

SENATE BILL REPORT

SHB 1794

As of February 17, 2022

Title: An act relating to requiring an employer to reimburse employee fees when a paycheck is dishonored by nonacceptance or nonpayment.

Brief Description: Requiring an employer to reimburse employee fees when a paycheck is dishonored by nonacceptance or nonpayment.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Hoff, Sells, Berry, Sutherland, Wylie, Simmons, Pollet and Young; by request of Department of Labor & Industries).

Brief History: Passed House: 2/8/22, 96-0.

Committee Activity: Labor, Commerce & Tribal Affairs: 2/17/22.

Brief Summary of Bill

- Requires employer reimbursement of fees charged to an employee due to a paycheck returned for non-sufficient funds.

SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

Staff: Matt Shepard-Koningsor (786-7627)

Background: Various laws, such as the Minimum Wage Act and Wage Payment Act, establish standards for payment of wages. It is unlawful for an employer to deprive an employee of their wages.

If an employer fails to pay an employee wages owed, the employee may file a wage complaint with the Department of Labor and Industries. One example of a failure to pay wages owed is if a paycheck is denied for non-sufficient funds.

Summary of Bill: An employer that pays an employee with an instrument later returned

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for insufficient funds must reimburse the employee for fees charged by the employee's financial institution, unless the employer can show that it was returned due to an error.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: In the past five years, L&I discovered about 220 situations annually where a worker's wage complaint indicated their paycheck bounced. L&I has good results in getting the worker paid but is not able to direct their employer to cover any bank fees associated with the bounced paycheck. The bill was narrowed so L&I will not seek reimbursement of a fee if the bank waives it. Since the bill was narrowed we support it. Employers should not be writing checks with insufficient funds and should be held accountable if they do.

Persons Testifying: PRO: Jim King, Independent Business Association; Tammy Fellin, Labor & Industries.

Persons Signed In To Testify But Not Testifying: No one.