
**Labor & Workplace Standards
Committee**

HB 1136

Brief Description: Requiring employers to reimburse employees for necessary expenditures and losses.

Sponsors: Representatives Reeves, Reed, Berry, Walen, Ramel and Pollet.

Brief Summary of Bill

- Requires employers to reimburse employees for all necessary expenditures and losses incurred in direct consequence of their duties.

Hearing Date: 1/18/23

Staff: Kelly Leonard (786-7147).

Background:

State law does not directly address reimbursement of general, work-related expenditures or costs incurred by employees, except for work-related clothing and uniforms. An employer is not required to provide apparel or compensate an employee for apparel that the employer requires the employee to wear during working hours unless the required apparel is a uniform. Only certain clothing constitutes a uniform. This includes, for example, apparel that is marked with the employer's logo or apparel of a distinctive style and quality that, when worn outside of the workplace, clearly identifies the person as an employee of a specific employer.

Uniforms and other items benefiting the employer are generally considered business expenses under federal law. The employer may require the employee to pay for such items, but not if the cost reduces the employee's wage below the minimum wage or cuts into overtime compensation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

An employer must reimburse an employee for all necessary expenditures and losses incurred in direct consequence of the employee's duties. Reimbursements must be made within 30 days of an employer's actual or constructive notice of the expenditure or loss.

An employee may bring a civil cause of action if an employer does not reimburse the employee for an expenditure or loss. If the employee prevails, the court must award the employee reasonable attorneys' fees, costs, and interest.

Appropriation: None.

Fiscal Note: Requested on January 12, 2023.

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