
HOUSE BILL 1623

State of Washington

69th Legislature

2025 Regular Session

By Representatives Obras, Fosse, Ortiz-Self, Parshley, Goodman, Macri, Donaghy, Hill, Stonier, Taylor, Berry, Santos, Peterson, Ramel, Gregerson, Reed, Farivar, Reeves, Bergquist, Kloba, Duerr, Ryu, Simmons, Cortes, Thomas, Street, Davis, and Salahuddin

Read first time 01/27/25. Referred to Committee on Labor & Workplace Standards.

1 AN ACT Relating to prohibiting deductions for credit card
2 transaction processing fees from employee tips; and amending RCW
3 49.46.020.

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

5 **Sec. 1.** RCW 49.46.020 and 2019 c 236 s 2 are each amended to
6 read as follows:

7 (1)(a) Beginning January 1, 2017, and until January 1, 2018,
8 every employer shall pay to each of his or her employees who has
9 reached the age of (~~eighteen~~) 18 years wages at a rate of not less
10 than (~~eleven dollars~~) \$11 per hour.

11 (b) Beginning January 1, 2018, and until January 1, 2019, every
12 employer shall pay to each of his or her employees who has reached
13 the age of (~~eighteen~~) 18 years wages at a rate of not less than
14 (~~eleven dollars and fifty cents~~) \$11.50 per hour.

15 (c) Beginning January 1, 2019, and until January 1, 2020, every
16 employer shall pay to each of his or her employees who has reached
17 the age of (~~eighteen~~) 18 years wages at a rate of not less than
18 (~~twelve dollars~~) \$12 per hour.

19 (d) Beginning January 1, 2020, and until January 1, 2021, every
20 employer shall pay to each of his or her employees who has reached

1 the age of (~~eighteen~~) 18 years wages at a rate of not less than
2 (~~thirteen dollars and fifty cents~~) \$13.50 per hour.

3 (2) (a) Beginning on January 1, 2021, and each following January
4 1st as set forth under (b) of this subsection, every employer shall
5 pay to each of his or her employees who has reached the age of
6 (~~eighteen~~) 18 years wages at a rate of not less than the amount
7 established under (b) of this subsection.

8 (b) On September 30, 2020, and on each following September 30th,
9 the department of labor and industries shall calculate an adjusted
10 minimum wage rate to maintain employee purchasing power by increasing
11 the current year's minimum wage rate by the rate of inflation. The
12 adjusted minimum wage rate shall be calculated to the nearest cent
13 using the consumer price index for urban wage earners and clerical
14 workers, CPI-W, or a successor index, for the (~~twelve~~) 12 months
15 prior to each September 1st as calculated by the United States
16 department of labor. Each adjusted minimum wage rate calculated under
17 this subsection (2) (b) takes effect on the following January 1st.

18 (3) An employer must pay to its employees: (a) All tips and
19 gratuities; and (b) all service charges as defined under RCW
20 49.46.160 except those that, pursuant to RCW 49.46.160, are itemized
21 as not being payable to the employee or employees servicing the
22 customer. Tips and service charges paid to an employee are in
23 addition to, and may not count towards, the employee's hourly minimum
24 wage. An employer that permits customers to pay tips or gratuities by
25 credit card shall pay the employees the full amount of the tip or
26 gratuity that the customer indicated on the credit card slip, without
27 any deductions for any credit card payment processing fees or
28 transaction costs that may be charged to the employer by the credit
29 card company.

30 (4) Beginning January 1, 2018, except as provided in RCW
31 49.46.180, every employer must provide to each of its employees paid
32 sick leave as provided in RCW 49.46.200 and 49.46.210.

33 (5) The director shall by regulation establish the minimum wage
34 for employees under the age of (~~eighteen~~) 18 years.

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