
SENATE BILL 5578

State of Washington

69th Legislature

2025 Regular Session

By Senators Saldaña, Alvarado, Conway, Frame, Lovelett, Nobles, Stanford, Trudeau, Valdez, and C. Wilson

Read first time 01/30/25. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to strengthening Washington's labor standards;
2 amending RCW 49.46.010, 49.46.020, 49.46.180, 49.46.200, and
3 49.46.300; reenacting and amending RCW 49.46.210; adding new sections
4 to chapter 49.46 RCW; prescribing penalties; and providing an
5 effective date.

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

7 **Sec. 1.** RCW 49.46.010 and 2024 c 132 s 1 are each amended to
8 read as follows:

9 As used in this chapter:

- 10 (1) "Department" means the department of labor and industries;
11 (2) "Director" means the director of labor and industries or the
12 director's authorized representative;

13 ~~((2))~~ (3) "Employ" includes to permit to work;

14 ~~((3))~~ (4) "Employee" includes any individual employed by an
15 employer but shall not include:

- 16 (a) Any individual (i) employed as a hand harvest laborer and
17 paid on a piece rate basis in an operation which has been, and is
18 generally and customarily recognized as having been, paid on a piece
19 rate basis in the region of employment; (ii) who commutes daily from
20 ~~((his or her))~~ the individual's permanent residence to the farm on
21 which ~~((he or she))~~ the individual is employed; and (iii) who has

1 been employed in agriculture less than (~~thirteen~~) 13 weeks during
2 the preceding calendar year;

3 (b) Any individual employed in casual labor in or about a private
4 home, unless performed in the course of the employer's trade,
5 business, or profession;

6 (c) Any individual employed in a bona fide executive,
7 administrative, or professional capacity or in the capacity of
8 outside salesperson as those terms are defined and delimited by rules
9 of the director. The terms as defined and delimited must require the
10 employer to provide paid vacation leave that is consistent with the
11 provisions in section 7 of this act, including the provisions that
12 establish the accrual rate and the employee's right to use paid
13 vacation leave. However, those terms shall be defined and delimited
14 by the human resources director pursuant to chapter 41.06 RCW for
15 employees employed under the director of personnel's jurisdiction;

16 (d) Any individual engaged in the activities of an educational,
17 charitable, religious, state or local governmental body or agency, or
18 nonprofit organization where the employer-employee relationship does
19 not in fact exist or where the services are rendered to such
20 organizations gratuitously. If the individual receives reimbursement
21 in lieu of compensation for normally incurred out-of-pocket expenses
22 or receives a nominal amount of compensation per unit of voluntary
23 service rendered, an employer-employee relationship is deemed not to
24 exist for the purpose of this section or for purposes of membership
25 or qualification in any state, local government, or publicly
26 supported retirement system other than that provided under chapter
27 41.24 RCW;

28 (e) Any individual employed full time by any state or local
29 governmental body or agency who provides voluntary services but only
30 with regard to the provision of the voluntary services. The voluntary
31 services and any compensation therefor shall not affect or add to
32 qualification, entitlement, or benefit rights under any state, local
33 government, or publicly supported retirement system other than that
34 provided under chapter 41.24 RCW;

35 (f) Any newspaper vendor, carrier, or delivery person selling or
36 distributing newspapers on the street, to offices, to businesses, or
37 from house to house and any freelance news correspondent or
38 "stringer" who, using his or her own equipment, chooses to submit
39 material for publication for free or a fee when such material is
40 published;

1 (g) Any carrier subject to regulation by Part 1 of the Interstate
2 Commerce Act;

3 (h) Any individual engaged in forest protection and fire
4 prevention activities;

5 (i) Any individual employed by any charitable institution charged
6 with child care responsibilities engaged primarily in the development
7 of character or citizenship or promoting health or physical fitness
8 or providing or sponsoring recreational opportunities or facilities
9 for young people or members of the armed forces of the United States;

10 (j) Any individual whose duties require that (~~he or she~~) the
11 individual reside or sleep at the place of (~~his or her~~) the
12 individual's employment or who otherwise spends a substantial portion
13 of (~~his or her~~) the individual's work time subject to call, and not
14 engaged in the performance of active duties;

15 (k) Any resident, inmate, or patient of a state, county, or
16 municipal correctional, detention, treatment or rehabilitative
17 institution;

18 (l) Any individual who holds a public elective or appointive
19 office of the state, any county, city, town, municipal corporation or
20 quasi municipal corporation, political subdivision, or any
21 instrumentality thereof, or any employee of the state legislature;

22 (m) All vessel operating crews of the Washington state ferries
23 operated by the department of transportation;

24 (n) Any individual employed as a seaman on a vessel other than an
25 American vessel;

26 (o) Any farm intern providing (~~his or her~~) the farm intern's
27 services to a small farm which has a special certificate issued under
28 RCW 49.12.471;

29 (p) An individual who is at least 16 years old but under
30 (~~twenty-one~~) 21 years old, in (~~his or her~~) the individual's
31 capacity as a player for a junior ice hockey team that is a member of
32 a regional, national, or international league and that contracts with
33 an arena owned, operated, or managed by a public facilities district
34 created under chapter 36.100 RCW; or

35 (q) Any individual who has entered into a contract to play
36 baseball at the minor league level and who is compensated pursuant to
37 the terms of a collective bargaining agreement that expressly
38 provides for wages and working conditions;

39 (~~(4)~~) (5) "Employer" includes any individual, partnership,
40 association, corporation, business trust, or any person or group of

1 persons acting directly or indirectly in the interest of an employer
2 in relation to an employee;

3 ~~((5))~~ (6) (a) "Family member" means a child, grandchild,
4 grandparent, parent, sibling, or spouse of an employee or driver, and
5 also includes any individual who regularly resides in the employee or
6 driver's home or where the relationship creates an expectation that
7 the employee or driver care for the person, and that individual
8 depends on the employee or driver for care. "Family member" includes
9 any individual who regularly resides in the employee or driver's
10 home, except that it does not include an individual who simply
11 resides in the same home with no expectation that the employee or
12 driver care for the individual.

13 (b) For the purposes of this subsection, the following
14 definitions apply:

15 (i) "Child" means a biological, adopted, or foster child, a
16 stepchild, a child's spouse, or a child to whom the employee or
17 driver stands in loco parentis, is a legal guardian, or is a de facto
18 parent, regardless of age or dependency status.

19 (ii) "Grandchild" means a child of the employee or driver's
20 child.

21 (iii) "Grandparent" means a parent of the employee or driver's
22 parent.

23 (iv) "Parent" means the biological, adoptive, de facto, or foster
24 parent, stepparent, or legal guardian of an employee or driver or the
25 employee or driver's spouse, or an individual who stood in loco
26 parentis to an employee or driver when the employee or driver was a
27 child.

28 (v) "Spouse" means a husband or wife, as the case may be, or
29 state registered domestic partner;

30 (7) "Occupation" means any occupation, service, trade, business,
31 industry, or branch or group of industries or employment or class of
32 employment in which employees are gainfully employed;

33 ~~((6))~~ (8) "Retail or service establishment" means an
34 establishment (~~(seventy-five))~~ 75 percent of whose annual dollar
35 volume of sales of goods or services, or both, is not for resale and
36 is recognized as retail sales or services in the particular industry;

37 ~~((7))~~ (9) "Wage" means compensation due to an employee by
38 reason of employment, payable in legal tender of the United States or
39 checks on banks convertible into cash on demand at full face value,

1 subject to such deductions, charges, or allowances as may be
2 permitted by rules of the director.

3 **Sec. 2.** RCW 49.46.020 and 2019 c 236 s 2 are each amended to
4 read as follows:

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

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

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

17 ~~(d) Beginning January 1, 2020, and until January 1, 2021, every~~
18 ~~employer shall pay to each of his or her employees who has reached~~
19 ~~the age of eighteen years wages at a rate of not less than thirteen~~
20 ~~dollars and fifty cents per hour.)~~ Every employer shall pay to each
21 of the employer's employees who has reached the age of 18 years wages
22 at a rate of not less than the following during the following dates:

<u>Dates:</u>	<u>Rate per hour:</u>
<u>Beginning January 1, 2026,</u> <u>until January 1, 2027</u>	<u>\$17.50</u>
<u>Beginning January 1, 2027,</u> <u>until January 1, 2028</u>	<u>\$19.00</u>
<u>Beginning January 1, 2028,</u> <u>until January 1, 2029</u>	<u>\$20.50</u>
<u>Beginning January 1, 2029,</u> <u>until January 1, 2030</u>	<u>\$22.00</u>
<u>Beginning January 1, 2030,</u> <u>until January 1, 2031</u>	<u>\$23.50</u>
<u>Beginning January 1, 2031,</u> <u>until January 1, 2032</u>	<u>\$25.00</u>

1 (2) (a) Beginning on January 1, (~~(2021)~~) 2032, and each following
2 January 1st as set forth under (b) of this subsection, every employer
3 shall pay to each of (~~(his or her)~~) the employer's employees who has
4 reached the age of (~~(eighteen)~~) 18 years wages at a rate of not less
5 than the amount established under (b) of this subsection.

6 (b) On September 30, (~~(2020)~~) 2031, and on each following
7 September 30th, the department (~~(of labor and industries)~~) shall
8 calculate an adjusted minimum wage rate to maintain employee
9 purchasing power by increasing the current year's minimum wage rate
10 by the rate of inflation. The adjusted minimum wage rate shall be
11 calculated to the nearest cent using the consumer price index for
12 urban wage earners and clerical workers, CPI-W, or a successor index,
13 for the (~~(twelve)~~) 12 months prior to each September 1st as
14 calculated by the United States department of labor. Each adjusted
15 minimum wage rate calculated under this subsection (2) (b) takes
16 effect on the following January 1st.

17 (3) (~~(An)~~) Regardless of whether a local government establishes a
18 minimum wage rate that is higher than required under this chapter, an
19 employer must pay to its employees: (a) All tips and gratuities; and
20 (b) all service charges as defined under RCW 49.46.160 except those
21 that, pursuant to RCW 49.46.160, are itemized as not being payable to
22 the employee or employees servicing the customer. Tips and service
23 charges paid to an employee are in addition to, and may not count
24 towards, the employee's hourly minimum wage required by this section
25 or a local government.

26 (4) Beginning January 1, 2018, except as provided in RCW
27 49.46.180, every employer must provide to each of its employees paid
28 sick leave as provided in RCW 49.46.200 and 49.46.210.

29 (5) Beginning January 1, 2027, except as provided in RCW
30 49.46.180 as amended by chapter . . ., Laws of 2025 (this act), every
31 employer must provide to each of its employees paid vacation leave as
32 provided in section 7 of this act.

33 (6) Beginning January 1, 2027, except as provided in RCW
34 49.46.180 as amended by chapter . . ., Laws of 2025 (this act), every
35 employer must provide to each of its employees paid bereavement leave
36 as provided in section 8 of this act.

37 (7) The director shall by regulation establish the minimum wage
38 for employees under the age of (~~(eighteen)~~) 18 years.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 49.46
2 RCW to read as follows:

3 (1) If the director determines that an employer has violated this
4 act, the department may issue a stop work order to cease all business
5 operations at every site where the violation has occurred.

6 (2) Employers must pay employees normal hourly compensation for
7 all hours they would have been regularly scheduled to work during the
8 stop work period. This requirement is a wage payment requirement
9 under RCW 49.48.082.

10 (3) A stop work order issued under this section remains in effect
11 until the director issues an order releasing the stop work order upon
12 finding that the employer has paid any amounts owed to the employees,
13 including interest, and any penalties due.

14 (4) As a condition for release from a stop work order, the
15 director may require the employer to file with the department
16 periodic reports for a probationary period that demonstrate the
17 employer's continued compliance with the provisions of this act. Any
18 probationary period may not exceed two years.

19 (5) (a) The director may assess a civil penalty of not more than
20 \$5,000 per day against an employer for each day that the employer
21 conducts business operations that violate the stop work order.

22 (b) The department may adopt by rule penalty amounts under this
23 subsection that vary by the size of the employer.

24 (c) On September 30, 2028, and on each following September 30th,
25 the department of labor and industries shall calculate adjusted
26 penalties payable pursuant to this section by increasing the current
27 year's penalties by the rate of inflation. The penalties must be
28 calculated to the nearest cent using the consumer price index for
29 urban wage earners and clerical workers, CPI-W, or a successor index,
30 for the 12 months prior to each September 1st as calculated by the
31 United States department of labor. The adjusted penalties calculated
32 under this subsection (5)(c) take effect on the following January
33 1st.

34 (6) An employer may contest a stop work order within 72 hours of
35 the issuance of the stop work order by filing a petition for judicial
36 review to superior court. Upon the filing of any such petition, the
37 superior courts of the state of Washington have jurisdiction to issue
38 a temporary stay of the stop work order pending further agency
39 action. The court may not grant a temporary stay unless the employer

1 meets its burden to show such a stay is appropriate under RCW
2 34.05.550.

3 **Sec. 4.** RCW 49.46.180 and 2023 c 267 s 2 are each amended to
4 read as follows:

5 (1) The ~~((sick leave provisions of RCW 49.46.200 through~~
6 ~~49.46.830)) sick, vacation, and bereavement leave provisions of this~~
7 ~~chapter~~ shall not apply to construction workers covered by a
8 collective bargaining agreement, provided:

9 (a) The union signatory to the collective bargaining agreement is
10 an approved referral union program authorized under RCW 50.20.010 and
11 in compliance with WAC 192-210-110; and

12 (b) The collective bargaining agreement establishes equivalent
13 ~~((sick))~~ or better sick, vacation, and bereavement leave provisions,
14 as provided in subsection (2) of this section; and

15 (c) The requirements of ~~((RCW 49.46.200 through 49.46.830))~~ the
16 sick, vacation, and bereavement leave provisions of this chapter are
17 expressly waived in the collective bargaining agreement in clear and
18 unambiguous terms or in an addendum to an existing agreement
19 including an agreement that is open for negotiation provided the
20 ~~((sick))~~ relevant leave portions were previously ratified by the
21 membership.

22 (2) Equivalent ~~((sick))~~ leave provisions provided by a collective
23 bargaining agreement must meet the requirements of ~~((RCW 49.46.200~~
24 ~~through 49.46.830))~~ the sick, vacation, and bereavement leave
25 provisions of this chapter and the rules adopted by the department
26 ~~((of labor and industries))~~, except the payment of leave at the
27 normal hourly compensation may occur before usage and the payment of
28 accrued and unused ~~((sick))~~ leave may be made in accordance with RCW
29 49.46.210.

30 **Sec. 5.** RCW 49.46.200 and 2017 c 2 s 4 are each amended to read
31 as follows:

32 The demands of the workplace and of families need to be balanced
33 to promote public health, individual health, family stability,
34 sustainable working habits, and economic security. It is in the
35 public interest to provide reasonable paid ~~((sick))~~ leave for
36 employees to care for the health of themselves and their families.
37 Such paid ~~((sick))~~ leave shall be provided at the greater of the

1 newly increased minimum wage or the employee's regular and normal
2 wage.

3 **Sec. 6.** RCW 49.46.210 and 2024 c 356 s 1 and 2024 c 39 s 1 are
4 each reenacted and amended to read as follows:

5 ~~((1))~~ Beginning January 1, 2018, except as provided in RCW
6 49.46.180, every employer shall provide each of its employees paid
7 sick leave as follows:

8 ~~((a))~~ (1) An employee shall accrue at least one hour of paid
9 sick leave for every ~~((forty))~~ 40 hours worked as an employee. An
10 employer may provide paid sick leave in advance of accrual provided
11 that such front-loading meets or exceeds the requirements of this
12 section for accrual, use, and carryover of paid sick leave.

13 ~~((b))~~ (2) An employee is authorized to use paid sick leave for
14 the following reasons:

15 ~~((i))~~ (a) An absence resulting from an employee's mental or
16 physical illness, injury, or health condition; to accommodate the
17 employee's need for medical diagnosis, care, or treatment of a mental
18 or physical illness, injury, or health condition; or an employee's
19 need for preventive medical care;

20 ~~((ii))~~ (b) To allow the employee to provide care for a family
21 member with a mental or physical illness, injury, or health
22 condition; care of a family member who needs medical diagnosis, care,
23 or treatment of a mental or physical illness, injury, or health
24 condition; or care for a family member who needs preventive medical
25 care; and

26 ~~((iii))~~ (c) When the employee's place of business has been
27 closed by order of a public official for any health-related reason,
28 or when an employee's child's school or place of care has been closed
29 for such a health-related reason or after the declaration of an
30 emergency by a local or state government or agency, or by the federal
31 government.

32 ~~((e))~~ (3) An employee is authorized to use paid sick leave for
33 absences that qualify for leave under the domestic violence leave
34 act, chapter 49.76 RCW.

35 ~~((d))~~ (4) An employee is entitled to use accrued paid sick
36 leave beginning on the ninetieth calendar day after the commencement
37 of ~~((his or her))~~ the employee's employment.

1 ~~((e))~~ (5) Employers are not prevented from providing more
2 generous paid sick leave policies or permitting use of paid sick
3 leave for additional purposes.

4 ~~((f))~~ (6) An employer may require employees to give reasonable
5 notice of an absence from work, so long as such notice does not
6 interfere with an employee's lawful use of paid sick leave.

7 ~~((g))~~ (7) For absences exceeding three days, an employer may
8 require verification that an employee's use of paid sick leave is for
9 an authorized purpose. If an employer requires verification,
10 verification must be provided to the employer within a reasonable
11 time period during or after the leave. An employer's requirements for
12 verification may not result in an unreasonable burden or expense on
13 the employee and may not exceed privacy or verification requirements
14 otherwise established by law.

15 ~~((h))~~ (8) An employer may not require, as a condition of an
16 employee taking paid sick leave, that the employee search for or find
17 a replacement worker to cover the hours during which the employee is
18 on paid sick leave.

19 ~~((i))~~ (9) For each hour of paid sick leave used, an employee
20 shall be paid the greater of the minimum hourly wage rate established
21 in this chapter or ~~((his or her))~~ the employee's normal hourly
22 compensation. The employer is responsible for providing regular
23 notification to employees about the amount of paid sick leave
24 available to the employee.

25 ~~((j))~~ (10) Except as provided in ~~((1) of this))~~ subsection
26 (12) of this section, accrued and unused paid sick leave carries over
27 to the following year, but an employer is not required to allow an
28 employee to carry over paid sick leave in excess of 40 hours.

29 ~~((k))~~ (11) Except as provided in ~~((1) of this))~~ subsection
30 (12) of this section, an employer is not required to provide
31 financial or other reimbursement for accrued and unused paid sick
32 leave to any employee upon the employee's termination, resignation,
33 retirement, or other separation from employment. When there is a
34 separation from employment and the employee is rehired within 12
35 months of separation by the same employer, whether at the same or a
36 different business location of the employer, previously accrued
37 unused paid sick leave shall be reinstated and the previous period of
38 employment shall be counted for purposes of determining the
39 employee's eligibility to use paid sick leave under ~~((d) of this))~~
40 subsection (4) of this section. For purposes of this subsection

1 ~~((1)(k))~~, "previously accrued and unused paid sick leave" does not
2 include sick leave paid out to a construction worker under ~~((1) of~~
3 ~~this))~~ subsection (12) of this section.

4 ~~((1)(i))~~ (12)(a) A construction industry employer must pay a
5 construction worker, who has not met the 90th day eligibility under
6 ~~((d) of this))~~ subsection (4) of this section at the time of
7 separation, the balance of the worker's accrued and unused paid sick
8 leave at the end of the established pay period following the worker's
9 separation pursuant to RCW 49.48.010(2).

10 ~~((ii))~~ (b) The definitions in this subsection ~~((1)(1)(ii))~~
11 (12)(b) apply throughout this subsection ~~((1)(1))~~ unless the
12 context clearly requires otherwise.

13 ~~((A))~~ (i) "Construction worker" means a worker who performed
14 service, maintenance, or construction work on a jobsite, in the field
15 or in a fabrication shop using the tools of the worker's trade or
16 craft.

17 ~~((B))~~ (ii) "Construction industry employer" means an employer
18 in the industry described in North American industry classification
19 system industry code 23, except for residential building construction
20 code 2361.

21 ~~((2) The definitions in this subsection apply throughout this~~
22 ~~section, except for subsection (5) of this section:~~

23 ~~(a) "Family member" means a child, grandchild, grandparent,~~
24 ~~parent, sibling, or spouse of an employee, and also includes any~~
25 ~~individual who regularly resides in the employee's home or where the~~
26 ~~relationship creates an expectation that the employee care for the~~
27 ~~person, and that individual depends on the employee for care. "Family~~
28 ~~member" includes any individual who regularly resides in the~~
29 ~~employee's home, except that it does not include an individual who~~
30 ~~simply resides in the same home with no expectation that the employee~~
31 ~~care for the individual.~~

32 ~~(b) "Child" means a biological, adopted, or foster child, a~~
33 ~~stepchild, a child's spouse, or a child to whom the employee stands~~
34 ~~in loco parentis, is a legal guardian, or is a de facto parent,~~
35 ~~regardless of age or dependency status.~~

36 ~~(c) "Grandchild" means a child of the employee's child.~~

37 ~~(d) "Grandparent" means a parent of the employee's parent.~~

38 ~~(e) "Parent" means the biological, adoptive, de facto, or foster~~
39 ~~parent, stepparent, or legal guardian of an employee or the~~

1 ~~employee's spouse, or an individual who stood in loco parentis to an~~
2 ~~employee when the employee was a child.~~

3 ~~(f) "Spouse" means a husband or wife, as the case may be, or~~
4 ~~state registered domestic partner.~~

5 ~~(3) An employer may not adopt or enforce any policy that counts~~
6 ~~the use of paid sick leave time as an absence that may lead to or~~
7 ~~result in discipline against the employee.~~

8 ~~(4) An employer may not discriminate or retaliate against an~~
9 ~~employee for his or her exercise of any rights under this chapter~~
10 ~~including the use of paid sick leave.~~

11 ~~(5) (a) The definitions in this subsection apply to this~~
12 ~~subsection:~~

13 ~~(i) "Average hourly compensation" means a driver's compensation~~
14 ~~during passenger platform time from, or facilitated by, the~~
15 ~~transportation network company, during the 365 days immediately prior~~
16 ~~to the day that paid sick time is used, divided by the total hours of~~
17 ~~passenger platform time worked by the driver on that transportation~~
18 ~~network company's driver platform during that period. "Average hourly~~
19 ~~compensation" does not include tips.~~

20 ~~(ii) "Driver," "driver platform," "passenger platform time," and~~
21 ~~"transportation network company" have the meanings provided in RCW~~
22 ~~49.46.300.~~

23 ~~(iii) "Earned paid sick time" is the time provided by a~~
24 ~~transportation network company to a driver as calculated under this~~
25 ~~subsection. For each hour of earned paid sick time used by a driver,~~
26 ~~the transportation network company shall compensate the driver at a~~
27 ~~rate equal to the driver's average hourly compensation.~~

28 ~~(iv) For purposes of drivers, the following definitions apply:~~

29 ~~(A) "Family member" means a child, grandchild, grandparent,~~
30 ~~parent, sibling, or spouse of a driver, and also includes any~~
31 ~~individual who regularly resides in the driver's home or where the~~
32 ~~relationship creates an expectation that the driver care for the~~
33 ~~person, and that individual depends on the driver for care. "Family~~
34 ~~member" includes any individual who regularly resides in the driver's~~
35 ~~home, except that it does not include an individual who simply~~
36 ~~resides in the same home with no expectation that the driver care for~~
37 ~~the individual.~~

38 ~~(B) "Child" means a biological, adopted, or foster child, a~~
39 ~~stepchild, a child's spouse, or a child to whom the driver stands in~~

1 ~~loco parentis, is a legal guardian, or is a de facto parent,~~
2 ~~regardless of age or dependency status.~~

3 ~~(C) "Grandchild" means a child of the driver's child.~~

4 ~~(D) "Grandparent" means a parent of the driver's parent.~~

5 ~~(E) "Parent" means the biological, adoptive, de facto, or foster~~
6 ~~parent, stepparent, or legal guardian of a driver or the driver's~~
7 ~~spouse, or an individual who stood in loco parentis to a driver when~~
8 ~~the driver was a child.~~

9 ~~(F) "Spouse" means a husband or wife, as the case may be, or~~
10 ~~state registered domestic partner.~~

11 ~~(b) Beginning January 1, 2023, a transportation network company~~
12 ~~must provide to each driver operating on its driver platform~~
13 ~~compensation for earned paid sick time as required by this subsection~~
14 ~~and subject to the provisions of this subsection. A driver shall~~
15 ~~accrue one hour of earned paid sick time for every 40 hours of~~
16 ~~passenger platform time worked.~~

17 ~~(c) A driver is entitled to use accrued earned paid sick time~~
18 ~~upon recording 90 hours of passenger platform time on the~~
19 ~~transportation network company's driver platform.~~

20 ~~(d) For each hour of earned paid sick time used, a driver shall~~
21 ~~be paid the driver's average hourly compensation.~~

22 ~~(e) A transportation network company shall establish an~~
23 ~~accessible system for drivers to request and use earned paid sick~~
24 ~~time. The system must be available to drivers via smartphone~~
25 ~~application and online web portal.~~

26 ~~(f) A driver may carry over up to 40 hours of unused earned paid~~
27 ~~sick time to the next calendar year. If a driver carries over unused~~
28 ~~earned paid sick time to the following year, accrual of earned paid~~
29 ~~sick time in the subsequent year must be in addition to the hours~~
30 ~~accrued in the previous year and carried over.~~

31 ~~(g) A driver is entitled to use accrued earned paid sick time if~~
32 ~~the driver has used the transportation network company's platform as~~
33 ~~a driver within 90 calendar days preceding the driver's request to~~
34 ~~use earned paid sick time.~~

35 ~~(h) A driver is entitled to use earned paid sick time for the~~
36 ~~following reasons:~~

37 ~~(i) An absence resulting from the driver's mental or physical~~
38 ~~illness, injury, or health condition; to accommodate the driver's~~
39 ~~need for medical diagnosis, care, or treatment of a mental or~~

1 ~~physical illness, injury, or health condition; or an employee's need~~
2 ~~for preventive medical care;~~

3 ~~(ii) To allow the driver to provide care for a family member with~~
4 ~~a mental or physical illness, injury, or health condition; care of a~~
5 ~~family member who needs medical diagnosis, care, or treatment of a~~
6 ~~mental or physical illness, injury, or health condition; or care for~~
7 ~~a family member who needs preventive medical care;~~

8 ~~(iii) When the driver's child's school or place of care has been~~
9 ~~closed by order of a public official for any health-related reason or~~
10 ~~has been closed after the declaration of an emergency by a local or~~
11 ~~state government or agency, or by the federal government;~~

12 ~~(iv) For absences for which an employee would be entitled for~~
13 ~~leave under RCW 49.76.030; and~~

14 ~~(v) During a deactivation or other status that prevents the~~
15 ~~driver from performing network services on the transportation network~~
16 ~~company's platform, unless the deactivation or status is due to a~~
17 ~~verified allegation of sexual assault or physical assault perpetrated~~
18 ~~by the driver.~~

19 ~~(i) If a driver does not record any passenger platform time in a~~
20 ~~transportation network company's driver platform for 365 or more~~
21 ~~consecutive days, any unused earned paid sick time accrued up to that~~
22 ~~point with that transportation network company is no longer valid or~~
23 ~~recognized.~~

24 ~~(j) Drivers may use accrued days of earned paid sick time in~~
25 ~~increments of a minimum of four or more hours. Drivers are entitled~~
26 ~~to request four or more hours of earned paid sick time for immediate~~
27 ~~use, including consecutive days of use. Drivers are not entitled to~~
28 ~~use more than eight hours of earned paid sick time within a single~~
29 ~~calendar day.~~

30 ~~(k) A transportation network company shall compensate a driver~~
31 ~~for requested hours or days of earned paid sick time no later than 14~~
32 ~~calendar days or the next regularly scheduled date of compensation~~
33 ~~following the requested hours or days of earned paid sick time.~~

34 ~~(l) A transportation network company shall not request or require~~
35 ~~reasonable verification of a driver's qualifying illness except as~~
36 ~~would be permitted to be requested of an employee under subsection~~
37 ~~(1)(g) of this section. If a transportation network company requires~~
38 ~~verification pursuant to this subsection, the transportation network~~
39 ~~company must compensate the driver for the requested hours or days of~~
40 ~~earned paid sick time no later than the driver's next regularly~~

1 ~~scheduled date of compensation after satisfactory verification is~~
2 ~~provided.~~

3 ~~(m) If a driver accepts an offer of prearranged services for~~
4 ~~compensation from a transportation network company during the four-~~
5 ~~hour period or periods for which the driver requested earned paid~~
6 ~~sick time, a transportation network company may determine that the~~
7 ~~driver did not use earned paid sick time for an authorized purpose.~~

8 ~~(n) A transportation network company shall provide each driver~~
9 ~~with:~~

10 ~~(i) Written notification of the current rate of average hourly~~
11 ~~compensation while a passenger is in the vehicle during the most~~
12 ~~recent calendar month for use of earned paid sick time;~~

13 ~~(ii) An updated amount of accrued earned paid sick time since the~~
14 ~~last notification;~~

15 ~~(iii) Reduced earned paid sick time since the last notification;~~

16 ~~(iv) Any unused earned paid sick time available for use; and~~

17 ~~(v) Any amount that the transportation network company may~~
18 ~~subtract from the driver's compensation for earned paid sick time.~~
19 ~~The transportation network company shall provide this information to~~
20 ~~the driver no less than monthly. The transportation network company~~
21 ~~may choose a reasonable system for providing this notification,~~
22 ~~including but not limited to: A pay stub; a weekly summary of~~
23 ~~compensation information; or an online system where drivers can~~
24 ~~access their own earned paid sick time information. A transportation~~
25 ~~network company is not required to provide this information to a~~
26 ~~driver if the driver has not worked any days since the last~~
27 ~~notification.~~

28 ~~(o) A transportation network company may not adopt or enforce any~~
29 ~~policy that counts the use of earned paid sick time as an absence~~
30 ~~that may lead to or result in any action that adversely affects the~~
31 ~~driver's use of the transportation network.~~

32 ~~(p) A transportation network company may not take any action~~
33 ~~against a driver that adversely affects the driver's use of the~~
34 ~~transportation network due to his or her exercise of any rights under~~
35 ~~this subsection including the use of earned paid sick time.~~

36 ~~(q) The department may adopt rules to implement this~~
37 ~~subsection.))~~

38 NEW SECTION. **Sec. 7.** A new section is added to chapter 49.46
39 RCW to read as follows:

1 Except as provided in RCW 49.46.180, every employer shall provide
2 each of its employees paid vacation leave as follows:

3 (1) An employee shall accrue at least 2.3 hours of paid vacation
4 leave for every 40 hours worked as an employee. An employer may
5 provide paid vacation leave in advance of accrual provided that such
6 front-loading meets or exceeds the requirements of this section for
7 accrual, use, and carryover of paid vacation leave.

8 (2) An employee is entitled to use accrued paid vacation leave
9 for any purpose beginning on the 90th calendar day after the
10 commencement of their employment.

11 (3) Employers are not prevented from providing more generous paid
12 vacation leave policies.

13 (4) An employer may require employees to give reasonable notice
14 of an absence from work, so long as such notice does not interfere
15 with an employee's lawful use of paid vacation leave.

16 (5) An employer may not require, as a condition of an employee
17 taking paid vacation leave, that the employee search for or find a
18 replacement worker to cover the hours during which the employee is on
19 paid vacation leave.

20 (6) For each hour of paid vacation leave used, an employee shall
21 be paid the greater of the minimum hourly wage rate established in
22 this chapter or the employee's normal hourly compensation. The
23 employer is responsible for providing regular notification to
24 employees about the amount of paid vacation leave available to the
25 employee.

26 (7) Except as provided in subsection (9) of this section, accrued
27 and unused paid vacation leave carries over to the following year,
28 but an employer is not required to allow an employee to carry over
29 paid vacation leave in excess of 40 hours.

30 (8) Except as provided in subsection (9) of this section, an
31 employer is not required to provide financial or other reimbursement
32 for accrued and unused paid vacation leave to any employee upon the
33 employee's termination, resignation, retirement, or other separation
34 from employment. When there is a separation from employment and the
35 employee is rehired within 12 months of separation by the same
36 employer, whether at the same or a different business location of the
37 employer, previously accrued unused paid vacation leave shall be
38 reinstated and the previous period of employment shall be counted for
39 purposes of determining the employee's eligibility to use paid
40 vacation leave under subsection (2) of this section. For purposes of

1 this subsection (8), "previously accrued and unused paid vacation
2 leave" does not include vacation leave paid out to a construction
3 worker under subsection (9) of this section.

4 (9) (a) A construction industry employer must pay a construction
5 worker, who has not met the 90th day eligibility under subsection (2)
6 of this section at the time of separation, the balance of the
7 worker's accrued and unused paid vacation leave at the end of the
8 established pay period following the worker's separation pursuant to
9 RCW 49.48.010(2).

10 (b) For the purposes of this section, "construction worker" and
11 "construction industry employer" have the same meanings as provided
12 in RCW 49.46.210.

13 (10) The department shall adopt rules regarding the required
14 notice under subsection (4) of this section, combined paid time off
15 leave banks, and circumstances when an employer may deny an
16 employee's use of vacation leave.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 49.46
18 RCW to read as follows:

19 (1) Beginning on the 90th calendar day after the commencement of
20 an employee's employment, the employee is entitled to at least five
21 days of paid bereavement leave per calendar year if an employee's
22 family member dies.

23 (2) Employers are not prevented from providing more generous
24 bereavement leave policies or to allow employees to take additional
25 leave without pay for purposes of bereavement.

26 (3) An employer may not require an employee to take paid
27 bereavement leave on consecutive days.

28 (4) For each day of paid bereavement leave used, an employee
29 shall be paid the greater of the minimum hourly wage rate established
30 in this chapter or the employee's normal hourly compensation.

31 (5) (a) An employer may require verification of the family
32 member's death.

33 (b) Employer-required verification may not result in an
34 unreasonable burden or expense on the employee.

35 (c) If an employer requires verification for the use of
36 bereavement leave, the employer must have a written policy or a
37 collective bargaining agreement outlining any such requirements. The
38 employer must notify the employee of such policy or agreement,
39 including the employee's right to assert that the verification

1 requirement results in an unreasonable burden or expense on the
2 employee, prior to requiring the employee to provide verification. An
3 employer must make this information readily available to all
4 employees.

5 NEW SECTION. **Sec. 9.** A new section is added to chapter 49.46
6 RCW to read as follows:

7 (1) An employer may not adopt or enforce any policy that counts
8 the use of paid leave required under this chapter as an absence that
9 may lead to or result in discipline against the employee.

10 (2) An employer may not discriminate or retaliate against an
11 employee for the employee's exercise of any rights under this chapter
12 including the use of paid leave required under RCW 49.46.210 or
13 section 7 or 8 of this act.

14 **Sec. 10.** RCW 49.46.300 and 2022 c 281 s 1 are each amended to
15 read as follows:

16 ~~((1))~~ The definitions in this ~~((subsection))~~ section apply
17 throughout this section and RCW 49.46.310 through 49.46.350 and
18 sections 11 through 15 of this act unless the context clearly
19 requires otherwise.

20 ~~((a))~~ (1) "Account deactivation" means one or more of the
21 following actions with respect to an individual driver or group of
22 drivers that is implemented by a transportation network company and
23 lasts for more than three consecutive days:

24 ~~((i))~~ (a) Blocking access to the transportation network company
25 driver platform;

26 ~~((ii))~~ (b) Changing a driver's status from eligible to provide
27 transportation network company services to ineligible; or

28 ~~((iii))~~ (c) Any other material restriction in access to the
29 transportation network company's driver platform.

30 ~~((b))~~ (2) "Compensation" means payment owed to a driver by
31 reason of providing network services including, but not limited to,
32 the minimum payment for passenger platform time and mileage,
33 incentives, and tips.

34 ~~((c) "Department" means the department of labor and industries.~~

35 ~~((d))~~ (3) "Digital network" means any online-enabled application,
36 website, or system offered or used by a transportation network
37 company that enables the prearrangement of rides between drivers and
38 passengers.

1 ~~((e)) "Director" means the director of the department of labor~~
2 ~~and industries.~~

3 ~~((f))~~ (4) "Dispatch location" means the location of the driver at
4 the time the driver accepts a trip request through the driver
5 platform.

6 ~~((g))~~ (5) "Dispatch platform time" means the time a driver
7 spends traveling from a dispatch location to a passenger pick-up
8 location. Dispatch platform time ends when a passenger cancels a trip
9 or the driver begins the trip through the driver platform. A driver
10 cannot simultaneously be engaged in dispatch platform time and
11 passenger platform time for the same transportation network company.
12 For shared rides, dispatch platform time means the time a driver
13 spends traveling from the first dispatch location to the first
14 passenger pick-up location.

15 ~~((h))~~ (6) "Dispatched trip" means the provision of
16 transportation by a driver for a passenger through the use of a
17 transportation network company's application dispatch system.

18 ~~((i))~~ (7) "Driver" has the same meaning as "commercial
19 transportation services provider driver" in RCW 48.177.005. Except as
20 otherwise specified in chapter 281, Laws of 2022, for purposes of
21 this title and Titles 48, 50A, 50B, and 51 RCW, and any orders,
22 regulations, administrative policies, or opinions of any state or
23 local agency, board, division, or commission, pursuant to those
24 titles, a driver is not an employee or agent of a transportation
25 network company if the following factors are met:

26 ~~((i))~~ (a) The transportation network company does not
27 unilaterally prescribe specific dates, times of day, or a minimum
28 number of hours during which the driver must be logged into the
29 transportation network company's online-enabled application or
30 platform;

31 ~~((ii))~~ (b) The transportation network company may not terminate
32 the contract of the driver for not accepting a specific
33 transportation service request;

34 ~~((iii))~~ (c) The transportation network company does not
35 contractually prohibit the driver from performing services through
36 other transportation network companies except while performing
37 services through the transportation network company's online-enabled
38 application or platform during dispatch platform time and passenger
39 platform time; ~~(and~~

1 ~~(iv)~~) (d) The transportation network company does not
2 contractually prohibit the driver from working in any other lawful
3 occupation or business~~(i)~~;

4 (e) Notwithstanding any state or local law to the contrary, any
5 party seeking to establish that the factors in this subsection
6 ~~((1-i))~~ (7) are not met bears the burden of proof~~(i)~~; and

7 (f) A driver for purposes of this section shall not include any
8 person ultimately and finally determined to be an "employee" within
9 the meaning of section 2(3) of the national labor relations act, 29
10 U.S.C. Sec. 152(3).

11 ~~((j))~~ (8) "Driver platform" means the driver-facing application
12 dispatch system software or any online-enabled application service,
13 website, or system, used by a driver, or which enables services to be
14 delivered to a driver that enables the prearrangement of passenger
15 trips for compensation.

16 ~~((k))~~ (9) "Driver resource center" or "center" means a
17 nonprofit organization that provides services to drivers. The
18 nonprofit organization must be registered with the Washington
19 secretary of state, have organizational bylaws giving drivers right
20 to membership in the organization, and have demonstrated experience:
21 (i) Providing services to gig economy drivers in Washington state,
22 including representing drivers in deactivation appeals proceedings;
23 and (ii) providing culturally competent driver representation
24 services, outreach, and education. The administration and formation
25 of the driver resource center may not be funded, excessively
26 influenced, or controlled by a transportation network company.

27 ~~((l))~~ (10) "Driver resource center fund" or "fund" means the
28 dedicated fund created in RCW 49.46.310, the sole purpose of which is
29 to administer funds collected from transportation network companies
30 to provide services, support, and benefits to drivers.

31 ~~((m))~~ (11) "Network services" means services related to the
32 transportation of passengers through the driver platform that are
33 provided by a driver while logged in to the driver platform,
34 including services provided during available platform time, dispatch
35 platform time, and passenger platform time.

36 ~~((n))~~ (12) "Passenger" has the same meaning as "commercial
37 transportation services provider passenger" in RCW 48.177.005.

38 ~~((o))~~ (13) "Passenger drop-off location" means the location of
39 a driver's vehicle when the passenger leaves the vehicle.

1 ~~((p))~~ (14) "Passenger pick-up location" means the location of
2 the driver's vehicle at the time the driver starts the trip in the
3 driver platform.

4 ~~((q))~~ (15) "Passenger platform miles" means all miles driven
5 during passenger platform time as recorded in a transportation
6 network company's driver platform.

7 ~~((r))~~ (16) "Passenger platform time" means the period of time
8 when the driver is transporting one or more passengers on a trip. For
9 shared rides, passenger platform time means the period of time
10 commencing when the first passenger enters the driver's vehicle until
11 the time when the last passenger exits the driver's vehicle.

12 ~~((s))~~ (17) "Personal vehicle" has the same meaning as "personal
13 vehicle" in RCW 48.177.005.

14 ~~((t))~~ (18) "Shared ride" means a dispatched trip which, prior
15 to its commencement, a passenger requests through the transportation
16 network company's digital network to share the dispatched trip with
17 one or more passengers and each passenger is charged a fare that is
18 calculated, in whole or in part, based on the passenger's request to
19 share all or a part of the dispatched trip with one or more
20 passengers, regardless of whether the passenger actually shares all
21 or a part of the dispatched trip.

22 ~~((u))~~ (19) "Tips" means a verifiable sum to be presented by a
23 passenger as a gift or gratuity in recognition of service performed
24 for the passenger by the driver receiving the tip.

25 ~~((v))~~ (20) "Transportation network company" has the same
26 meaning as defined in RCW 46.04.652. A transportation network company
27 does not provide for hire transportation service.

28 ~~((2) A driver is only covered by this section to the extent that
29 the driver provides network services within the state of Washington.~~

30 ~~(3)(a) A transportation network company is covered by this
31 section if it provides a driver platform within the state of
32 Washington.~~

33 ~~(b) Separate entities that form an integrated enterprise are
34 considered a single transportation network company under this
35 section. Separate entities will be considered an integrated
36 enterprise and a single transportation network company where a
37 separate entity controls the operation of another entity. Factors to
38 consider include, but are not limited to, the degree of interrelation
39 between the operations of multiple entities; the degree to which the
40 entities share common management; the centralized control of labor~~

1 ~~relations; the degree of common ownership or financial control over~~
2 ~~the entities; and the use of a common brand, trade, business, or~~
3 ~~operating name.~~

4 ~~(4) (a) Beginning December 31, 2022, a transportation network~~
5 ~~company shall ensure that a driver's total compensation is not less~~
6 ~~than the standard set forth in (a) (i), (ii), or (iii) of this~~
7 ~~subsection (4).~~

8 ~~(i) For all dispatched trips originating in cities with a~~
9 ~~population of more than 600,000, on a per trip basis the greater of:~~

10 ~~(A) \$0.59 per passenger platform minute for all passenger~~
11 ~~platform time for that trip, and \$1.38 per passenger platform mile~~
12 ~~for all passenger platform miles driven on that trip; or~~

13 ~~(B) A minimum of \$5.17 per dispatched trip.~~

14 ~~(ii) For all other dispatched trips, the greater of:~~

15 ~~(A) \$0.34 per passenger platform minute and \$1.17 per passenger~~
16 ~~platform mile; or~~

17 ~~(B) A minimum of \$3.00 per dispatched trip.~~

18 ~~(iii) For all trips originating elsewhere and terminating in~~
19 ~~cities with a population of more than 600,000:~~

20 ~~(A) For all passenger platform time spent within the city on that~~
21 ~~trip and for all passenger platform miles driven in the city on that~~
22 ~~trip the compensation standard under (a) (i) of this subsection~~
23 ~~applies.~~

24 ~~(B) For all passenger platform time spent outside the city on~~
25 ~~that trip and for all passenger platform miles driven outside the~~
26 ~~city on that trip the compensation standard under (a) (ii) of this~~
27 ~~subsection applies.~~

28 ~~(b) Beginning September 30, 2022, and on each following September~~
29 ~~30th, the department shall calculate adjusted per mile and per minute~~
30 ~~amounts and per trip minimums by increasing the current year's per~~
31 ~~mile and per minute amounts and per trip minimums by the rate of~~
32 ~~increase of the state minimum wage, calculated to the nearest cent.~~
33 ~~The adjusted amount calculated under this section takes effect on the~~
34 ~~following January 1st.~~

35 ~~(c) For shared rides, the per trip minimums in (a) (i) and (ii) of~~
36 ~~this subsection shall apply only to the entirety of the shared ride,~~
37 ~~and not on the basis of the individual passenger's trip within the~~
38 ~~shared ride.~~

39 ~~(5) (a) For the purposes of this section, a dispatched trip~~
40 ~~includes:~~

1 ~~(i) A dispatched trip in which the driver transports the~~
2 ~~passenger to the passenger drop-off location;~~

3 ~~(ii) A dispatched trip canceled after two minutes by a passenger~~
4 ~~or the transportation network company unless cancellation is due to~~
5 ~~driver conduct, or no cancellation fee is charged to the passenger;~~

6 ~~(iii) A dispatched trip that is canceled by the driver for good~~
7 ~~cause consistent with company policy; and~~

8 ~~(iv) A dispatched trip where the passenger does not appear at the~~
9 ~~passenger pick-up location within five minutes.~~

10 ~~(b) A transportation network company may exclude time and miles~~
11 ~~if doing so is reasonably necessary to remedy or prevent fraudulent~~
12 ~~use of the transportation network company's online-enabled~~
13 ~~application or platform.~~

14 ~~(6) (a) A transportation network company shall remit to drivers~~
15 ~~all tips. Tips paid to a driver are in addition to, and may not count~~
16 ~~towards, the driver's minimum compensation under this section.~~

17 ~~(b) Amounts charged to a passenger and remitted to the driver for~~
18 ~~tolls, fees, or surcharges incurred by a driver during a trip must~~
19 ~~not be included in calculating compensation for purposes of~~
20 ~~subsection (4) of this section.~~

21 ~~(c) (i) Beginning January 1, 2023, except as required by law, a~~
22 ~~transportation network company may only deduct compensation when the~~
23 ~~driver expressly authorizes the deduction in writing and does so in~~
24 ~~advance for a lawful purpose. Any authorization by a driver must be~~
25 ~~voluntary and knowing.~~

26 ~~(ii) Nothing in this section shall prohibit a transportation~~
27 ~~network company from deducting compensation as required by state or~~
28 ~~federal law or as directed by a court order.~~

29 ~~(iii) Neither the transportation network company nor any person~~
30 ~~acting in the interest of the transportation network company may~~
31 ~~derive any financial profit or benefit from any of the deductions~~
32 ~~under this section. For the purposes of this section:~~

33 ~~(A) Reasonable interest charged by the transportation network~~
34 ~~company or any person acting in the interest of a transportation~~
35 ~~network company, for a loan or credit extended to the driver, is not~~
36 ~~considered to be of financial benefit to the transportation network~~
37 ~~company or person acting in the interest of a transportation network~~
38 ~~company; and~~

1 ~~(B) A deduction will be considered for financial profit or~~
2 ~~benefit only if it results in a gain over and above the fair market~~
3 ~~value of the goods or services for which the deduction was made.~~

4 ~~(7) (a) Beginning January 1, 2023, a transportation network~~
5 ~~company shall provide each driver with a written notice of rights~~
6 ~~established by this section in a form and manner sufficient to inform~~
7 ~~drivers of their rights under this section. The notice of rights~~
8 ~~shall provide information on:~~

9 ~~(i) The right to the applicable per minute rate and per mile rate~~
10 ~~or per trip rate guaranteed by this section;~~

11 ~~(ii) The right to be protected from retaliation for exercising in~~
12 ~~good faith the rights protected by this section; and~~

13 ~~(iii) The right to seek legal action or file a complaint with the~~
14 ~~department for violation of the requirements of this section,~~
15 ~~including a transportation network company's failure to pay the~~
16 ~~minimum per minute rate or per mile rate or per trip rate, or a~~
17 ~~transportation network company's retaliation against a driver or~~
18 ~~other person for engaging in an activity protected by this section.~~

19 ~~(b) A transportation network company shall provide the notice of~~
20 ~~rights required by this section in an electronic format that is~~
21 ~~readily accessible to the driver. The notice of rights shall be made~~
22 ~~available to the driver via smartphone application or online web~~
23 ~~portal, in English and the five most common foreign languages spoken~~
24 ~~in this state.~~

25 ~~(8) Beginning December 31, 2022, within 24 hours of completion of~~
26 ~~each dispatched trip, a transportation network company must transmit~~
27 ~~an electronic receipt to the driver that contains the following~~
28 ~~information for each unique trip, or portion of a unique trip,~~
29 ~~covered by this section:~~

30 ~~(a) The total amount of passenger platform time;~~

31 ~~(b) The total mileage driven during passenger platform time;~~

32 ~~(c) Rate or rates of pay, including but not limited to the rate~~
33 ~~per minute, rate per mile, percentage of passenger fare, and any~~
34 ~~applicable price multiplier or variable pricing policy in effect for~~
35 ~~the trip;~~

36 ~~(d) Tip compensation;~~

37 ~~(e) Gross payment;~~

38 ~~(f) Net payment after deductions, fees, tolls, surcharges, lease~~
39 ~~fees, or other charges; and~~

1 ~~(g) Itemized deductions or fees, including any toll, surcharge,~~
2 ~~commission, lease fees, and other charges.~~

3 ~~(9) Beginning January 1, 2023, a transportation network company~~
4 ~~shall make driver per trip receipts available in a downloadable~~
5 ~~format, such as a comma-separated values file or PDF file, via~~
6 ~~smartphone application or online web portal for a period of two years~~
7 ~~from the date the transportation network company provided the receipt~~
8 ~~to the driver.~~

9 ~~(10) Beginning January 1, 2023, on a weekly basis, the~~
10 ~~transportation network company shall provide written notice to the~~
11 ~~driver that contains the following information for trips, or a~~
12 ~~portion of a trip, that is covered by this section and which occurred~~
13 ~~in the prior week:~~

14 ~~(a) The driver's total passenger platform time;~~

15 ~~(b) Total mileage driven by the driver during passenger platform~~
16 ~~time;~~

17 ~~(c) The driver's total tip compensation;~~

18 ~~(d) The driver's gross payment, itemized by: (i) Rate per minute;~~
19 ~~(ii) rate per mile; and (iii) any other method used to calculate pay~~
20 ~~including, but not limited to, base pay, percentage of passenger~~
21 ~~fare, or any applicable price multiplier or variable pricing policy~~
22 ~~in effect for the trip;~~

23 ~~(e) The driver's net payment after deductions, fees, tolls,~~
24 ~~surcharges, lease fees, or other charges; and~~

25 ~~(f) Itemized deductions or fees, including all tolls, surcharges,~~
26 ~~commissions, lease fees, and other charges, from the driver's~~
27 ~~payment.~~

28 ~~(11) Beginning January 1, 2023, within 24 hours of a trip's~~
29 ~~completion, a transportation network company must transmit an~~
30 ~~electronic receipt to the passenger, for on trip time, on behalf of~~
31 ~~the driver that lists:~~

32 ~~(a) The date and time of the trip;~~

33 ~~(b) The passenger pick-up and passenger drop-off locations for~~
34 ~~the trip. In describing the passenger pick-up location and passenger~~
35 ~~drop-off location, the transportation network company shall describe~~
36 ~~the location by indicating the specific block (e.g. "the 300 block of~~
37 ~~Pine Street") in which the passenger pick-up and passenger drop-off~~
38 ~~occurred. A transportation network company is authorized to indicate~~
39 ~~the location with greater specificity, such as with a street address~~
40 ~~or intersection, at its discretion;~~

1 ~~(c) The total duration and distance of the trip;~~

2 ~~(d) The driver's first name;~~

3 ~~(e) The total fare paid, itemizing all charges and fees; and~~

4 ~~(f) The total passenger-paid tips.~~

5 ~~(12)(a) Beginning July 1, 2024, transportation network companies~~
6 ~~shall collect and remit a \$0.15 per trip fee to the driver resource~~
7 ~~center fund, created in RCW 49.46.310, for the driver resource center~~
8 ~~to support the driver community. The remittance under this subsection~~
9 ~~is a pass-through of passenger fares and shall not be considered a~~
10 ~~transportation network company's funding of the driver resource~~
11 ~~center. Passenger fares paid include each individual trip portion on~~
12 ~~shared trips. The remittances to the fund must be made on a quarterly~~
13 ~~basis.~~

14 ~~(b) Beginning September 30, 2024, and on each following September~~
15 ~~30th, the department shall calculate an adjusted per trip fee by~~
16 ~~adjusting the current amount by the rate of inflation. The adjusted~~
17 ~~amounts must be calculated to the nearest cent using the consumer~~
18 ~~price index for urban wage earners and clerical workers, CPI-W, or a~~
19 ~~successor index, for the 12 months prior to each September 1st as~~
20 ~~calculated by the United States department of labor. Each adjusted~~
21 ~~amount calculated under this subsection takes effect on the following~~
22 ~~January 1st.~~

23 ~~(13) No later than one year after June 9, 2022, transportation~~
24 ~~network companies shall provide an opportunity for drivers to make~~
25 ~~voluntary per trip earnings deduction contributions to the driver~~
26 ~~resource center, provided that 100 or more drivers working for~~
27 ~~transportation network companies covered under this section have~~
28 ~~authorized such a deduction to the driver resource center, and~~
29 ~~subject to the following:~~

30 ~~(a) A driver must expressly authorize the deduction in writing.~~
31 ~~Written authorization must include, at a minimum, sufficient~~
32 ~~information to identify the driver and the driver's desired per trip~~
33 ~~deduction amount. These deductions may reduce the driver's per trip~~
34 ~~earnings below the minimums set forth in this section.~~

35 ~~(b) The transportation network company may require written~~
36 ~~authorization to be submitted in electronic format from the driver~~
37 ~~resource center.~~

38 ~~(c) The transportation network company shall make the first~~
39 ~~deductions within 30 days of receiving a written authorization of the~~
40 ~~driver, and shall remit deductions to the driver resource center each~~

1 month, with remittance due not later than 28 days following the end
2 of the month.

3 ~~(d) A driver's authorization remains in effect until the driver
4 resource center provides an express revocation to the transportation
5 network company.~~

6 ~~(e) A transportation network company shall rely on information
7 provided by the driver resource center regarding the authorization
8 and revocation of deductions.~~

9 ~~(f) Upon request by a transportation network company, the driver
10 resource center shall reimburse the transportation network company
11 for the costs associated with deduction and remittance. The
12 department shall adopt rules to calculate the reimbursable costs.~~

13 ~~(14) Each transportation network company shall submit to the
14 fund, with its remittance under subsection (12) of this section, a
15 report detailing the number of trips in the previous quarter and the
16 total amount of the surcharge charged to customers. The first payment
17 and accounting is due on the 30th day of the quarter following the
18 imposition of the surcharge. Failure to remit payments by the
19 deadlines is deemed a delinquency and the transportation network
20 company is subject to penalties and interest provided in RCW
21 49.46.330.~~

22 ~~(15) (a) The state expressly intends to displace competition with
23 regulation allowing a transportation network company, at its own
24 volition, to enter into an agreement with the driver resource center
25 regarding a driver account deactivation appeals process for eligible
26 account deactivations. It is the policy of the state to promote a
27 fair appeals process related to eligible account deactivations that
28 supports the rights of drivers and transportation network companies
29 and provides fair processes related to eligible account
30 deactivations. The state intends that any agreement under this
31 section is immune from all federal and state antitrust laws.~~

32 ~~(i) "Eligible account deactivation" means one or more of the
33 following actions with respect to an individual driver that is
34 implemented by a transportation network company:~~

35 ~~(A) Blocking or restricting access to the transportation network
36 company driver platform for three or more consecutive days; or~~

37 ~~(B) Changing a driver's account status from eligible to provide
38 transportation network company services to ineligible for three or
39 more consecutive days.~~

1 ~~(ii) An eligible account deactivation does not include any change~~
2 ~~in a driver's access or account status that is:~~

3 ~~(A) Related to an allegation of discrimination, harassment,~~
4 ~~including sexual harassment or harassment due to someone's membership~~
5 ~~in a protected class, or physical or sexual assault, or willful or~~
6 ~~knowing commitment of fraud;~~

7 ~~(B) Related to an allegation that the driver was under the~~
8 ~~influence of drugs or alcohol while a related active investigation~~
9 ~~that takes no longer than 10 business days is under way; or~~

10 ~~(C) Any other categories the transportation network company and~~
11 ~~the driver resource center may agree to as part of the agreement~~
12 ~~under this subsection.~~

13 ~~(iii) A transportation network company shall enter into an~~
14 ~~agreement with the driver resource center regarding the driver~~
15 ~~account deactivation appeals process for eligible account~~
16 ~~deactivations. Any agreement must be approved by the department. The~~
17 ~~department may approve an agreement only if the agreement contains~~
18 ~~the provisions in (a) (iv) of this subsection.~~

19 ~~(iv) The agreement must provide an appeals process for drivers~~
20 ~~whose account has been subject to an eligible account deactivation.~~
21 ~~The appeals process must include the following protections:~~

22 ~~(A) Opportunity for a driver representative to support a driver,~~
23 ~~upon the driver's request, throughout the account deactivation~~
24 ~~appeals process for eligible account deactivations;~~

25 ~~(B) Notification, as required by (d) of this subsection, to~~
26 ~~drivers of their right to representation by the driver resource~~
27 ~~center at the time of the eligible account deactivation;~~

28 ~~(C) Within 30 calendar days of a request, furnishing to the~~
29 ~~driver resource center an explanation and information the~~
30 ~~transportation network company may have relied upon in making the~~
31 ~~deactivation decision, excluding confidential, proprietary, or~~
32 ~~otherwise privileged communications, provided that personal~~
33 ~~identifying information and confidential information is redacted to~~
34 ~~address reasonable privacy and confidentiality concerns;~~

35 ~~(D) A good faith, informal resolution process that is committed~~
36 ~~to efficient resolution of conflicts regarding eligible account~~
37 ~~deactivations within 30 days of the transportation network company~~
38 ~~being notified that the driver contests the explanation offered by~~
39 ~~the company;~~

1 ~~(E) A formal process that includes a just cause standard, with~~
2 ~~deadlines for adjudication of an appeal of an eligible account~~
3 ~~deactivation by a panel that includes a mutually agreed-upon neutral~~
4 ~~third party with experience in dispute resolution. The panel has the~~
5 ~~authority to make binding decisions within the confines of the law~~
6 ~~and make-whole monetary awards, including back pay, based on an~~
7 ~~agreed-upon formula for cases not resolved during the informal~~
8 ~~process;~~

9 ~~(F) Agreement by the transportation network company to use the~~
10 ~~process set forth in this subsection to resolve disputes over~~
11 ~~eligible account deactivation appeals as an alternative to private~~
12 ~~arbitration with regard to such a dispute, should the driver and~~
13 ~~transportation network company so choose; and~~

14 ~~(G) Agreement by the transportation network company that, for~~
15 ~~eligible account deactivations in which the driver or transportation~~
16 ~~network company elect private arbitration in lieu of the formal~~
17 ~~process outlined in (a) (iv) (E) of this subsection (15), the~~
18 ~~transportation network company shall offer the driver the opportunity~~
19 ~~to have the eligible deactivation adjudicated under the just cause~~
20 ~~standard outlined in (a) (iv) (E) of this subsection.~~

21 ~~(b) A transportation network company that enters into an~~
22 ~~agreement with the driver resource center shall reach agreement~~
23 ~~through the following steps:~~

24 ~~(i) (A) For a transportation network company operating a digital~~
25 ~~network in the state of Washington as of June 9, 2022, the driver~~
26 ~~resource center and transportation network company must make good~~
27 ~~faith efforts to reach an agreement within 120 days of an~~
28 ~~organization being selected as the driver resource center under RCW~~
29 ~~49.46.310.~~

30 ~~(B) For a transportation network company who begins operating a~~
31 ~~digital network in the state of Washington after an organization has~~
32 ~~been selected as the driver resource center under RCW 49.46.310, the~~
33 ~~driver resource center and transportation network company must make~~
34 ~~good faith efforts to reach an agreement within 120 days of the~~
35 ~~transportation network company beginning operation of a digital~~
36 ~~network in the state of Washington.~~

37 ~~(ii) If the driver resource center and transportation network~~
38 ~~company cannot reach an agreement, then they are required to submit~~
39 ~~issues of dispute before a jointly agreed-upon mediator.~~

1 ~~(iii) After mediation lasting no more than two months has been~~
2 ~~exhausted and no resolution has been reached, then the parties will~~
3 ~~proceed to binding arbitration before a panel of arbitrators~~
4 ~~consisting of one arbitrator selected by the driver resource center,~~
5 ~~one arbitrator selected by the transportation network company, and a~~
6 ~~third arbitrator selected by the other two. If the two selected~~
7 ~~arbitrators cannot agree to the third arbitrator within 10 days, then~~
8 ~~the third arbitrator shall be determined from a list of seven~~
9 ~~arbitrators with experience in labor disputes or interest arbitration~~
10 ~~designated by the American arbitration association. A coin toss shall~~
11 ~~determine which side strikes the first name. Thereafter the other~~
12 ~~side shall strike a name. The process will continue until only one~~
13 ~~name remains, who shall be the third arbitrator. Alternatively, the~~
14 ~~driver resource center and the transportation network company may~~
15 ~~agree to a single arbitrator.~~

16 ~~(iv) The arbitrators must submit their decision, based on~~
17 ~~majority rule, within 60 days of the panel or arbitrator being~~
18 ~~chosen.~~

19 ~~(v) The decision of the majority of arbitrators is final and~~
20 ~~binding and will then be submitted to the director of the department~~
21 ~~for final approval.~~

22 ~~(c) In reviewing any agreement between a transportation network~~
23 ~~company and the driver resource center, under (a) of this subsection,~~
24 ~~the department shall review the agreement to ensure that its content~~
25 ~~is consistent with this subsection and the public policy goals set~~
26 ~~forth in this subsection. The department shall consider in its review~~
27 ~~both qualitative and quantitative effects of the agreement and how~~
28 ~~the agreement comports with the state policies set forth in this~~
29 ~~section. In conducting a review, the record shall not be limited to~~
30 ~~the submissions of the parties nor to the terms of the proposed~~
31 ~~agreement and the department shall have the right to conduct public~~
32 ~~hearings and request additional information from the parties,~~
33 ~~provided that such information: (i) Is relevant for determining~~
34 ~~whether the agreement complies with this subsection; and (ii) does~~
35 ~~not contain either parties' confidential, proprietary, or privileged~~
36 ~~information, or any individual's personal identifying information~~
37 ~~from the parties. The department may approve or reject a proposed~~
38 ~~agreement, and may require the parties to submit a revised proposal~~
39 ~~on all or particular parts of the proposed agreement. If the~~
40 ~~department rejects an agreement, it shall set forth its reasoning in~~

1 ~~writing and shall suggest ways the parties may remedy the failures.~~
2 ~~Absent good cause, the department shall issue a written determination~~
3 ~~regarding its approval or rejection within 60 days of submission of~~
4 ~~the agreement.~~

5 ~~(d) (i) For any account deactivation, the transportation network~~
6 ~~company shall provide notification to the driver, at the time of~~
7 ~~deactivation, that the driver may have the right to representation by~~
8 ~~the driver resource center to appeal the account deactivation.~~

9 ~~(ii) A transportation network company must provide any driver~~
10 ~~whose account is subject to an account deactivation between June 9,~~
11 ~~2022, and the effective date of the agreement the contact information~~
12 ~~of the driver resource center and notification that the driver may~~
13 ~~have the right to appeal the account deactivation with representation~~
14 ~~by the driver resource center.~~

15 ~~(16) The department may adopt rules to implement this section.))~~

16 NEW SECTION. **Sec. 11.** A new section is added to chapter 49.46
17 RCW to read as follows:

18 (1) A driver is only covered by this section to the extent that
19 the driver provides network services within the state of Washington.

20 (2) (a) A transportation network company is covered by this
21 section if it provides a driver platform within the state of
22 Washington.

23 (b) Separate entities that form an integrated enterprise are
24 considered a single transportation network company under this
25 section. Separate entities will be considered an integrated
26 enterprise and a single transportation network company where a
27 separate entity controls the operation of another entity. Factors to
28 consider include, but are not limited to: The degree of interrelation
29 between the operations of multiple entities; the degree to which the
30 entities share common management; the centralized control of labor
31 relations; the degree of common ownership or financial control over
32 the entities; and the use of a common brand, trade, business, or
33 operating name.

34 (3) (a) Beginning December 31, 2022, a transportation network
35 company shall ensure that a driver's total compensation is not less
36 than the standard set forth in this subsection (3) (a).

37 (i) For all dispatched trips originating in cities with a
38 population of more than 600,000, on a per trip basis the greater of:

1 (A) \$0.59 per passenger platform minute for all passenger
2 platform time for that trip, and \$1.38 per passenger platform mile
3 for all passenger platform miles driven on that trip; or

4 (B) A minimum of \$5.17 per dispatched trip.

5 (ii) For all other dispatched trips, the greater of:

6 (A) \$0.34 per passenger platform minute and \$1.17 per passenger
7 platform mile; or

8 (B) A minimum of \$3.00 per dispatched trip.

9 (iii) For all trips originating elsewhere and terminating in
10 cities with a population of more than 600,000:

11 (A) For all passenger platform time spent within the city on that
12 trip and for all passenger platform miles driven in the city on that
13 trip the compensation standard under (a)(i) of this subsection
14 applies;

15 (B) For all passenger platform time spent outside the city on
16 that trip and for all passenger platform miles driven outside the
17 city on that trip the compensation standard under (a)(ii) of this
18 subsection applies.

19 (b) Beginning September 30, 2022, and on each following September
20 30th, the department shall calculate adjusted per mile and per minute
21 amounts and per trip minimums by increasing the current year's per
22 mile and per minute amounts and per trip minimums by the rate of
23 increase of the state minimum wage, calculated to the nearest cent.
24 The adjusted amount calculated under this section takes effect on the
25 following January 1st.

26 (c) For shared rides, the per trip minimums in (a)(i) and (ii) of
27 this subsection shall apply only to the entirety of the shared ride,
28 and not on the basis of the individual passenger's trip within the
29 shared ride.

30 (4)(a) For the purposes of this section, a dispatched trip
31 includes:

32 (i) A dispatched trip in which the driver transports the
33 passenger to the passenger drop-off location;

34 (ii) A dispatched trip canceled after two minutes by a passenger
35 or the transportation network company unless cancellation is due to
36 driver conduct, or no cancellation fee is charged to the passenger;

37 (iii) A dispatched trip that is canceled by the driver for good
38 cause consistent with company policy; and

39 (iv) A dispatched trip where the passenger does not appear at the
40 passenger pick-up location within five minutes.

1 (b) A transportation network company may exclude time and miles
2 if doing so is reasonably necessary to remedy or prevent fraudulent
3 use of the transportation network company's online-enabled
4 application or platform.

5 (5)(a) A transportation network company shall remit to drivers
6 all tips. Tips paid to a driver are in addition to, and may not count
7 towards, the driver's minimum compensation under this section.

8 (b) Amounts charged to a passenger and remitted to the driver for
9 tolls, fees, or surcharges incurred by a driver during a trip must
10 not be included in calculating compensation for purposes of
11 subsection (3) of this section.

12 (c)(i) Beginning January 1, 2023, except as required by law, a
13 transportation network company may only deduct compensation when the
14 driver expressly authorizes the deduction in writing and does so in
15 advance for a lawful purpose. Any authorization by a driver must be
16 voluntary and knowing.

17 (ii) Nothing in this section shall prohibit a transportation
18 network company from deducting compensation as required by state or
19 federal law or as directed by a court order.

20 (iii) Neither the transportation network company nor any person
21 acting in the interest of the transportation network company may
22 derive any financial profit or benefit from any of the deductions
23 under this section. For the purposes of this section:

24 (A) Reasonable interest charged by the transportation network
25 company or any person acting in the interest of a transportation
26 network company, for a loan or credit extended to the driver, is not
27 considered to be of financial benefit to the transportation network
28 company or person acting in the interest of a transportation network
29 company; and

30 (B) A deduction will be considered for financial profit or
31 benefit only if it results in a gain over and above the fair market
32 value of the goods or services for which the deduction was made.

33 (6)(a) Beginning January 1, 2023, a transportation network
34 company shall provide each driver with a written notice of rights
35 established by this section in a form and manner sufficient to inform
36 drivers of their rights under this section. The notice of rights
37 shall provide information on:

38 (i) The right to the applicable per minute rate and per mile rate
39 or per trip rate guaranteed by this section;

1 (ii) The right to be protected from retaliation for exercising in
2 good faith the rights protected by this section; and

3 (iii) The right to seek legal action or file a complaint with the
4 department for violation of the requirements of this section,
5 including a transportation network company's failure to pay the
6 minimum per minute rate or per mile rate or per trip rate, or a
7 transportation network company's retaliation against a driver or
8 other person for engaging in an activity protected by this section.

9 (b) A transportation network company shall provide the notice of
10 rights required by this section in an electronic format that is
11 readily accessible to the driver. The notice of rights shall be made
12 available to the driver via smartphone application or online web
13 portal, in English, and the five most common foreign languages spoken
14 in this state.

15 (7) Beginning December 31, 2022, within 24 hours of completion of
16 each dispatched trip, a transportation network company must transmit
17 an electronic receipt to the driver that contains the following
18 information for each unique trip, or portion of a unique trip,
19 covered by this section:

20 (a) The total amount of passenger platform time;

21 (b) The total mileage driven during passenger platform time;

22 (c) Rate or rates of pay including, but not limited to, the rate
23 per minute, rate per mile, percentage of passenger fare, and any
24 applicable price multiplier or variable pricing policy in effect for
25 the trip;

26 (d) Tip compensation;

27 (e) Gross payment;

28 (f) Net payment after deductions, fees, tolls, surcharges, lease
29 fees, or other charges; and

30 (g) Itemized deductions or fees, including any toll, surcharge,
31 commission, lease fees, and other charges.

32 (8) Beginning January 1, 2023, a transportation network company
33 shall make driver per trip receipts available in a downloadable
34 format, such as a comma-separated values file or PDF file, via
35 smartphone application or online web portal for a period of two years
36 from the date the transportation network company provided the receipt
37 to the driver.

38 (9) Beginning January 1, 2023, on a weekly basis, the
39 transportation network company shall provide written notice to the
40 driver that contains the following information for trips, or a

1 portion of a trip, that is covered by this section and which occurred
2 in the prior week:

3 (a) The driver's total passenger platform time;

4 (b) Total mileage driven by the driver during passenger platform
5 time;

6 (c) The driver's total tip compensation;

7 (d) The driver's gross payment, itemized by: (i) Rate per minute;
8 (ii) rate per mile; and (iii) any other method used to calculate pay
9 including, but not limited to, base pay, percentage of passenger
10 fare, or any applicable price multiplier or variable pricing policy
11 in effect for the trip;

12 (e) The driver's net payment after deductions, fees, tolls,
13 surcharges, lease fees, or other charges; and

14 (f) Itemized deductions or fees, including all tolls, surcharges,
15 commissions, lease fees, and other charges, from the driver's
16 payment.

17 (10) Beginning January 1, 2023, within 24 hours of a trip's
18 completion, a transportation network company must transmit an
19 electronic receipt to the passenger, for on trip time, on behalf of
20 the driver that lists:

21 (a) The date and time of the trip;

22 (b) The passenger pick-up and passenger drop-off locations for
23 the trip. In describing the passenger pick-up location and passenger
24 drop-off location, the transportation network company shall describe
25 the location by indicating the specific block (e.g. "the 300 block of
26 Pine Street") in which the passenger pick-up and passenger drop-off
27 occurred. A transportation network company is authorized to indicate
28 the location with greater specificity, such as with a street address
29 or intersection, at its discretion;

30 (c) The total duration and distance of the trip;

31 (d) The driver's first name;

32 (e) The total fare paid, itemizing all charges and fees; and

33 (f) The total passenger-paid tips.

34 NEW SECTION. **Sec. 12.** A new section is added to chapter 49.46
35 RCW to read as follows:

36 (1) (a) Transportation network companies shall collect and remit a
37 \$0.15 per trip fee to the driver resource center fund, created in RCW
38 49.46.310, for the driver resource center to support the driver
39 community. The remittance under this subsection is a pass-through of

1 passenger fares and shall not be considered a transportation network
2 company's funding of the driver resource center. Passenger fares paid
3 include each individual trip portion on shared trips. The remittances
4 to the fund must be made on a quarterly basis.

5 (b) Beginning September 30, 2024, and on each following September
6 30th, the department shall calculate an adjusted per trip fee by
7 adjusting the current amount by the rate of inflation. The adjusted
8 amounts must be calculated to the nearest cent using the consumer
9 price index for urban wage earners and clerical workers, CPI-W, or a
10 successor index, for the 12 months prior to each September 1st as
11 calculated by the United States department of labor. Each adjusted
12 amount calculated under this subsection takes effect on the following
13 January 1st.

14 (2) Transportation network companies shall provide an opportunity
15 for drivers to make voluntary per trip earnings deduction
16 contributions to the driver resource center, provided that 100 or
17 more drivers working for transportation network companies covered
18 under this section have authorized such a deduction to the driver
19 resource center, and subject to the following:

20 (a) A driver must expressly authorize the deduction in writing.
21 Written authorization must include, at a minimum, sufficient
22 information to identify the driver and the driver's desired per trip
23 deduction amount. These deductions may reduce the driver's per trip
24 earnings below the minimums set forth in this section.

25 (b) The transportation network company may require written
26 authorization to be submitted in electronic format from the driver
27 resource center.

28 (c) The transportation network company shall make the first
29 deductions within 30 days of receiving a written authorization of the
30 driver and shall remit deductions to the driver resource center each
31 month, with remittance due not later than 28 days following the end
32 of the month.

33 (d) A driver's authorization remains in effect until the driver
34 resource center provides an express revocation to the transportation
35 network company.

36 (e) A transportation network company shall rely on information
37 provided by the driver resource center regarding the authorization
38 and revocation of deductions.

39 (f) Upon request by a transportation network company, the driver
40 resource center shall reimburse the transportation network company

1 for the costs associated with deduction and remittance. The
2 department shall adopt rules to calculate the reimbursable costs.

3 (3) Each transportation network company shall submit to the fund,
4 with its remittance under subsection (1) of this section, a report
5 detailing the number of trips in the previous quarter and the total
6 amount of the surcharge charged to customers. The first payment and
7 accounting is due on the 30th day of the quarter following the
8 imposition of the surcharge. Failure to remit payments by the
9 deadlines is deemed a delinquency and the transportation network
10 company is subject to penalties and interest provided in RCW
11 49.46.330.

12 (4) (a) The state expressly intends to displace competition with
13 regulation allowing a transportation network company, at its own
14 volition, to enter into an agreement with the driver resource center
15 regarding a driver account deactivation appeals process for eligible
16 account deactivations. It is the policy of the state to promote a
17 fair appeals process related to eligible account deactivations that
18 supports the rights of drivers and transportation network companies
19 and provides fair processes related to eligible account
20 deactivations. The state intends that any agreement under this
21 section is immune from all federal and state antitrust laws.

22 (i) "Eligible account deactivation" means one or more of the
23 following actions with respect to an individual driver that is
24 implemented by a transportation network company:

25 (A) Blocking or restricting access to the transportation network
26 company driver platform for three or more consecutive days; or

27 (B) Changing a driver's account status from eligible to provide
28 transportation network company services to ineligible for three or
29 more consecutive days.

30 (ii) An eligible account deactivation does not include any change
31 in a driver's access or account status that is:

32 (A) Related to an allegation of discrimination, harassment,
33 including sexual harassment or harassment due to someone's membership
34 in a protected class, or physical or sexual assault, or willful or
35 knowing commitment of fraud;

36 (B) Related to an allegation that the driver was under the
37 influence of drugs or alcohol while a related active investigation
38 that takes no longer than 10 business days is underway; or

1 (C) Any other categories the transportation network company and
2 the driver resource center may agree to as part of the agreement
3 under this subsection.

4 (iii) A transportation network company shall enter into an
5 agreement with the driver resource center regarding the driver
6 account deactivation appeals process for eligible account
7 deactivations. Any agreement must be approved by the department. The
8 department may approve an agreement only if the agreement contains
9 the provisions in (a)(iv) of this subsection.

10 (iv) The agreement must provide an appeals process for drivers
11 whose account has been subject to an eligible account deactivation.
12 The appeals process must include the following protections:

13 (A) Opportunity for a driver representative to support a driver,
14 upon the driver's request, throughout the account deactivation
15 appeals process for eligible account deactivations;

16 (B) Notification, as required by (d) of this subsection, to
17 drivers of their right to representation by the driver resource
18 center at the time of the eligible account deactivation;

19 (C) Within 30 calendar days of a request, furnishing to the
20 driver resource center an explanation and information the
21 transportation network company may have relied upon in making the
22 deactivation decision, excluding confidential, proprietary, or
23 otherwise privileged communications, provided that personal
24 identifying information and confidential information is redacted to
25 address reasonable privacy and confidentiality concerns;

26 (D) A good faith, informal resolution process that is committed
27 to efficient resolution of conflicts regarding eligible account
28 deactivations within 30 days of the transportation network company
29 being notified that the driver contests the explanation offered by
30 the company;

31 (E) A formal process that includes a just cause standard, with
32 deadlines for adjudication of an appeal of an eligible account
33 deactivation by a panel that includes a mutually agreed-upon neutral
34 third party with experience in dispute resolution. The panel has the
35 authority to make binding decisions within the confines of the law
36 and make whole monetary awards, including back pay, based on an
37 agreed-upon formula for cases not resolved during the informal
38 process;

39 (F) Agreement by the transportation network company to use the
40 process set forth in this subsection to resolve disputes over

1 eligible account deactivation appeals as an alternative to private
2 arbitration with regard to such a dispute, should the driver and
3 transportation network company so choose; and

4 (G) Agreement by the transportation network company that, for
5 eligible account deactivations in which the driver or transportation
6 network company elect private arbitration in lieu of the formal
7 process outlined in (a)(iv)(E) of this subsection (4), the
8 transportation network company shall offer the driver the opportunity
9 to have the eligible deactivation adjudicated under the just cause
10 standard outlined in (a)(iv)(E) of this subsection.

11 (b) A transportation network company that enters into an
12 agreement with the driver resource center shall reach agreement
13 through the following steps:

14 (i)(A) For a transportation network company operating a digital
15 network in the state of Washington as of June 9, 2022, the driver
16 resource center and transportation network company must make good
17 faith efforts to reach an agreement within 120 days of an
18 organization being selected as the driver resource center under RCW
19 49.46.310.

20 (B) For a transportation network company who begins operating a
21 digital network in the state of Washington after an organization has
22 been selected as the driver resource center under RCW 49.46.310, the
23 driver resource center and transportation network company must make
24 good faith efforts to reach an agreement within 120 days of the
25 transportation network company beginning operation of a digital
26 network in the state of Washington.

27 (ii) If the driver resource center and transportation network
28 company cannot reach an agreement, then they are required to submit
29 issues of dispute before a jointly agreed-upon mediator.

30 (iii) After mediation lasting no more than two months has been
31 exhausted and no resolution has been reached, then the parties will
32 proceed to binding arbitration before a panel of arbitrators
33 consisting of one arbitrator selected by the driver resource center,
34 one arbitrator selected by the transportation network company, and a
35 third arbitrator selected by the other two. If the two selected
36 arbitrators cannot agree to the third arbitrator within 10 days, then
37 the third arbitrator shall be determined from a list of seven
38 arbitrators with experience in labor disputes or interest arbitration
39 designated by the American arbitration association. A coin toss shall
40 determine which side strikes the first name. Thereafter the other

1 side shall strike a name. The process will continue until only one
2 name remains, who shall be the third arbitrator. Alternatively, the
3 driver resource center and the transportation network company may
4 agree to a single arbitrator.

5 (iv) The arbitrators must submit their decision, based on
6 majority rule, within 60 days of the panel or arbitrator being
7 chosen.

8 (v) The decision of the majority of arbitrators is final and
9 binding and will then be submitted to the director of the department
10 for final approval.

11 (c) In reviewing any agreement between a transportation network
12 company and the driver resource center, under (a) of this subsection,
13 the department shall review the agreement to ensure that its content
14 is consistent with this subsection and the public policy goals set
15 forth in this subsection. The department shall consider in its review
16 both qualitative and quantitative effects of the agreement and how
17 the agreement comports with the state policies set forth in this
18 section. In conducting a review, the record shall not be limited to
19 the submissions of the parties nor to the terms of the proposed
20 agreement and the department shall have the right to conduct public
21 hearings and request additional information from the parties,
22 provided that such information: (i) Is relevant for determining
23 whether the agreement complies with this subsection; and (ii) does
24 not contain either parties' confidential, proprietary, or privileged
25 information, or any individual's personal identifying information
26 from the parties. The department may approve or reject a proposed
27 agreement, and may require the parties to submit a revised proposal
28 on all or particular parts of the proposed agreement. If the
29 department rejects an agreement, it shall set forth its reasoning in
30 writing and shall suggest ways the parties may remedy the failures.
31 Absent good cause, the department shall issue a written determination
32 regarding its approval or rejection within 60 days of submission of
33 the agreement.

34 (d) (i) For any account deactivation, the transportation network
35 company shall provide notification to the driver, at the time of
36 deactivation, that the driver may have the right to representation by
37 the driver resource center to appeal the account deactivation.

38 (ii) A transportation network company must provide any driver
39 whose account is subject to an account deactivation between June 9,
40 2022, and the effective date of the agreement the contact information

1 of the driver resource center and notification that the driver may
2 have the right to appeal the account deactivation with representation
3 by the driver resource center.

4 NEW SECTION. **Sec. 13.** A new section is added to chapter 49.46
5 RCW to read as follows:

6 (1) Beginning January 1, 2023, a transportation network company
7 must provide to each driver operating on its driver platform
8 compensation for earned paid sick time as required by this section
9 and subject to the provisions of this section. A driver shall accrue
10 one hour of earned paid sick time for every 40 hours of passenger
11 platform time worked.

12 (2) A driver is entitled to use accrued earned paid sick time
13 upon recording 90 hours of passenger platform time on the
14 transportation network company's driver platform.

15 (3) For each hour of earned paid sick time used, a driver shall
16 be paid the driver's average hourly compensation.

17 (4) A transportation network company shall establish an
18 accessible system for drivers to request and use earned paid sick
19 time. The system must be available to drivers via smartphone
20 application and online web portal.

21 (5) A driver may carry over up to 40 hours of unused earned paid
22 sick time to the next calendar year. If a driver carries over unused
23 earned paid sick time to the following year, accrual of earned paid
24 sick time in the subsequent year must be in addition to the hours
25 accrued in the previous year and carried over.

26 (6) A driver is entitled to use accrued earned paid sick time if
27 the driver has used the transportation network company's platform as
28 a driver within 90 calendar days preceding the driver's request to
29 use earned paid sick time.

30 (7) A driver is entitled to use earned paid sick time for the
31 following reasons:

32 (a) An absence resulting from the driver's mental or physical
33 illness, injury, or health condition; to accommodate the driver's
34 need for medical diagnosis, care, or treatment of a mental or
35 physical illness, injury, or health condition; or an employee's need
36 for preventive medical care;

37 (b) To allow the driver to provide care for a family member with
38 a mental or physical illness, injury, or health condition; care of a
39 family member who needs medical diagnosis, care, or treatment of a

1 mental or physical illness, injury, or health condition; or care for
2 a family member who needs preventive medical care;

3 (c) When the driver's child's school or place of care has been
4 closed by order of a public official for any health-related reason or
5 has been closed after the declaration of an emergency by a local or
6 state government or agency, or by the federal government;

7 (d) For absences for which an employee would be entitled for
8 leave under RCW 49.76.030; and

9 (e) During a deactivation or other status that prevents the
10 driver from performing network services on the transportation network
11 company's platform, unless the deactivation or status is due to a
12 verified allegation of sexual assault or physical assault perpetrated
13 by the driver.

14 (8) If a driver does not record any passenger platform time in a
15 transportation network company's driver platform for 365 or more
16 consecutive days, any unused earned paid sick time accrued up to that
17 point with that transportation network company is no longer valid or
18 recognized.

19 (9) Drivers may use accrued days of earned paid sick time in
20 increments of a minimum of one or more hours. Drivers are entitled to
21 request one or more hours of earned paid sick time for immediate use,
22 including consecutive days of use. Drivers are not entitled to use
23 more than eight hours of earned paid sick time within a single
24 calendar day.

25 (10) A transportation network company shall compensate a driver
26 for requested hours or days of earned paid sick time no later than 14
27 calendar days or the next regularly scheduled date of compensation
28 following the requested hours or days of earned paid sick time.

29 (11) A transportation network company shall not request or
30 require reasonable verification of a driver's qualifying illness
31 except as would be permitted to be requested of an employee under RCW
32 49.46.210(7). If a transportation network company requires
33 verification pursuant to this subsection, the transportation network
34 company must compensate the driver for the requested hours or days of
35 earned paid sick time no later than the driver's next regularly
36 scheduled date of compensation after satisfactory verification is
37 provided.

38 (12) If a driver accepts an offer of prearranged services for
39 compensation from a transportation network company during the one-
40 hour period or periods for which the driver requested earned paid

1 sick time, a transportation network company may determine that the
2 driver did not use earned paid sick time for an authorized purpose.

3 (13) A transportation network company shall provide each driver
4 with:

5 (a) Written notification of the current rate of average hourly
6 compensation while a passenger is in the vehicle during the most
7 recent calendar month for use of earned paid sick time;

8 (b) An updated amount of accrued earned paid sick time since the
9 last notification;

10 (c) Reduced earned paid sick time since the last notification;

11 (d) Any unused earned paid sick time available for use; and

12 (e) Any amount that the transportation network company may
13 subtract from the driver's compensation for earned paid sick time.
14 The transportation network company shall provide this information to
15 the driver no less than monthly. The transportation network company
16 may choose a reasonable system for providing this notification
17 including, but not limited to: A pay stub; a weekly summary of
18 compensation information; or an online system where drivers can
19 access their own earned paid sick time information. A transportation
20 network company is not required to provide this information to a
21 driver if the driver has not worked any days since the last
22 notification.

23 (14) The definitions in this subsection apply throughout this
24 section:

25 (a) "Average hourly compensation" means a driver's compensation
26 during passenger platform time from, or facilitated by, the
27 transportation network company, during the 365 days immediately prior
28 to the day that paid sick time is used, divided by the total hours of
29 passenger platform time worked by the driver on that transportation
30 network company's driver platform during that period. "Average hourly
31 compensation" does not include tips.

32 (b) "Earned paid sick time" is the time provided by a
33 transportation network company to a driver as calculated under this
34 subsection. For each hour of earned paid sick time used by a driver,
35 the transportation network company shall compensate the driver at a
36 rate equal to the driver's average hourly compensation.

37 NEW SECTION. **Sec. 14.** A new section is added to chapter 49.46
38 RCW to read as follows:

1 (1) A transportation network company must provide to each driver
2 operating on its driver platform compensation for earned vacation
3 time as required by this section and subject to the provisions of
4 this section. A driver shall accrue 2.3 hours of earned paid vacation
5 time for every 40 hours of passenger platform time worked.

6 (2) A driver is entitled to use accrued earned paid vacation time
7 upon recording 90 hours of passenger platform time on the
8 transportation network company's driver platform.

9 (3) For each hour of earned paid vacation time used, a driver
10 shall be paid the driver's average hourly compensation.

11 (4) A transportation network company shall establish an
12 accessible system for drivers to request and use earned paid vacation
13 time. The system must be available to drivers via smartphone
14 application and online web portal.

15 (5) A driver may carry over up to 40 hours of unused earned paid
16 vacation time to the next calendar year. If a driver carries over
17 unused earned paid vacation time to the following year, accrual of
18 earned paid vacation time in the subsequent year must be in addition
19 to the hours accrued in the previous year and carried over.

20 (6) A driver is entitled to use accrued earned paid vacation time
21 if the driver has used the transportation network company's platform
22 as a driver within 90 calendar days preceding the driver's request to
23 use earned paid vacation time.

24 (7) A driver is entitled to use earned paid vacation time during
25 a deactivation or other status that prevents the driver from
26 performing network services on the transportation network company's
27 platform, unless the deactivation or status is due to a verified
28 allegation of sexual assault or physical assault perpetrated by the
29 driver.

30 (8) If a driver does not record any passenger platform time in a
31 transportation network company's driver platform for 365 or more
32 consecutive days, any unused earned paid vacation time accrued up to
33 that point with that transportation network company is no longer
34 valid or recognized.

35 (9) Drivers may use accrued days of earned paid vacation time in
36 increments of a minimum of one or more hours. Drivers are entitled to
37 request one or more hours of earned paid vacation time for immediate
38 use, including consecutive days of use. Drivers are not entitled to
39 use more than eight hours of earned paid vacation time within a
40 single calendar day.

1 (10) A transportation network company shall compensate a driver
2 for requested hours or days of earned paid vacation time no later
3 than 14 calendar days or the next regularly scheduled date of
4 compensation following the requested hours or days of earned paid
5 vacation time.

6 (11) A transportation network company shall provide each driver
7 with:

8 (a) Written notification of the current rate of average hourly
9 compensation while a passenger is in the vehicle during the most
10 recent calendar month for use of earned paid vacation time;

11 (b) An updated amount of accrued earned paid vacation time since
12 the last notification;

13 (c) Reduced earned paid vacation time since the last
14 notification;

15 (d) Any unused earned paid vacation time available for use; and

16 (e) Any amount that the transportation network company may
17 subtract from the driver's compensation for earned paid vacation
18 time. The transportation network company shall provide this
19 information to the driver no less than monthly. The transportation
20 network company may choose a reasonable system for providing this
21 notification including, but not limited to: A pay stub; a weekly
22 summary of compensation information; or an online system where
23 drivers can access their own earned paid vacation time information. A
24 transportation network company is not required to provide this
25 information to a driver if the driver has not worked any days since
26 the last notification.

27 (12) The definitions in this subsection apply throughout this
28 section:

29 (a) "Average hourly compensation" means a driver's compensation
30 during passenger platform time from, or facilitated by, the
31 transportation network company, during the 365 days immediately prior
32 to the day that paid vacation time is used, divided by the total
33 hours of passenger platform time worked by the driver on that
34 transportation network company's driver platform during that period.
35 "Average hourly compensation" does not include tips.

36 (b) "Earned paid vacation time" is the time provided by a
37 transportation network company to a driver as calculated under this
38 subsection. For each hour of earned paid vacation time used by a
39 driver, the transportation network company shall compensate the
40 driver at a rate equal to the driver's average hourly compensation.

1 NEW SECTION. **Sec. 15.** A new section is added to chapter 49.46
2 RCW to read as follows:

3 (1) A transportation network company may not adopt or enforce any
4 policy that counts the use of earned paid sick time required under
5 section 13 of this act or earned vacation leave under section 14 of
6 this act as an absence that may lead to or result in any action that
7 adversely affects the driver's use of the transportation network.

8 (2) A transportation network company may not take any action
9 against a driver that adversely affects the driver's use of the
10 transportation network due to the driver's exercise of any rights
11 under this chapter including the use of earned paid sick time under
12 section 13 of this act or earned vacation leave under section 14 of
13 this act.

14 NEW SECTION. **Sec. 16.** A new section is added to chapter 49.46
15 RCW to read as follows:

16 (1) If the director determines that a transportation network
17 company has violated this act, the department may issue a stop work
18 order to cease all business operations at every site where the
19 violation has occurred.

20 (2) Transportation network companies must pay drivers normal
21 hourly compensation for all hours they would have been regularly
22 scheduled to work during the stop work period. This requirement is a
23 wage payment requirement under RCW 49.48.082.

24 (3) A stop work order issued under this section remains in effect
25 until the director issues an order releasing the stop work order upon
26 finding that the transportation network company has paid any amounts
27 owed to the drivers, including interest, and any penalties due.

28 (4) As a condition for release from a stop work order, the
29 director may require the transportation network company to file with
30 the department periodic reports for a probationary period that
31 demonstrate the transportation network company's continued compliance
32 with the provisions of this act. Any probationary period may not
33 exceed two years.

34 (5) (a) The director may assess a civil penalty of not more than
35 \$5,000 per day against a transportation network company for each day
36 that the transportation network company conducts business operations
37 that violate the stop work order.

1 (b) The department may adopt by rule penalty amounts under this
2 subsection that vary by the size of the transportation network
3 company.

4 (c) On September 30, 2028, and on each following September 30th,
5 the department shall calculate adjusted penalties payable pursuant to
6 this section by increasing the current year's penalties by the rate
7 of inflation. The penalties must be calculated to the nearest cent
8 using the consumer price index for urban wage earners and clerical
9 workers, CPI-W, or a successor index, for the 12 months prior to each
10 September 1st as calculated by the United States department of labor.
11 The adjusted penalties calculated under this subsection (5)(c) take
12 effect on the following January 1st.

13 (6) A transportation network company may contest a stop work
14 order within 72 hours of the issuance of the stop work order by
15 filing a petition for judicial review to superior court. Upon the
16 filing of any such petition, the superior courts of the state of
17 Washington have jurisdiction to issue a temporary stay of the stop
18 work order pending further agency action. The court may not grant a
19 temporary stay unless the transportation network company meets its
20 burden to show such a stay is appropriate under RCW 34.05.550.

21 NEW SECTION. **Sec. 17.** A new section is added to chapter 49.46
22 RCW to read as follows:

23 The department may adopt rules to implement this chapter.

24 NEW SECTION. **Sec. 18.** This act takes effect January 1, 2026.

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