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**HOUSE BILL 1313**

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**State of Washington 69th Legislature 2025 Regular Session**

**By** Representatives Scott, Farivar, Berry, Alvarado, Ryu, Goodman, Simmons, Thai, Reed, Ormsby, Macri, Ramel, Pollet, and Doglio

AN ACT Relating to addressing mass layoffs, relocations, and terminations at covered establishments; amending RCW 49.44.211 and 49.62.020; adding a new section to chapter 50.04 RCW; adding a new section to chapter 19.86 RCW; adding a new chapter to Title 49 RCW; providing an effective date; and prescribing penalties.

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

NEW SECTION. **Sec.**  (1) Research shows mass layoffs can have a detrimental effect on both employees and employers. Detrimental effects can include loss of knowledge and institutional memory, low morale and a decline in job satisfaction for the remaining employees, weakened engagement, higher voluntary turnover, and lower innovation for the business. The legislature recognizes that workers are often very dependent on their employers for their livelihood and well-being. The legislature seeks to encourage employers to provide adequate notice and protections to workers. The legislature also intends to encourage more transparency in the employer's process of conducting mass layoffs, which can help reduce these detrimental effects.

(2) The legislature also seeks to determine whether mass layoffs result in a disproportionate dismissal of employees belonging to protected classes and whether certain groups of employees are laid off more than other groups. The legislature also seeks to reduce the impact that mass layoffs have on terminated employees by increasing the ways those employees receive information about benefits and programs they may be entitled to or eligible for.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Covered establishment" means any industrial or commercial facility or part thereof that employs, or has employed within the preceding 12 months, 100 or more employees.

(2) "Department" means the employment security department.

(3) "Employee" means a person who, under the department's policies and rules applicable in determining employment, has had the status of an employee for at least six months of the 12 months preceding the date on which notice under section 3 of this act is required.

(4) "Employer" means any business entity that directly or indirectly owns and operates a covered establishment. A parent corporation is an employer as to any covered establishment directly owned and operated by its corporate subsidiary.

(5) "Layoff" means a separation from employment.

(6) "Mass layoff" means a layoff during any 30-day period of 50 or more employees at either a covered establishment or at one or more parts of a covered establishment.

(7) "Relocation" means the removal of all or substantially all of the industrial or commercial operations in a covered establishment to a different location 100 miles or more away.

(8) "Termination" means the cessation or substantial cessation of industrial or commercial operations in a covered establishment.

NEW SECTION. **Sec.**  (1) An employer may not order a mass layoff, relocation, or termination at a covered establishment unless, 60 days before the order goes into effect, the employer has given written notice of the order in compliance with subsection (2) of this section.

(2)(a) The employer must provide written notice to the following:

(i) The employees of the covered establishment affected by the order; and

(ii) The department, the local workforce development council, and the chief elected official of each city and county government within which the termination, relocation, or mass layoff occurs.

(b) An employer required to give notice of any mass layoff, relocation, or termination under this section must include in its notice the elements specified by the department in rule, which must be consistent with the rules specifying the content of the notice required under the federal worker adjustment and retraining act, 29 U.S.C. 2101 et seq. In addition, a written notice of a mass layoff must include a statement declaring that the employer has considered alternative measures to a mass layoff, a statement that the mass layoff is necessary, and a detailed explanation with data describing reasons behind the decision to conduct the mass layoff. Alternative measures may include, for example, transfers, voluntary demotion, voluntary reduced work schedule, voluntary leave without pay, voluntary separation, early retirement, and other methods to minimize disruption to employees.

(3) The department must publish on the department's website the notices the department receives pursuant to this section.

NEW SECTION. **Sec.**  (1) An employer is not required to comply with the notice requirement in section 3 of this act if the department determines that all of the following conditions are met:

(a) As of the time that notice would have been required, the employer was actively seeking capital or business;

(b) The capital or business sought, if obtained, would have enabled the employer to avoid or postpone the mass layoff, relocation, or termination; and

(c) The employer reasonably and in good faith believed that giving the notices required by section 3 of this act would have precluded the employer from obtaining the needed capital or business.

(2) The department may not determine that the employer was actively seeking capital or business under subsection (1) of this section unless the employer provides the department with both of the following:

(a) A written record consisting of all documents relevant to the determination of whether the employer was actively seeking capital or business, as specified by the department; and

(b) An affidavit verifying the contents of the documents contained in the record.

(3) The affidavit provided to the department pursuant to subsection (2) of this section must contain a declaration signed under penalty of perjury stating that the affidavit and the contents of the documents contained in the record submitted pursuant to subsection (2) of this section are true and correct.

(4) An employer is not required to comply with the notice requirements in section 3 of this act if a mass layoff, relocation, or termination is necessitated by a physical calamity or act of war.

(5) An employer is not required to comply with the notice requirements in section 3 of this act if a mass layoff, relocation, or termination is the result of the completion of a construction project, and the affected employees were hired with the understanding that their employment was limited to the duration of the construction project.

NEW SECTION. **Sec.**  (1) An employer who fails to give notice as required by section 3 of this act before ordering a mass layoff, relocation, or termination, is liable to each employee entitled to notice who lost his or her employment for:

(a) The value of wages at the average regular rate of compensation received by the employee during the last three years of his or her employment, or the employee's final rate of compensation, whichever is higher; and

(b) The value of any benefits to which the employee would have been entitled had his or her employment not been lost including, but not limited to: (i) The value of any pension, profit sharing, stock bonus, stock purchase, and stock option plans; and (ii) the cost of any medical expenses incurred by the employee that would have been covered under an employee benefit plan.

(2) Liability under this section is calculated for the period of the employer's violation, up to a maximum of 60 days.

(3) The amount of an employer's liability under this section is reduced by the following:

(a) Any wages, except vacation moneys accrued prior to the period of the employer's violation, paid by the employer to the employee during the period of the employer's violation;

(b) Any voluntary and unconditional payments made by the employer to the employee that were not required to satisfy any legal obligation; and

(c) Any payments by the employer to a third party or trustee, such as premiums for health benefits or payments to a defined contribution pension plan, on behalf of and attributable to the employee for the period of the violation.

NEW SECTION. **Sec.**  (1) An employer who fails to give notice as required by section 3 of this act is subject to a civil penalty of not more than $500 for each day of the employer's violation. However, the employer is not subject to a civil penalty under this section if the employer pays to all applicable employees the amounts for which the employer is liable under section 5 of this act within three weeks from the date the employer orders the mass layoff, relocation, or termination.

(2) Any civil penalties collected under this section must be paid into the unemployment trust fund.

NEW SECTION. **Sec.**  (1) By October 1, 2026, the department shall develop a mass layoff survey and data collection system that employers are required to distribute in accordance with this section.

(2) When the department receives a notice under section 3 of this act from an employer, the department shall inform the employer of the employer's responsibility to provide the survey to affected employees.

(3) At a minimum, the survey must:

(a) Contain a brief explanation of the purpose of the survey;

(b) Clearly indicate that completing the survey is voluntary;

(c) Clearly indicate that completing or not completing the survey does not impact any unemployment benefits or other rights or programs the employee may be entitled to or eligible for; and

(d) Be designed to collect demographic data, such as age, gender, race, ethnicity, and other relevant data, anonymously without collecting identifying information of the employee, for the purpose of understanding how individuals from protected classes are impacted.

(4)(a) When an employer provides employees with a notice under section 3 of this act, the employer must also provide to each employee being terminated the survey created under this section. The employer must provide the survey at no cost to the employee.

(b) Employees must be provided at least 30 days to complete and submit the survey. Within 45 days after the employer has provided surveys to affected employees, the employer must also submit to the department general demographic data, as determined by the department, that the employer has of its entire workforce at the site of the layoff, including employees who are not being terminated.

(5) The department shall compile the data received under this section and include demographic data of an employer's mass layoff on the department's website.

NEW SECTION. **Sec.**  (1)(a) An employer must provide a rapid response partner reasonable access to employees who receive a notice as required under section 3 of this act. The purpose of providing access is to provide a presentation, preferably in person, to employees to assist them in quickly maximizing public and private resources to minimize the disruptions associated with job losses. Resources include transitional services to employees affected by the mass layoff, unemployment insurance information, dislocated worker program services, job seeker services available at the local work source, and other benefits and programs the employee may be entitled to or eligible for.

(b) An employer must notify affected employees about the time and location of rapid response presentations.

(c) A rapid response partner must be a designee of a local workforce development board established under P.L. 113-128, the workforce innovation and opportunity act.

(2) Reasonable access to employees means:

(a) The access occurs during the employees' regular working hours at the employees' regular worksite or the employees' customary work location, or at a location mutually agreed to by the employer, the employees' exclusive bargaining representative, if applicable, and the rapid response partner;

(b) The time for the presentation is for no less than 90 minutes.

(3) No employee may be mandated to attend the rapid response presentation.

(4) An employer may agree to longer or more frequent access, but in no case may an employer agree to less access than required by this section.

NEW SECTION. **Sec.**  (1) The department shall administer and investigate violations of section 3 of this act. In any investigation or proceeding under this chapter, the commissioner of the department has, in addition to all other powers granted by law, the authority to examine the books and records of an employer.

(2) The department shall adopt rules necessary to carry out this act.

NEW SECTION. **Sec.**  (1) A person, including a local government or an employee representative, seeking to establish liability against an employer may bring a civil action on behalf of the person, other persons similarly situated, or both, in any court of competent jurisdiction.

(2) If the court determines that an employer conducted a reasonable investigation in good faith, and had reasonable grounds to believe that its conduct was not a violation of section 3 of this act, the court may reduce the amount of any penalty imposed against the employer under this act.

(3) The court may award reasonable attorneys' fees as part of costs to any plaintiff who prevails in a civil action brought under this act.

NEW SECTION. **Sec.**  The rights and remedies provided to employees by this chapter are in addition to, and not in lieu of, any other contractual or statutory rights and remedies of the employees, and are not intended to alter or affect such rights and remedies, except that the period of notification required by this chapter shall run concurrently with any period of notification required by contract or by any other statute. Collective bargaining agreements and other contracts may be used to clarify or amplify the terms and conditions of this chapter, but may not reduce any rights or remedies provided under this chapter.

NEW SECTION. **Sec.**  This chapter may be known and cited as the Washington worker adjustment and retraining notification act or the Washington WARN act.

NEW SECTION. **Sec.**  Sections 1 through 12 of this act constitute a new chapter in Title 49 RCW.

NEW SECTION. **Sec.**  A new section is added to chapter 50.04 RCW to read as follows:

Payments to a person under section 5 of this act may not be construed as wages or used to deny or reduce benefits under this title.

**Sec.**  RCW 49.44.211 and 2022 c 133 s 2 are each amended to read as follows:

(1)(a) A provision in an agreement by an employer and an employee not to disclose or discuss conduct, or the existence of a settlement involving conduct, that the employee reasonably believed under Washington state, federal, or common law to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as against a clear mandate of public policy, is void and unenforceable. Prohibited nondisclosure and nondisparagement provisions in agreements concern conduct that occurs at the workplace, at work-related events coordinated by or through the employer, between employees, or between an employer and an employee, whether on or off the employment premises. Prohibited nondisclosure and nondisparagement provisions include those contained in employment agreements, independent contractor agreements, agreements to pay compensation in exchange for the release of a legal claim, or any other agreement between an employer and an employee.

(b) In addition to (a) of this subsection, a provision in an agreement by an employer and an employee is void and unenforceable if the provision prohibits the employee from disclosing or discussing the employer's conduct regarding a mass layoff as a condition of the employee receiving severance pay or compensation under section 5 of this act. It is a violation of this section for an employer to discriminate against or otherwise retaliate against an employee for disclosing or discussing conduct regarding a mass layoff that the employee is not prohibited from discussing or disclosing under this subsection. For purposes of this subsection, "mass layoff" has the same meaning as defined in section 2 of this act. This subsection (1)(b) applies to agreements entered into on or after the effective date of this section.

(2) This section does not prohibit the enforcement of a provision in any agreement that prohibits the disclosure of the amount paid in settlement of a claim.

(3) It is a violation of this section for an employer to discharge or otherwise discriminate or retaliate against an employee for disclosing or discussing conduct that the employee reasonably believed to be illegal harassment, illegal discrimination, illegal retaliation, wage and hour violations, or sexual assault, that is recognized as illegal under state, federal, or common law, or that is recognized as against a clear mandate of public policy, occurring in the workplace, at work-related events coordinated by or through the employer, between employees, or between an employer and an employee, whether on or off the employment premises.

(4) It is a violation of this section for an employer to request or require that an employee enter into any agreement provision that is prohibited by this section.

(5) It is a violation of this section for an employer to attempt to enforce a provision of an agreement prohibited by this section, whether through a lawsuit, a threat to enforce, or any other attempt to influence a party to comply with a provision in any agreement that is prohibited by this section.

(6) This section does not prohibit an employer and an employee from protecting trade secrets, proprietary information, or confidential information that does not involve illegal acts.

(7) An employer who violates this section after June 9, 2022, is liable in a civil cause of action for actual or statutory damages of $10,000, whichever is more, as well as reasonable attorneys' fees and costs.

(8) For the purposes of this section, "employee" means a current, former, or prospective employee or independent contractor.

(9) A nondisclosure or nondisparagement provision in any agreement signed by an employee who is a Washington resident is governed by Washington law.

(10) The provisions of this section are to be liberally construed to fulfill its remedial purpose.

(11) As an exercise of the state's police powers and for remedial purposes, this section is retroactive from June 9, 2022, only to invalidate nondisclosure or nondisparagement provisions in agreements created before June 9, 2022, and which were agreed to at the outset of employment or during the course of employment. This subsection allows the recovery of damages only to prevent the enforcement of those provisions. This subsection does not apply to a nondisclosure or nondisparagement provision contained in an agreement to settle a legal claim.

**Sec.**  RCW 49.62.020 and 2024 c 36 s 3 are each amended to read as follows:

(1) A noncompetition covenant is void and unenforceable:

(a)(i) Unless the employer discloses the terms of the covenant in writing to the prospective employee no later than the time of the initial oral or written acceptance of the offer of employment and, if the agreement becomes enforceable only at a later date due to changes in the employee's compensation, the employer specifically discloses that the agreement may be enforceable against the employee in the future; or

(ii) If the covenant is entered into after the commencement of employment, unless the employer provides independent consideration for the covenant;

(b) Unless the employee's earnings from the party seeking enforcement, when annualized, exceed one hundred thousand dollars per year. This dollar amount must be adjusted annually in accordance with RCW 49.62.040;

(c) If the employee is terminated as the result of a layoff, unless enforcement of the noncompetition covenant includes compensation equivalent to the employee's base salary at the time of termination for the period of enforcement minus compensation earned through subsequent employment during the period of enforcement;

(d) If the employee is terminated as the result of a mass layoff, as defined in section 2 of this act, and the employer failed to comply with the notice requirement in section 3 of this act.

(2) A court or arbitrator must presume that any noncompetition covenant with a duration exceeding eighteen months after termination of employment is unreasonable and unenforceable. A party seeking enforcement may rebut the presumption by proving by clear and convincing evidence that a duration longer than eighteen months is necessary to protect the party's business or goodwill.

NEW SECTION. **Sec.**  A new section is added to chapter 19.86 RCW to read as follows:

(1) It is unlawful for any employer to cooperate or coordinate with one or more competing employers regarding mass layoffs of employees, including timing of mass layoffs, severance pay, or other terms and conditions of mass layoffs.

(2) Any violation of this section constitutes an unfair method of competition and unfair or deceptive act in trade or commerce and constitutes a violation under RCW 19.86.020.

(3) For the purposes of this section, the terms "employer" and "mass layoff" have the same meanings as defined in section 2 of this act.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  This act takes effect July 1, 2026.

**--- END ---**