Industries (L&I) to collect unpaid wages on behalf of workers. A worker who believes an employer owes the worker wages can file a wage complaint with L&I. Upon receipt of a wage complaint, L&I has 60 days to investigate the complaint and determine whether the employer owes wages. If L&I determines that wages are owed, a citation and notice of assessment will be issued and sent to the employer and employee. L&I can order the employer to pay wages owed, including interest, and a civil penalty if the violation was willful.

If a final order is issued and the employer defaults in payment of wages owed or the civil penalty, L&I can file a warrant with the county clerk, the amount of which becomes a lien on the employer's real or personal property.

If L&I believes any person or entity possess any property belonging to the employer, L&I can issue a notice to withhold and deliver (NWD). An NWD allows L&I to levy the employer's property held by third parties, including banks and other financial institutions. NWDs must be served personally or via certified mail. A person or entity who receives an NWD has 20 days to respond, and if the person or entity possesses any property subject to the claim, it must promptly deliver the property to L&I.

The Department of Revenue (DOR) also uses NWDs to secure payment of delinquent taxes. DOR is authorized to electronically serve the NWD to financial institutions.

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Summary of Bill: L&I may electronically serve NWDs to financial institutions by providing a list of outstanding warrants to DOR. DOR must then include the L&I warrants in any NWD served by DOR.

A financial institution served with an electronic NWD must respond within 30 days.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill is an efficiency piece for L&I. L&I can already issue NWDs, they just can't do it electronically. This bill was modified based on stakeholder input, and now just deals with electronic NWDs. The language is permissive, L&I may do it, and if they do, they will do it jointly with DOR.

OTHER: Currently, DOR communicates with about 200 financial institutions electronically for NWDs and they modified the files they use for those institutions. The language as it is now allows DOR and L&I to just send a single file, which address the concern financial institutions had regarding the original bill.

Persons Testifying: PRO: Representative Green, prime sponsor; Tamara Jones, L&I.

OTHER: Brad Tower, Community Bankers of WA.