
**Labor & Workplace Standards
Committee**

HB 1762

Brief Description: Protecting warehouse employees.

Sponsors: Representatives Doglio, Berry, Ramel, Fosse, Reed, Alvarado, Peterson and Pollet.

Brief Summary of Bill

- Requires certain warehouse distribution center employers to provide written descriptions of quotas and work speed data to employees.
- Provides that quotas must include sufficient time for breaks and other activities.
- Prohibits retaliation against employees and former employees, and creates a rebuttable presumption.
- Authorizes the Department of Labor and Industries to investigate complaints and enforce provisions, including enforcement under the Washington Industrial Safety and Health Act and the Minimum Wage Act.
- Allows for a private right of action and for independent action by the Attorney General.

Hearing Date: 2/8/23

Staff: Trudes Tango (786-7384).

Background:

The Washington Industrial Safety and Health Act.

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.

Under the Washington Industrial Safety and Health Act (WISHA), an employer must provide a workplace free from recognized hazards. The Department of Labor and Industries (Department) administers WISHA. If the Department believes an employer has committed a violation, the Department issues a citation and notice of assessment, and, depending on the violation, may assess civil penalties. Civil penalties may be adjusted based on the employer's inspection history, the size of the workforce, and other factors.

Rest and Meal Breaks.

Employees must be allowed paid rest periods of at least 10 minutes for every four hours worked, and at least 30 minutes for a meal period for every five hours worked. An employee may waive the right to a meal break, but may not waive the rest period requirements. Employees must also be provided reasonable access to bathroom facilities and employers may not restrict bathroom breaks to time schedules or impose unreasonable time use restrictions.

Minimum Wage Act.

The Minimum Wage Act (MWA) establishes a statewide minimum hourly wage, requires overtime pay for certain workers, provides for paid sick leave, and provides for other employment standards. Under the MWA, the Director of the Department may inspect places of business, investigate, and gather data regarding wages, hours, and other conditions and practices of employment in any industry subject to the MWA.

Summary of Bill:

Warehouse Distribution Center Employers.

The provisions of the act apply to employers that, directly or indirectly, or through an agent or other person, exercise control over the wages, hours, or working conditions of 100 or more employees at a single warehouse distribution center (warehouse) in the state or of 500 or more employees at one or more warehouses in the state. Warehouse distribution centers are those defined under the North American industry classification system code as: warehousing and storage; certain merchant wholesalers; electronic shopping and mail-order houses; and couriers and express delivery services. For purposes of determining responsible employers, all agents and affiliates will be deemed employers and are jointly and severally responsible for compliance.

Descriptions and Notices of Quotas.

An employer must provide every employee: (a) a written description of each quota the employee is subject to; (b) any potential adverse employment action that could result from failing to meet the quota; and (c) any incentives or bonuses associated with meeting the quota. The written description must be provided to employees upon hire, or within 30 days of the effective date of the act. Written descriptions must be in plain language in the employee's preferred language. The Department may adopt rules regarding the format and language access requirements.

Whenever a quota is changed, the employer must notify the employee of the new quota as soon as possible and before the employee is subject to the quota. Notice can be verbal and must be followed by an updated written description within two business days.

Whenever an employer takes adverse action against an employee for failing to meet a quota, the employer must provide the employee with the applicable quota and the employee's personal work speed data.

Prohibited Activities Involving Quotas.

The time period in a quota must include:

- time for rest and bathroom breaks, and reasonable time to travel to rest areas and bathroom facilities;
- reasonable travel time to on-site designated meal break locations;
- time to perform any activity required by the employer to do the work subject to the quota;
- time to take any actions necessary for the employee to exercise the right to a safe and healthful workplace under the WISHA, including time to access tools or safety equipment.

Reasonable travel time must include consideration of the architecture and geography of the facility.

An employee is not required to meet a quota that violates the provisions regarding sufficient time. An employer may not take adverse action against an employee for failing to meet a quota that: (a) was not disclosed to the employee as required; or (b) violates the provisions requiring sufficient time.

A quota that does not allow time for bathroom breaks or time to take action necessary for the employee to exercise the right to a safe and healthful workplace or that exposes an employee to occupational safety and health hazards, violates the WISHA, and WISHA enforcement procedures apply. A quota that violates the other provisions may be enforced using procedures under the Minimum Wage Act.

Recordkeeping and Right to Request Records.

An employer must keep records of: (a) written descriptions of quotas; (b) each employee's personal work speed data; and (c) aggregated work speed data for similar employees at the same warehouse. An employer must keep records for at least three years from the date an employee separates from employment or from the date of any adverse action taken against an employee.

An employee may request, at any time, from the employer: (a) a written description of each quota to which the employee was subject to; (b) the employee's own personal work speed data for the prior six months; and (c) aggregated work speed data for the prior six months. A former employee may request similar data within three years after the date of the employee's separation from the employer.

The employer must provide the written descriptions of quotas within two business days, and personal work speed data and aggregated work speed data within seven business days, of receiving the request.

Rebuttable Presumption of Retaliation.

A person may not discharge, retaliate, discriminate, or take adverse action against an employee or former employee for exercising any rights established by the act, including requesting data or filing a complaint.

There is a rebuttable presumption that an adverse action is retaliatory if the action is taken within 90 days of an employee or former employee engaging in a protected activity. The presumption may be rebutted by clear and convincing evidence that the action was taken for other permissible reasons and the employee's or former employee's protected activity was not a motivating factor for taking the adverse action.

Enforcement.

Procedures are established for filing complaints with the Department and appealing citations and notices of assessment.

An employer may be liable for a minimum civil penalty of \$1,000 for each violation. An employer who violates a requirement resulting in a rest or meal period violation must pay the employee one additional hour of pay for each day there was a violation.

In addition, an employee, former employee, or a designated employee representative may bring a court action for injunctive relief to enforce compliance. Injunctive relief is limited to suspension of the quota, restitution, and injunctive relief to address retaliation or other adverse action taken by the employer. In any action involving retaliation, the prevailing employee or former employee must be awarded damages equal to the greater of \$10,000 or three times the actual damages, including unpaid wages and benefits.

The Attorney General, either upon a complaint or on its own, may bring a civil or criminal action for violations, except for WISHA violations, or to enforce the provisions of the act.

Definitions.

Definitions are provided for various terms.

"Quota" means a work performance standard where:

- an employee is assigned or required to perform a specified productivity speed or a quantified number of tasks or a quantified amount of material, within a defined time period and under which the employee may suffer adverse employment action if the employee fails to complete the performance standard; or
- an employee's actions are categorized between time performing tasks and not performing tasks, and the employee may suffer adverse employment action for failing to meet the standard.

"Employee work speed data" mean information an employer collects, stores, analyzes, or interprets relating to an individual employee's performance of a quota.

Appropriation: None.

Fiscal Note: Requested on February 3, 2023.

Effective Date: The bill takes effect on July 1, 2024.