H-2355.1

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**HOUSE BILL 2097**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Berry, Ortiz-Self, Reed, Simmons, Ormsby, Ramel, Fosse, Goodman, Lekanoff, Doglio, Pollet, and Kloba

AN ACT Relating to assisting workers in recovering wages owed; amending RCW 49.48.040; adding new sections to chapter 49.48 RCW; and providing expiration dates.

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

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

(1) The department of labor and industries shall convene a work group to develop and recommend strategies that help workers who are owed wages recover those wages and be made whole as quickly and as fully as possible when the workers' employers violate provisions under this chapter or the minimum wage act.

(2) The work group shall identify options to enhance the department of labor and industries' ability to provide swift relief to workers. Options the work group must explore include, but are not limited to:

(a) The wage recovery pilot program created in section 2 of this act or a similar mechanism to a wage recovery fund; and

(b) Procedures and mechanisms used in other states that ensure full and timely recovery for workers and that deter future violations.

(3)(a) Recommendations from the work group must be made by consensus, if possible. If consensus cannot be reached, recommendations of the work group must reflect the view of the majority of the members. Members with dissenting views may include their recommendations or feedback as a supplement to the report required by this section.

(b) For each recommendation, the work group must identify and address implementation issues and assess feasibility.

(4) The work group must include representatives from the following:

(a) Two representatives from worker advocacy organizations;

(b) Two representatives from employer and business advocacy organizations;

(c) One representative from a civil legal aid organization; and

(d) One expert in employment and wage and hour law from a Washington state postsecondary education institution.

(5) The department shall provide staff support to the work group as needed. The work group may consult with additional representatives from other organizations and experts specializing in the subject matter, as needed.

(6) The work group must submit a report with recommendations to the appropriate committees of the legislature by December 1, 2028.

(7) This section expires December 1, 2029.

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

(1)(a) The wage recovery fund is created in the custody of the state treasurer as part of the wage recovery pilot program. The department of labor and industries shall administer the wage recovery fund. All receipts from any appropriations or other sources received by the department for the purpose of the wage recovery fund shall be deposited into the fund. No appropriation is required to permit expenditures from the wage recovery fund, but the fund is subject to allotment procedures under chapter 43.88 RCW.

(b) Only the director of labor and industries or the director's designee may authorize expenditures from the wage recovery fund in accordance with this section. Expenditures from the wage recovery fund may be used solely for making disbursements to workers eligible for wage recovery under this section.

(2) A three-year wage recovery pilot program, administered by the department, is created for the purpose of providing relief to workers who are owed wages and whose employers have committed wage violations under chapter 49.46 RCW or this chapter.

(3) Applications for wage recovery disbursements must be submitted to the department according to the department's rules. Wage recovery disbursements must be approved by the director of labor and industries prior to any expenditure.

(4) The department may disburse wage recovery funds to eligible workers under the pilot program in accordance with rules adopted under this section when:

(a) The worker was earning an hourly wage rate of not more than one and one-half times the minimum hourly wage rate required in the jurisdiction where the worker was employed; and

(b) The department has determined that the employer owes the applicant wages and has committed a violation of a wage payment requirement under this chapter or a violation under chapter 49.46 RCW.

(5) The department shall adopt rules to implement this section. At a minimum, the rules must include provisions for the following:

(a) An application process for eligible workers to apply for wage recovery disbursements;

(b) Procedures for determining how to prioritize applications and how to prioritize which workers receive disbursements; and

(c) Procedures for workers to assign their wage claims or wage complaints to the department as part of the process for receiving wage recovery disbursements.

(6) This section does not create any right or entitlement. The state is not liable for any claims made against the wage recovery fund or wage recovery pilot program.

(7) The wage recovery pilot program expires December 31, 2028.

(8) This section expires December 31, 2029.

**Sec.**  RCW 49.48.040 and 1987 c 172 s 1 are each amended to read as follows:

(1) The department of labor and industries may:

(a) Upon obtaining information indicating an employer may be committing a violation under chapters 39.12, 49.46, and 49.48 RCW, conduct investigations to ensure compliance with chapters 39.12, 49.46, and 49.48 RCW;

(b) Order the payment of all wages owed the workers and institute actions necessary for the collection of the sums determined owed; ((~~and~~))

(c) Take assignments of wage claims and prosecute actions for the collection of wages of persons who are financially unable to employ counsel when in the judgment of the director of the department the claims are valid and enforceable in the courts; and

(d) When appropriate, disburse funds to workers under the wage recovery pilot program established in section 2 of this act.

(2) The director of the department or any authorized representative may, for the purpose of carrying out RCW 49.48.040 through 49.48.080: (a) Issue subpoenas to compel the attendance of witnesses or parties and the production of books, papers, or records; (b) administer oaths and examine witnesses under oath; (c) take the verification of proof of instruments of writing; and (d) take depositions and affidavits. If assignments for wage claims are taken, court costs shall not be payable by the department for prosecuting such suits.

(3) The director shall have a seal inscribed "Department of Labor and Industries—State of Washington" and all courts shall take judicial notice of such seal. Obedience to subpoenas issued by the director or authorized representative shall be enforced by the courts in any county.

(4) The director or authorized representative shall have free access to all places and works of labor. Any employer or any agent or employee of such employer who refuses the director or authorized representative admission therein, or who, when requested by the director or authorized representative, ((~~wilfully~~)) willfully neglects or refuses to furnish the director or authorized representative any statistics or information pertaining to his or her lawful duties, which statistics or information may be in his or her possession or under the control of the employer or agent, shall be guilty of a misdemeanor.

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