

SENATE BILL REPORT

SB 5422

As of February 24, 2025

Title: An act relating to allowing bargaining over matters related to the use of artificial intelligence.

Brief Description: Allowing bargaining over matters related to the use of artificial intelligence.

[Revised for 1st Substitute: Allowing bargaining over matters related to certain uses of artificial intelligence.]

Sponsors: Senators Bateman, Conway, Chapman, Cleveland, Frame, Hasegawa, Nobles, Orwall, Saldaña, Salomon, Stanford, Trudeau and Valdez.

Brief History:

Committee Activity: Labor & Commerce: 2/17/25, 2/21/25 [DPS-WM, DNP].
Ways & Means: 2/25/25.

Brief Summary of First Substitute Bill

- Requires certain public employers to bargain over the decision to adopt, or modify current uses of, artificial intelligence technology if the adoption or modification affects employee wages or performance evaluations.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5422 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Saldaña, Chair; Conway, Vice Chair; Alvarado, Ramos and Stanford.

Minority Report: Do not pass.

Signed by Senators King, Ranking Member; MacEwen and Schoesler.

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.

Staff: Jarrett Sacks (786-7448)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: The Personnel System Reform Act (PSRA) provides for collective bargaining for classified employees of state agencies and institutions of higher education. Matters subject to bargaining under the PSRA include wages, hours, other terms of conditions of employment, and the negotiation of any question arising under a collective bargaining agreement. The PSRA prohibits bargaining over management rights, which, among other things, includes the functions and programs of the employer, use of technology, and the structure of the organization.

Employees of cities, counties, and other political subdivisions of the state, bargain their wages and working conditions under the Public Employee's Collective Bargaining Act (PECBA). Certain higher education and state employees also bargain under PECBA. For certain higher education employees under PECBA, the use of technology is considered a management right and is a prohibited subject of bargaining. For the rest of the employees and employers covered under PECBA, the use of technology is a permissive subject of bargaining, where the parties are neither required nor prohibited from bargaining the subject matter. However, bargaining is required if the use of technology affects a mandatory subject of bargaining, such as wages, hours, or working conditions.

Summary of Bill (First Substitute): Public employers covered by PECBA and the PSRA are required to bargain over the decision to adopt, or modify current uses of, artificial intelligence (AI) technology if the adoption or modification affects employees' wages or performance evaluations.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Removes the definitions of AI and machine learning.
- Limits the requirement to bargain to when the adoption or modification of AI technology affects employees' wages or performance evaluations, rather than wages, hours, or terms and conditions of employment.
- Modifies the bill title.

Appropriation: None.

Fiscal Note: Available.

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 on Original Bill (Labor & Commerce): *The committee recommended a different version of the bill than what was heard.* PRO: AI is a powerful tool, but it poses the threat of outsourcing jobs. Employees are prohibited from bargaining over the implementation of technology. The bill allows negotiations over AI as it arises. The bill will cause employers to be more deliberate in their implementation of AI, which will reduce unnecessary costs. Employers are required to bargain over impacts anyway, so the fiscal note does not cover the whole picture. Generative AI is not a normal technology, so there is a need to discuss before it is implemented.

CON: The bill significantly impairs an employer's right to make business decisions. Current law already requires bargaining over impacts. The definition of AI in the bill is very broad. Technology changes frequently, which is why impacts are bargained. The bill will increase costs by delaying implementation and increasing bargaining.

OTHER: The bill drastically alters management rights, and it would slow innovation and efficiency, given the prevalence of AI. The bill would set a concerning precedent and would hamstring ports when they need to stay competitive.

Persons Testifying (Labor & Commerce): PRO: Senator Jessica Bateman, Prime Sponsor; Teresa Taylor, WACOPS - Washington Council of Police and Sheriffs; Riz Monghit, SEIU 925; Kati Durkin, WFSE; Cherika Carter, Washington State Labor Council, AFL-CIO; Samantha Grad, Teamsters 117; Seamus Petrie, Washington Public Employees Association.

CON: Candice Bock, Association of Washington Cities.

OTHER: James Cockburn, Washington Public Ports Association.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.