



SEATTLE CITY COUNCIL
CENTRAL STAFF

Council Bill 120212

Construction Employee Parking Reimbursements

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Construction Employee Parking Reimbursements

- Seattle Municipal Code 14.35.
- Construction employers would reimburse construction employees for parking expenses to work in Seattle.
- Enforced by the Office of Labor Standards (OLS).

Coverage

- 1. Construction work** = any site preparation, assembly, erection, demolition, repair, maintenance, or alteration of public or private structures, rights-of-way work, utilities, or similar action occurring on a construction site.
- 2. Construction employee** = an employee performing construction work.
- 3. Construction employer** = an employer primarily engaged in construction, including general contractors and subcontractors.

Parking Reimbursements

1. Employers must provide full reimbursement for parking expenses.

- Parking expenses = employee's out-of-pocket expenses to obtain parking at or near a construction site.

2. Employers may offset the reimbursement.

- Employers regularly providing additional compensation for parking expenses (e.g., hourly parking benefits) could use the amount of such compensation to offset the amount due for reimbursement.

Exception for Free Parking

- 1. Exception for employers providing free parking.**
- 2. However, if the free parking is more than three blocks from the site:**
 - Employers must provide free transportation to the construction site.
 - Employers must pay for employee's travel time between free parking and the construction site.

Other Requirements

1. Notice of rights

- Information in English and the employee's primary language
- Model notices in English and other languages created by OLS

2. Recordkeeping

- Retention of records for three years

3. Prohibited retaliation

Enforcement

1. Office of Labor Standards

- Investigations, complaint procedure, court navigation program

2. Private right of action

- Individual and class actions
- If employee prevails, court could award attorney fees plus costs

Remedies

1. Remedies for employee

- Unpaid compensation (up to three times the amount owed).

2. Penalties and fines

- Penalties/fines in varying amounts, such as \$556.30 per aggrieved party for an employer's first violation.
- OLS could lower penalties/fines depending on the circumstances of the violation.

Issue Identification (1/8)

1. Environmental impact

- Paying for parking expenses could increase driving among workers who might otherwise use public transportation or carpool.

Issue Identification (2/8)

2. Alternative policies – Additional options for full or partial exceptions from reimbursement requirements could offer more flexibility in meeting the commuting needs of workers, reducing employer expenses, and/or mitigating environmental impacts.

- Transit subsidies
- Onsite tool storage
- Carpool incentives.

Issue Identification (3/8)

3. Administrative costs*

- Processing individual requests for reimbursement could result in significant administrative costs for employers.
- Establishing a uniform rate of reimbursement for parking across Seattle, or specific rates for identified areas, could streamline the reimbursement process.

** This issue could be partially or wholly addressed in OLS rules.*

Issue Identification (4/8)

4. Employee's choice of parking*

- Legislation infers, but does not explicitly state, that employers could not restrict the employee's choice of parking expenses (type, location, and cost of parking).
- An unequivocal statement that prohibits (or allows) restrictions on parking expenses would provide clarity.

** This issue could be partially or wholly addressed in OLS rules.*

Issue Identification (5/8)

5. Employer's provision of transportation from free parking*

- If employers provide free parking that is more than three blocks from the construction site, employers must also provide free transportation from the parking site to the construction site.
- Distance of three blocks could be quantified in a unit of miles, such as .21 miles to represent the length of three standard blocks in Seattle.
- Distance could be increased to one-half mile to align with typical “walkshed” to transit.

** This issue could be partially or wholly addressed in OLS rules.*

Issue Identification (6/8)

6. Employer's payment for travel time*

- Legislation does not specify whether travel time from free parking to the construction site includes both wait time and ride time for the employer-provided transportation.
- Legislation does not specify whether employee must use the employer-provided transportation to merit payment for travel time.

** This issue could be partially or wholly addressed in OLS rules.*

Issue Identification (7/8)

7. Penalties and fines

- Penalties and fines reflect 2021 OLS rates.
- Adjusting the amounts by 3.42 percent would reflect 2022 OLS rates (as adjusted for the rate of inflation) and align with penalties and fines in other labor standards.

Issue Identification (8/8)

8. Effective date

- The effective date would provide OLS with 30 days to prepare for implementation.
- Delaying the effective date would provide OLS with more time to develop rules, create and translate model notices, create education materials, update online information, adapt enforcement strategies, inform 18 contracted community partners of the legislative requirements, and provide direct outreach to employers and employees.
- Options could include June 1, 2022, September 1, 2022, or January 1, 2023.

Next Steps

1. **December 13, 2021** – If legislation is voted out of committee, possible Council vote.
2. **January 2022** – If legislation is not voted out of committee, possible consideration by next committee with oversight of labor standards.

Questions?