



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Tuesday, May 18, 2021

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
M. Lorena González, Member
Andrew J. Lewis, Member
Dan Strauss, Member
Tammy J. Morales, Alternate

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 9:30 a.m. Finance and Housing Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Finance and Housing Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Mosqueda at Teresa.Mosqueda@seattle.gov

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

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Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. Domestic Workers Standards Board Recommendations

Supporting Documents: [DWSB Recommendations](#)
[DWSB Presentation](#)

Briefing and Discussion

Presenters: Silvia Gonzalez, Co-Chair, Dana Barnett, Co-Chair, Domestic Workers Standards Board (DWSB); Jasmine Marwaha, Office of Labor Standards; Karina Bull, Council Central Staff

2. American Rescue Plan Act Direct Aid

Supporting Documents: [Presentation \(5/18/21\)](#)

Briefing and Discussion

Presenter: Aly Pennucci, Council Central Staff

3. [CB 120069](#) **AN ORDINANCE** relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

Supporting

Documents:

[Summary and Fiscal Note](#)

[Central Staff Memo \(5/18/21\)](#)

[Presentation \(5/18/21\)](#)

Briefing and Discussion

Presenter: Karina Bull, Council Central Staff

E. Adjournment



Legislation Text

File #: Inf 1788, **Version:** 1

Domestic Workers Standards Board Recommendations

Domestic Workers Standards Board

Report and Recommendations to City Council & Mayor

Background & Context

The Domestic Workers Standards Board (DWSB) was established in 2019 as part of the city's groundbreaking Domestic Workers Ordinance (DWO). The DWSB provides a place for domestic workers, employers, private households, worker organizations, and the public to consider and suggest ways to improve the working conditions of domestic workers. We work to help implement the regulations of the DWO and further improve the standard of domestic work in Seattle. Since its inception, the DWSB has been working in partnership with the domestic worker community to identify their most pressing needs and concerns. The COVID-19 pandemic added further urgency to the work of the board, given the essential nature of so much domestic work and the increased vulnerability that many domestic workers face.

Vision & Values

In crafting our recommendations, the DWSB works toward a vision where all domestic work is visible, valued, and sustainable. This is a world where:

- Domestic workers and hiring entities are informed and supported, and hiring entities, including third-party platforms, are accountable and regulated;
- Better communication and relationships are cultivated between workers and hiring entities across languages and cultures; and
- Policies are clear, consistently enforced, and meaningfully improve the lives of domestic workers.

Summary of Report

In this report, we present the barriers to achieving this vision for domestic workers in Seattle, even with the DWO in effect for almost two years. We also offer information about the current working conditions for domestic workers in the hopes of improving and furthering the policy goals of the DWO. We then present a series of urgent recommendations designed to improve the working conditions of domestic workers, and to improve the effectiveness of the DWO. Finally, we offer next steps for the Council and policymakers that would achieve current goals of the DWO and provide a framework for the next phase of domestic worker policy in the City of Seattle. In developing this report, the DWSB has consulted with a coalition of domestic worker organizations, domestic employer groups, policy attorneys, and academics, referred to as “the Coalition.”

Outreach Barriers for DWO Implementation

Reaching the right community

Two years into the DWO we are still trying to reach workers about their rights. The nature of domestic work presents myriad challenges for successful outreach and enforcement of labor standards. To reach domestic workers and hiring entities, one must first identify who to contact, which presents an immediate challenge. Some domestic workers, such as gardeners and landscapers, don't self-identify as domestic workers; some hiring entities, like working parents, may not see themselves as employers.

Overcoming fear and reticence

Fear and anxiety present significant barriers to outreach and implementation. Both domestic workers and hiring entities may have a desire to preserve the benefits of the informal economy, such as flexibility, and worry about the DWO's effects on taxes and benefits. Domestic workers may fear job security for reporting employer violations. Even more vexing for effective communication is that many domestic workers are undocumented and are thus wary of interacting with civic departments, such as the Seattle Office of Labor Standards.

Communicating to a massive population

And finally, there is simply the challenge of reaching so many people. There are tens of thousands of domestic workers and hiring entities in the city of Seattle. Many domestic workers work for multiple hiring entities, and many work on a rolling basis for hiring entities that change from week to week.

Current Working Conditions

Low wages

Very low wages make it difficult for Seattle domestic workers to care for themselves and their families. According to a 2018 survey conducted by the Seattle Domestic Workers Alliance, 96% of Seattle domestic workers are low income and 81% are very low income under federal poverty standards. More than half of domestic workers struggle to pay rent or other bills. And while the DWO has been in effect for almost two years, the immense outreach and enforcement challenges discussed above, as well as the devastating impact of the COVID-19 crisis on workers' hours and health, have continued to leave domestic workers impoverished.

Paid time off

Furthermore, most domestic workers do not receive basic worker benefits, such as healthcare or paid time off. The historically informal nature of domestic work means that many workers are unaware of their rights, and many employers are unaware of their responsibilities. As awareness of the DWO improves, workers have begun seeking benefits. Nearly 60% of domestic workers lack any paid leave,

and so access to paid time off is a top priority; 64% of domestic workers say they would pursue a new job that offered paid time off.¹

Healthcare and health insurance

Domestic workers don't just lack sick time--they lack any healthcare benefits that would support them should they get sick. Only 12% of domestic workers have health insurance through their employers. Workers report that they regularly go to work sick because they can't take unpaid time off and they can't afford basic healthcare.

Domestic work during COVID-19 pandemic

The COVID-19 pandemic has exacerbated this precarious situation. Domestic workers are regularly on the frontlines of the pandemic and often work in close quarters but have no protections afforded them should they fall ill.

Many domestic workers have been performing essential work throughout the pandemic, whether by providing childcare, serving as home health aides, or by cleaning and disinfecting homes. Too often, workers have not been able to access proper personal protective equipment (PPE), further exposing them and their loved ones to risk and potentially contributing to community spread. The COVID-19 pandemic also exemplifies the disparities in health care in Washington State. Latinx people make up 34% of confirmed COVID-19 cases in Washington state, compared with their 13% share of the overall population, and Latinx patients are six times more likely to die from the virus.²

Better wages and benefits would significantly improve the lives of domestic workers citywide and slow the spread of COVID-19 and other transmissible diseases. These improvements should become central to the goals of the Domestic Worker Ordinance.

Board Recommendations

Given the barriers to outreach and current working conditions for domestic workers, the Domestic Workers Standards Board offers recommendations in the following areas:

- Invest in community expertise and building trust
- Provide more materials and resources to domestic workers and hiring entities
- Implement policy changes to improve the Domestic Workers Ordinance
- Mandate portable benefits for domestic workers

¹ Survey responses cited in this document are based on a survey conducted by the Coalition in February and March 2021, or a survey conducted by the Seattle Domestic Workers Alliance in 2018, unless otherwise noted. See Appendix for more information.

² <https://crosscut.com/equity/2021/01/disproportionately-hit-covid-19-wa-latinos-brace-vaccine>.

Invest in community expertise and building trust

Reaching tens of thousands of domestic workers and hundreds of thousands of hiring entities or households represents an immense challenge that calls for significant resources and creative thinking beyond what OLS is funded for. We need to invest deeply in building trust among vulnerable populations, through relationship-building, one-on-one conversations, and sustained, long-term engagement.

- **Recommendation: Fund community organizations.** The DWSB recommends expanding the Community Outreach and Education Fund to create specific ongoing funding for domestic worker outreach in several organizations. This funding should be made available for ordinance-focused staff members or initiatives at community organizations that work with domestic workers and employers. Many of the DWSB's following recommendations require significant staff time to execute. They will only be successful with support from community organizations that can effectively communicate OLS/DWO messaging to domestic worker communities. These organizational partners have the trust of the domestic worker community and can reach the workers and employers that are critical for achieving the goals of the DWO.

Furthermore, partnering with community organizations will improve awareness within domestic worker communities and close existing communication gaps, such as with the African and Asian Pacific Islander communities. Funding will also support dissemination of OLS materials through community organizations' contact lists and collaborative outreach efforts, such as digital and social media campaigns. We recommend that these community organizations are robustly supported, ideally with grants that require some reporting back on outcomes and impact.

- **Recommendation: Compensate workers for their expertise.** We recommend that the city provide compensation to domestic workers for time spent working with the DWSB. Specifically, we recommend paying Board members who are themselves domestic workers, and paying for specific engagements with domestic workers, like a paid survey or interview.

The DWSB and OLS cannot function meaningfully without the leadership and participation of domestic workers. But, lacking any paid leave, and living mostly below the poverty level, domestic workers simply cannot afford to take time away from work without being compensated. Being a member of the DWSB is a significant time commitment; one that individual domestic workers, unaffiliated with an organization, have struggled to make. The recommendation to pay domestic worker members of the Board comes from our actual experience; we have already lost valuable Board members, *all of them domestic workers*, who cannot take the unpaid time to commit to this work. This is a loss not only for the board but for the goals of the DWO. Compensation for board work can provide a more representative and diverse group of board members, and better, more informed outreach and policy ideas.

We also recommend that the city fund paid surveys and/or interviews of domestic workers to continue to inform our board work and the efforts of OLS. Research shows that using

incentives increases responses in a wide variety of surveys. In particular, the DWSB proposes compensating workers approximately \$15-25 in gift cards for workers who complete surveys. The DWSB proposes additional compensation, approximately \$25, for a half-hour phone interview, based on market rate compensation.

Provide more materials and resources to workers and hiring entities

Significant confusion about labor standards among both domestic workers and hiring entities presents a need for more DWO resources. Publishing and disseminating DWO-focused materials can provide immediate, short-term assistance to domestic workers as well as clarity for hiring entities.

- **Recommendation: Publish new materials and provide funding for the translation, printing, and dissemination of additional DWO materials, whether through mail or in-person, to appropriate venues.** OLS has already produced a booklet and a model Notice of Rights, which have been useful in spreading awareness of the ordinance. These materials are currently only available in Spanish and Simplified Chinese. We recommend expanding language access for these materials, as well as developing newer, updated materials in collaboration with community organizations and workers who will know what specific messaging to include for their communities, and where to place printed materials.

Additionally, we recommend funding a mailing to all households in Seattle. This is a well-established tactic used by other City departments, and a way to reach both workers and employers in domestic workers' workplace – the home.

Finally, we recommend that any mailings and resource dissemination also share information about existing resources that are available to low-wage workers and independent contractors (e.g., COVID relief funds, Fresh Bucks, Access to Affordable Housing and Healthcare, Orca Lift, etc.).

- **Recommendation: Provide support for the creation of a user-friendly website or significant redesign of the current DWO section on the OLS website.** Currently the site is not user friendly; resources are spread across several pages and can be difficult to find. The website should be clear, searchable, and easily navigable whether you are a worker or an employer. The "Resources" and "File a Complaint" links should be prominent, as well as links to the Office of Civil Rights and Office of Immigrant and Refugee Affairs. A help bot might help users find what they need more quickly, like the one found on the website for the Department of Neighborhoods. If a new website is created, Spanish language translation should be easily accessible since such a large proportion of domestic workers are Spanish language speakers.
- **Recommendation: Ensure third party platforms are in compliance with the DWO.** Like so many other industries, technology has disrupted the domestic worker industry in the form of third-party platforms. Many of these platforms are run by enormous tech companies that are disconnected from the day-to-day lives of the workers they profit from. Third-party platforms

are likely covered hiring entities under the DWO and its associated rules. Therefore, we recommend the city address these third-party platforms, many of which may be completely noncompliant with the DWO but still serve as an essential source of income for workers.

First, we recommend reaching out directly to third party platforms. Ideally, a powerful representative of the city, like a councilmember or the mayor, would sign a letter outlining the regulations and detailing enforcement measures under the DWO, and requesting that the platform include information about the ordinance for anyone hiring within Seattle. City staff could follow up until they received an acknowledgement. Second, we recommend devising a strategy, in conjunction with the Board, to reach both individual workers and individual households who use these apps. This includes publishing and disseminating materials more broadly that talk about third-party platforms and the regulations they must adhere to in the city. That way, workers and hiring entities will be informed of their respective rights and responsibilities under the DWO when using third-party platforms. Additionally, a mandated notice of rights, as recommended below, would require third-party platforms to post the requirements of the DWO on their site for all potential employers and employees to see.

- **Recommendation: Research options and provide support for affordable health care to all domestic workers.** Recognizing that much health care policy is set at the state and federal level, we recommend that the City use its advocacy power to push the state legislature to adopt an affordable health insurance option that is available to ALL Washington State residents. While we wait for the state to act, we recommend that the Office of Labor Standards, the Office of Economic Development, and the Office of Immigrant and Refugee Affairs convene to discuss creative ways to help workers gain access to care. Possible models to explore include helping to establish domestic worker co-operative businesses, or funding healthcare navigators for those who may have access to insurance but don't know it. We also recommend that the City identify and make available educational materials and resources for hiring entities to understand health care options for small businesses and independent contractors.

Policy changes to improve the Domestic Workers Ordinance

The City must work to clarify the rights and responsibilities embedded in the DWO. Simplifying worker and hiring entity coverage, for example, and mandating a notice of rights, can help with confusion that currently exists.

- **Recommendation: Require hiring entities to provide domestic workers with information about their rights and the conditions of their work.** We recommend that the City mandate that all hiring entities and third-party platforms, as likely hiring entities, provide a notice of rights to their domestic workers. We understand that the Council may be considering a policy that would require hiring entities to provide independent contractor workers with the information necessary to understand the terms of their engagement and determine whether those terms have been satisfied. However, it is unclear whether this policy has been informed and prioritized directly by workers. We recommend that Council do further engagement with domestic workers to explore whether and how this policy should cover domestic workers, and whether a notice of rights

requirement for domestic workers can be incorporated as part of the current bill under consideration at Council.

- **Recommendation: Eliminate the exclusion of publicly funded home care workers from the ordinance.** When the DWO was being considered at Council in 2018, homecare worker representatives suggested that publicly funded workers be excluded from coverage. Domestic worker ordinances in other jurisdictions have often excluded publicly funded work, primarily to exclude Medicaid-funded providers. That is because Medicaid-paid home care workers all either work, or will soon work, for employers that are covered by local minimum wage laws and other employment laws. However, the Seattle law was adopted before the state established the new Long-Term Care Trust Act, which creates an additional public long-term care benefit. The Long-Term Care Trust Act funds workers who are not necessarily employed by agencies or funded by Medicaid. Therefore, there is no longer reason to exempt home care workers funded through the Trust Act from the provisions of the DWO. By eliminating this exclusion, the DWO will have more consistent and clear coverage, and benefit thousands more workers.
- **Recommendation: Eliminate the “interference” standard for joint hiring entity liability and harmonize the standard with the joint liability standard from Seattle’s other labor laws.** Currently, the DWO states: “When an individual or household contracts with a separate hiring entity that employs the domestic worker(s) to provide domestic services, the separate hiring entity is solely liable for violations of this Chapter 14.23 unless the individual or household interferes with the rights established for domestic worker(s) in this Chapter 14.23.” OLS has further defined in its administrative rules about what it means to “interfere” with the rights of domestic workers.³

The interference standard suggests a household must analyze whether the separate hiring entity they have engaged is classifying the domestic worker as either an employer or independent contractor. Such an exercise thrust upon a household undermines a key value of the DWO: to broaden coverage to more domestic workers by focusing on the work they do (nanny, gardener, etc), regardless of how they are classified by a hiring entity. In short, the interference standard is out of step with the rest of the ordinance and creates confusion about who is responsible if violations of the law occur in the household.

While it may seem like it would be less generous to households to remove this language, the DWSB believes households would be better off with a clear and simple message of responsibility, and practical guidance from OLS on what households can do to uphold the ordinance themselves when they contract with a company. Put simply, it is easier to both communicate and implement a basic message: “You are responsible for upholding the DWO in your own home.”

Furthermore, this standard is not in harmony with the common standard used in Seattle’s other labor laws, including, for example, the Minimum Wage Ordinance, the Secure Scheduling

³ For more information, see SHRR 160-160 (3), available at: http://www.seattle.gov/Documents/Departments/LaborStandards/SHRR_160_Rules.pdf

Ordinance and the Paid Sick and Safe Time Ordinance. It also is more limited in scope, potentially reducing domestic workers' rights compared to other workers. This lack of harmony and scope has the effect of continuing the historical treatment of domestic workers as distinct from other workers--something the DWO was meant to eliminate. We recommend deleting the "interference" standard and replacing it with the common joint liability standard used in the City's other labor laws (drawn from the language of the federal Fair Labor Standards Act).

Mandate portable benefits for domestic workers

Seattle can continue its tradition of innovative leadership on workers' rights by implementing a portable benefits system for domestic workers across the city. A portable benefits system for paid time off (PTO) will ensure domestic workers can access the basic benefits many other workers receive. Domestic workers deserve a right to portable paid leave for paid sick days, rest days and other uses as they may need. The DWSB believes that portable benefits for all domestic workers should be mandated, and that this mandate be supported by strong and simple enforcement.

In order for a system to meet the needs of this industry, the following elements are crucial:

1. Portability

- A right to PTO must be portable to address the real working conditions of many domestic workers. Data from a 2018 survey by the Seattle Domestic Workers Alliance and a 2021 survey by the Coalition reveals that many domestic workers work for multiple hiring entities, with limited hours among each one, and often without a contract or job description. As a result, they often have limited access to benefits. With a portable system, benefits do not depend on any particular hiring entity, and multiple hiring entities can each contribute their fair share of benefits. Domestic workers can earn and keep their paid time off benefits as they move between jobs.

2. Centralized Accounting System

- All hiring entities of a domestic worker will make contributions to a centralized account, which is then available when the domestic worker needs to take paid time off.
- The system should track hours worked and employer payments, and should be contained within an efficient, simple-to-use online platform accessible to workers and employers. Philadelphia recently mandated a right to portable benefits and the creation of such a system and platform.
- The platform developed should be able to manage contributions from multiple hiring entities and meet our basic definition of portable benefits (benefits and contributions that are attached to the worker, not the hiring entity).

3. Third Party Administration

- To reduce administrative burdens and liabilities, the City may want to consider contracting with a third-party entity to administer the PTO portable benefit platform and system. This may also better protect the privacy of workers and employers. 76% of workers in a recent survey

say they would be comfortable sharing their work records with a nonprofit third-party entity (see Appendix).

4. Universal Coverage of All Domestic Workers

- A right to paid time off must be available for all domestic workers, whether they are employees or independent contractors. Such a right can build on the successful framework of the Domestic Worker Ordinance which expanded other essential workplace protections to all workers.

5. Enhanced Enforceability

- A third-party portable benefit system would track a worker's work history and pay and an employer's benefit contributions; this would facilitate enforcement of the PTO benefit, as well as other domestic workers' rights by the city enforcement agency. Strong enforcement protections must also accompany the PTO benefit to ensure that workers can use paid time off without fear of retaliation, loss of work, or negative employer references.

6. Continued engagement with workers and worker organizations

- We urge the city to continue to work closely with the DWSB and the Coalition to ensure accessibility and address policy and technical issues related to the design and implementation of the portable benefits policy and platform, including the creation of an accrual system for paid leave. That way, worker leadership will be central in the development of the portable benefits policy. We believe that the accrual formula designed should be equitable across all professions of domestic workers, addressing the needs of the most marginalized domestic worker professions that have the least access to benefits.

7. Outreach and Education

- Finally, we recommend that the City create (or contract with community organizations to create) outreach and education materials – for both domestic workers and their employers – about how to access portable benefits. These materials should include information about new benefits available through a portable benefits mandate, and allow partner organizations to sign workers up directly to the system. These materials should be translated in the languages most spoken by domestic workers in Seattle.

Next Steps

As part of the Ordinance, the DWSB is required to submit recommendations to the Mayor and the City Council's Finance and Housing Committee ("Committee"). The Committee must respond to these recommendations within 120 days of the Board's presentation to Committee.

We recognize that some recommendations will require time and effort, and we look forward to partnering with the City on those endeavors. We also want to identify several recommendations that can be acted upon quickly:

- **Publish new materials** –The DWSB believes that many items relating to drafting, publishing, disseminating, and translating materials, both online and printed, can be addressed by the current 2021 budget that OLS was allocated for this work. We request that OLS work with the DWSB and other community partners to identify what is possible with the existing budget and staff resources.
- **Ensure third party platforms are in compliance with the DWO** – Similarly, the DWSB strongly encourages OLS to immediately support this recommendation, as this would require simply drafting a letter and sending it to the various third-party platforms.
- **Policy changes to improve the Domestic Workers Ordinance** - While Councilmembers are considering the recommendations in this section, the DWSB expects engagement from Council staff and partnership in responding to the following recommendations:
 - Eliminating the “interference” standard for joint hiring entity liability
 - Eliminating the exclusion of publicly funded home care workers from the ordinance.
 - Requiring hiring entities to provide domestic workers with information about their rights and the conditions of their work. This should be considered in conjunction with the Council’s consideration of pay transparency for independent contractors, if that moves forward.
- **Compensate workers for their expertise** – We request that OLS use its existing budget to support stipends for domestic workers who serve on the board, and payment for workers who participate in surveys or interviews that inform the work of OLS and the DWSB.
- **Invest in community partnerships.** We request that additional funding through the 2021 supplemental budget process be allocated to expand on the Community Outreach and Education Fund, creating specific funding for domestic worker outreach in several organizations due to the unique and particularly difficult challenges in outreach within this industry. The extreme hardship that this worker population has faced in the COVID crisis creates urgency for this support that only trusted community partners can provide. Additionally, we request that this funding be made ongoing through the annual budget process this Fall.
- **Portable benefits**-- After the DWSB presentation to the City Council’s Finance and Housing Committee, we urge the Committee and OLS to work closely with a stakeholder group that includes the Portable Benefits Subcommittee of the DWSB and the Coalition to discuss policy and technical issues integral to establishing and implementing portable benefits. This will center worker leadership in the development of the portable benefits policy. Issues to be discussed will include, but not be limited to, those listed in the Portable Benefits recommendation above. The stakeholder group and representatives of the Finance and Housing Committee should meet at least once a month during the Committee’s 120-day response period, and the first meeting shall take place within the first 30 days after the DWSB’s presentation to Committee.

Overall, the DWSB's expectation is that Council staff will remain in regular contact with board members in crafting their response to these recommendations, with a standing monthly check-in to touch base on Council's progress. The DWSB also expects to be in regular contact with OLS and the Mayor's office in facilitating these recommendations. Given the devastating impact of COVID-19 on domestic workers, the DWSB strongly recommends that significant investment in advancing these recommendations begin as soon as possible, including through the 2021 supplemental budget process if necessary.

We greatly appreciate the opportunity to provide these recommendations to City Council and the Mayor, and we look forward to continued partnership in working towards a vision where all domestic work is visible, valued, and sustainable.

Appendix

All statistics in this appendix are based on a survey conducted by the Coalition in February and March 2021 or a survey conducted by the Seattle Domestic Workers Alliance in 2018 (2018 data marked by *). The data from the February-March 2021 survey was compiled as of 4/4/2021.

With very low wages, Seattle domestic workers struggle to care for themselves and their families.

- 96% of Seattle domestic workers are low income and 81% are very low income under federal poverty standards.*
- 46% struggle to pay rent or other bills.
- 28% delay accessing medical care.

Most domestic workers do not receive any of the basic worker benefits that many other workers take for granted. This includes paid sick time which means workers frequently end up going to work when they are sick.

- 57% of domestic workers receive no benefits at all.
- 58% of domestic workers do not receive any type of paid leave.
- Only 36% receive paid sick time, (64% do not receive paid sick time).
- Workers report that they regularly go to work when they are sick.
- 54% of workers do not have health insurance* and only 12% of domestic workers have health insurance through their employers.

For an overwhelming majority of domestic workers, access to paid time off is a top priority.

- 64% of domestic workers would pursue a new job offer that included paid time off or want to ensure that their next job provides PTO.

Many domestic workers work without a contract and have short term jobs with multiple employers, which presents unique challenges for developing a paid time off policy for this industry.

- 70% were paid directly by private households.*
- 30% typically work for 3 or more private households in a month.⁴
- 58% work less than 20 hours a week.
- 36% are paid in cash* and 21% are paid per job or weekly (vs. hourly), and 56% do not have a written contract.*
- 44% of workers report they are treated as neither employees nor independent contractors, which indicates employers' tendency to not recognize domestic work. Misclassification and confusion around classification results in many domestic workers not accessing paid time off benefits to which they are entitled.

⁴ The coalition has discovered through focus groups with domestic workers conducted after the survey was released that the figures on how many workers worked for three or more households in a month and how many worked less than 20 hours a week are both likely significant undercounts, based on how the survey questions were worded. Many workers appear to have answered these questions based on their current circumstances during the pandemic as opposed to pre-pandemic employment under normal conditions as was intended.

Survey data reveals that there is widespread support among employers and domestic workers for paid time off and a system that facilitates providing it.

- 87% of employer survey respondents support paid sick time for domestic workers and 69% support paid vacation. Over half of employer survey respondents (58%) believe agency and individual hiring entities should be responsible for benefits. As mentioned above, the fact that 64% of domestic workers would pursue a new job offer that included paid time off or want to ensure that their next job provides PTO, demonstrates support from domestic workers for paid time off.



Domestic Workers Standards Board

Presentation to Seattle City Council
May 4, 2021

Introductions



Silvia
Gonzalez,
Co-chair



Baylie
Freeman,
Co-chair

Dana Barnett
Emily Dills
Jordan Goldwarg
Etelbina Hauser
Teresa Hillis
Liz Hunter-Keller
Andra Kranzler
Lani Todd

Past Members:

Elijah Blagg
Candace Faber
Victor Lozada

Established in 2019 as part of Seattle's Domestic Workers Ordinance, the Domestic Workers Standards Board provides a place for domestic workers, employers, private households, worker organizations, and the public to consider and suggest ways to improve the working conditions of domestic workers.

Domestic Workers' Bill of Rights

We the nannies, house cleaners, cooks, gardeners, cash paid home care aides, and other members of the Seattle Domestic Workers Alliance, joined by elected officials and other supporters, do hereby proclaim our support for the following Domestic Workers' Bill of Rights:

Domestic workers deserve the same rights as all workers
including minimum wage, overtime, sick days, and protection from discrimination and sexual harassment.

All employers must provide written contracts
so that workers know what to expect and can hold their employers accountable.

Training must be accessible and workers paid appropriately
to reflect their skills and experience.

Health care and retirement benefits
must be made available to all domestic workers.

Domestic workers shall have the power to help set legally-binding industry standards
which achieve a living wage, protect health and safety, and contribute to workplace equity.

We hereby sign our names as initiators and supporters of this Domestic Workers' Bill of Rights.

Lisa A. Herbold

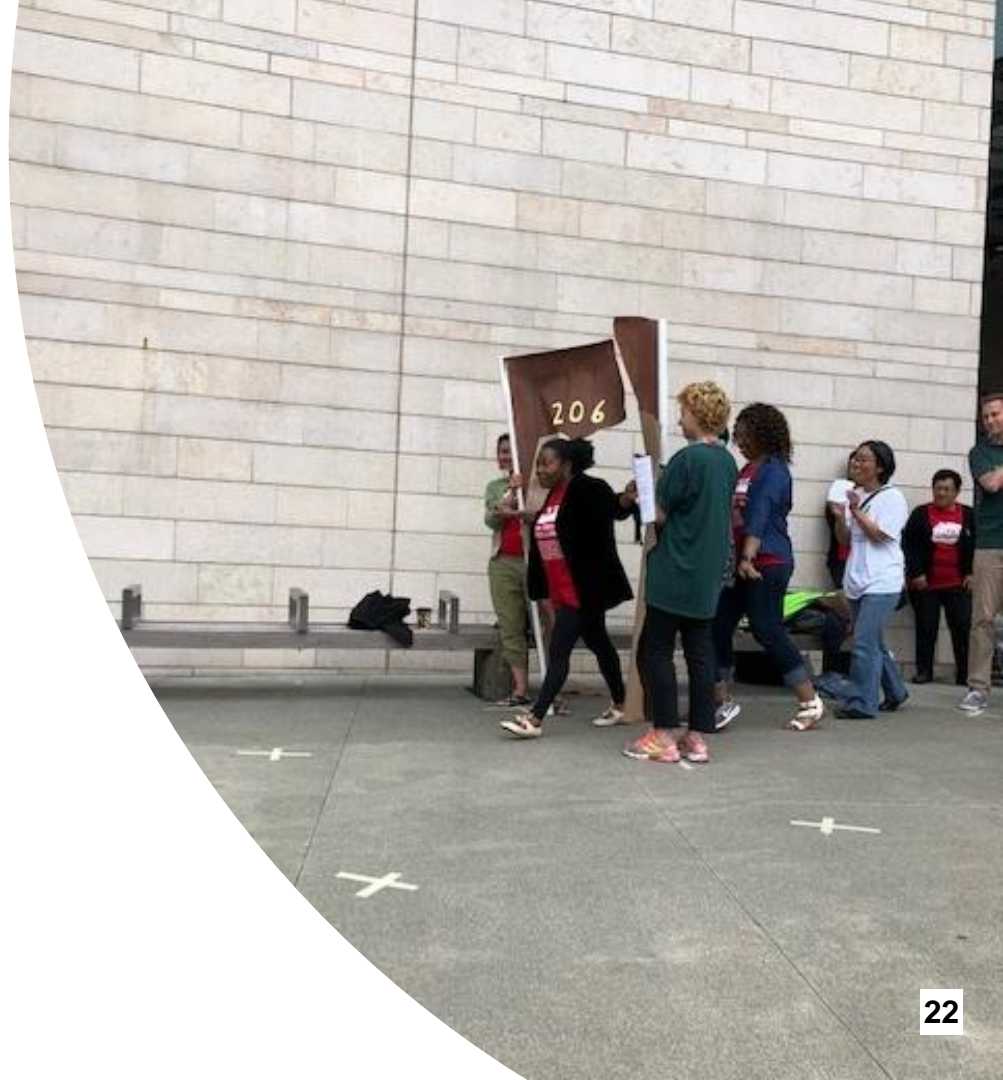
What We Believe

The Domestic Workers Standards Board envisions a world where:

- Domestic workers are informed and supported, and hiring entities are accountable and regulated;
- Better relationships are cultivated between workers and hiring entities across languages and cultures; and
- Policies are clear, consistently enforced, and meaningfully improve the lives of domestic workers

Today's Presentation

- ❑ Barriers to achieving our vision for domestic workers
- ❑ Recommendations for City Council to overcome barriers
- ❑ Immediate next steps



Since mid-2019,
OLS has
received
only 15 worker
inquiries,
resulting in just
one
investigation.

Over the last two years, OLS and community partners have conducted hundreds of trainings and outreach events, as well as launched bus and radio ad campaigns.



Barriers: Implementing the Domestic Workers Ordinance

Reaching the community

- Identifying domestic workers and hiring entities is difficult due to factors like language barriers and confusion about the ordinance
- Working in the shadows: domestic workers and hiring entities are not accustomed to regulation

Overcoming anxiety

- Fear of impact on immigration status, job security, and future references

Communicating to a massive population

- Tens of thousands of domestic workers and possibly hundreds of thousands of hiring entities





Barriers: Current Working Conditions

Low Wages and No Benefits

- More than half of domestic workers struggle to pay rent or other bills.
- Domestic workers go to work sick because they lack PTO and basic healthcare

Domestic Work During COVID-19

- Domestic workers are essential workers: childcare providers, home health aides, cleaning and disinfecting homes
- Latinx people make up 34% of confirmed COVID-19 cases despite being 13% of the population
- Latinx patients are six times more likely to die from COVID-19

Domestic Workers Standards Board Recommendations

- 1) Deeply invest in community expertise and building trust
- 2) Provide both targeted and scalable materials to domestic workers and hiring entities
- 3) Implement policy changes to improve the Domestic Workers Ordinance
- 4) Pass a right to portable paid time off for domestic workers



[Video link]

1) Invest in Community Expertise and Building Trust

Significantly expand funding for domestic worker outreach

- Build on the trust of community partners who can reach vulnerable populations
- Close existing communication gaps, such as with the African and API communities

Compensate workers for their expertise

- Pay board members who are domestic workers
- Fund paid surveys and interviews of domestic workers to inform Board and OLS efforts



2) Provide More Materials and Resources to Workers and Hiring Entities

To reach hundreds of thousands of hiring entities - a scale that OLS is not funded for...

- Publish, update, and disseminate clear online and printed materials, including a mailing to all households in Seattle
- Ensure that third-party platforms are compliant with the DWO

2) Provide More Materials and Resources to Workers and Hiring Entities

To help address the devastating impact of lack of healthcare...

- Provide resources for hiring entities to understand health care options for their workers
- Convene all relevant City departments to discuss creative options or program assistance to help workers gain access to care
- Push the state legislature to adopt an affordable health insurance option available to ALL in Washington State



3) Policy Changes to Improve the DWO

To reach the community with clear information and empower more workers to access their rights...

- Simplify worker and hiring entity coverage – eliminate exceptions
- Mandate that all hiring entities provide a notice of rights to their domestic workers, including third-party platforms
- Engage domestic workers when considering current legislation on independent contractor transparency



4) Right to Portable Paid Leave for Domestic Workers

To ensure that Domestic Workers can afford to take the time they need to care for themselves and their loved ones...



Domestic workers deserve a right to portable paid leave for paid sick days, rest days and other uses they may need.



Portable benefits are benefits that can be paid into or accrued from many hiring entities into one worker's account.



Portable paid leave for all domestic workers should be mandated and supported by strong, simple enforcement.

4) Right to Portable Paid Leave for Domestic Workers

The bad news

- 57% of domestic workers receive no benefits at all
- Only 36% receive paid sick time
- ***Workers report that they regularly go to work when they are sick***



The good news

- 87% of employers support paid sick time for domestic workers and 69% support paid vacation.
- Over half of employer survey respondents (58%) believe agency and individual hiring entities should be responsible for benefits

4) Right to Portable Paid Leave for Domestic Workers

What does a successful portable benefits system look like?

- Portability
- Centralized accounting system
- Third-party administration
- Enforceability
- Universal coverage
- Continued engagement with workers/worker organizations
- Outreach and education





The Committee must respond to these recommendations by September 15, 2021.

Next Steps

- Standing monthly check-in to touch base on Council's progress during the DWSB's regular meetings.
- Separate monthly meeting with the Coalition and representatives or staff of the Committee to discuss the right to paid leave, starting within the first 30 days after this presentation.



Legislation Text

File #: Inf 1813, **Version:** 1

American Rescue Plan Act Direct Aid



SEATTLE CITY COUNCIL
CENTRAL STAFF

Federal COVID Response Funding

Aly Pennucci, Policy and Budget Manager, Council Central Staff

FINANCE AND HOUSING COMMITTEE | MAY 18, 2021

Presentation Overview

- American Rescue Plan Act (ARPA) – updated guidance on Coronavirus Local Fiscal Recovery Funds (CLFR = direct aid to cities)
- Highlights of proposed county and state appropriations organized to show areas that overlap or complement spending priorities identified by Council in RES 31999
- Next steps

Direct Aid: CLFR Funds

Department of Treasury issued updated numbers for the allocation of direct aid to the City of Seattle on May 10th

- Direct Aid to Seattle: \$232M
 - Total allocation: \$232M (\$116M in 2021)
 - \$7M less than initial estimate discussed in April
- Direct Aid to King County: \$437M
- Direct Aid to WA State: \$4.42B

CLFR: Updated Federal Guidance on use of Direct Aid

- **Support public health expenditures by funding COVID-19 mitigation efforts**
(medical expenses, behavioral healthcare, and certain public health and safety staff)
- **Address negative economic impacts caused by the public health emergency**
(support workers, households, small businesses, impacted industries, and the public sector)
- **Replace lost public sector revenue, using this funding to provide government services**
(services to the extent of the reduction in revenue experienced due to the pandemic)
- **Provide premium pay for essential workers**
(those who have borne and will bear the greatest health risks because of their service)
- **Invest in water, sewer, and broadband infrastructure**
(improve access to clean drinking water, vital wastewater and stormwater infrastructure, and to expand access to broadband internet)

Guidance on use of Direct Aid

Addressing negative economic impacts

- Delivering assistance to workers and families, training, as well as aid to households facing food, housing, or other financial insecurity
- Supporting small businesses, to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, and technical assistance
 - loans, grants, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn
- Speeding the recovery of the tourism, travel, and hospitality sectors
- Rebuilding public sector capacity by rehiring public sector staff; and building internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations

Guidance on use of Direct Aid

Addressing negative economic impacts

Funding to serve the hardest-hit communities and families to:

- Address health disparities and the social determinants of health
- Invest in housing and neighborhoods
- Address educational disparities
- Promote healthy childhood environments

Funds may be used if they are provided:

- Within a Qualified Census Tract (a low-income area as designated by HUD)
- To families living in Qualified Census Tracts
- By a Tribal government
- To other populations, households, or geographic areas disproportionately impacted by the pandemic

Guidance on use of Direct Aid

Ineligible Uses

- To directly or indirectly offset a reduction in net tax revenue due to a change in law
- To make a deposit to a pension fund
- To fund debt service
- To pay for legal settlements or judgments
- To make deposits to rainy day funds or financial reserves
- To fund infrastructure projects outside of water, sewer, and broadband

Resolution 31999

Council's Spending Priorities by Categories

- Vaccines and testing
- Food assistance
- Immigrant and refugee support
- Homelessness and housing services (including rental assistance)
- Small businesses, worker assistance, and workforce recovery
- Child care
- Community wellbeing
- Transportation
- Revenue replacement and financial resilience

Highlights: County Spending Proposals*

- **Vaccines and testing**
 - \$112M: King County Vaccination Program
 - \$82.3M: Public Health COVID-19 Response (Testing, Contact Tracing, Care Coordination, I&Q Services, Strike and Mobile Assessment Teams, and Outbreak Testing)
- **Food assistance**
 - \$5M: Contracts with up to 20 CBOs to purchase, store and distribute culturally appropriate foods
 - \$1M: Funding to convert warehouse in SODO to co-packing space to support food security
- **Immigrant and refugee support**
 - \$4.9M: digital equity grants to CBOs
- **Homelessness and housing services**
 - \$100M: Rental assistance
 - \$50M: Homeless Response Fund (outreach, health and treatment services, housing or enhanced shelter, and economic and housing supports)
 - \$7.5M: Targeted Homeless Outreach and Shelter Program Procurement
 - \$6M: COVID Deintensification Shelters
 - \$40M: Coordinated Housing and Employment Recovery Program

**Note: KC Council is still considering the 2021 COVID appropriation bill, including potential amendments; numbers and categories of spending may change*

Highlights: County Spending Proposals*

- **Small businesses, worker assistance, and workforce recovery**

- \$20M Support for arts, culture, and science organizations
- \$1M to DCHS Communities of Opportunity's Commercial Affordability Pilot Project
- \$25.6M for a program to support BIPOC businesses and economic resiliency
- \$10.4M Apprenticeship and job training program
- \$40M for a new temporary jobs program for residents of DCHS's rapid rehousing program
- \$1.8M Safe Start Taverns and Restaurant Program

- **Child care**

- \$6M child care services and grant program and child care assistance

- **Community wellbeing**

- \$400k to deliver diapers throughout the county
- \$1.5M to support services for individuals and families experiencing domestic violence, sexual violence and gender-based violence
- \$10M+ behavior health services
- \$4M for services isolation and loneliness in youth and seniors

**Note: KC Council is still considering the 2021 COVID appropriation bill, including potential amendments; numbers and categories of spending may change*

Highlights: State Budget

- **Vaccines and testing**
 - \$1.1B COVID response and vaccine deployment
- **Food assistance**
 - \$14M: Emergency Food Reimbursements
- **Immigrant and refugee support**
 - \$340M Immigrant Relief Fund

- **Homelessness and housing services**
 - \$658M Rental Assistance
 - \$130.6M Housing & Emergency Needs (HEN)
 - \$58.4M for Operating, Maintenance and Services for PSH (on top of \$37M in base)
 - \$187M Foreclosure Prevention
 - \$175M Housing Trust Fund
 - \$120M Rapid Acquisition (including \$5M for the Clay Apartments and \$4M for Keiro Nursing Home in Seattle)
 - \$19.7M long-term vouchers
 - \$2M capital funds for tiny homes
 - \$222m Home Security Funds for unsheltered homelessness, RRH, etc.
 - \$4.6M Homeless Student Stability

Highlights: State Budget

- **Small businesses, worker assistance, and workforce recovery**
 - \$188M Small Business Assistance
- **Child care**
 - \$400M: Child Care Stabilization Grants (payroll, operating expenses, and other)
 - \$8M Professional development for child care providers
 - \$146M Working Connections Childcare and ECEAP Provider Rate Increases

- **Community wellbeing**
 - \$110.8M Behavioral health treatment and supports
 - \$10.7M Broadband accessibility / digital navigators
 - \$10.M Community-based organization grants to support access to federal resources

Next Steps

- **Introduce appropriations bill first week of June**
 - Will include accepting and authorizing spending of \$116M of CLFR funds and \$12.2M ARPA HOME Investment Partnerships Program
 - Other targeted aid to be considered in this bill or future appropriation bill depending on timing of award:
 - ~\$28M for rental assistance
 - TBD amount from the Older Americans Act to support seniors
- **Committee Schedule:**
 - June 4: Discuss appropriations bill and begin to identify potential amendments
 - June 15 or 16: Amendments and possible vote



Legislation Text

File #: CB 120069, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

WHEREAS, independent contract work is a growing source of income for workers across the country; and

WHEREAS, in 2018, the United States Bureau of Labor Statistics (BLS) reported that 6.9 percent of workers (10.6 million individuals) gain their primary source of income as an independent contractor; and

WHEREAS, a 2019 Washington State Department of Commerce study found that independent contracting is on the rise in Washington state, increasing by 15 percent from 2008 to 2016; and

WHEREAS, independent contractors have the opportunity for increased flexibility and control over their work, but they also face challenges, such as working without employee protections, non-payment or late payment, lack of information about the terms and conditions of their work, and misclassification; and

WHEREAS, studies show that timely payment is an issue for independent contractors, including a Gallup, Inc. survey reporting that 39 percent of independent contractors reported problems with timely and accurate payment as compared to 18 percent of employees in traditional employment; and

WHEREAS, under current law, an independent contractor's primary legal recourse for non-payment or late payment is a legal action for breach of contract in small claims court or civil court, and the time and expense of going to court and/or hiring an attorney prevents many independent contractors from pursuing payment claims; and

WHEREAS, the Washington State Department of Commerce found that independent contractors reported

experiencing a weaker sense of economic security than in traditional jobs and shared their interest in a more centralized contract enforcement mechanism; and

WHEREAS, in Seattle, Transportation Network Companies (TNCs) and food delivery network companies must provide platform gig workers hired as independent contractors with certain information about their jobs and pay, but there are not comprehensive transparency requirements for all independent contractors working in Seattle; and

WHEREAS, a lack of transparency about job information and pay can lead to confusion or disagreement about the terms and conditions of work and mask deceptive payment practices; and

WHEREAS, large delivery businesses that make extensive use of workers hired as independent contractors have come under scrutiny for improperly paying delivery drivers, including failure to pay drivers all tips earned from customers or using tips to subsidize promised wages, and proving wage theft is difficult when hiring entities are not required to provide an itemized accounting of earnings; and

WHEREAS, in 2017, Instacart agreed to pay \$4.6 million and make changes to how it explains its fees to customers to settle a class-action lawsuit filed by shoppers and drivers over allegations of improper tip pooling, failure to reimburse workers for business expenses, and imposing a service fee reported to look like a tip; and

WHEREAS, in 2020, Door Dash agreed to pay \$2.5 million dollars in a settlement, including \$1.5 million dollars paid directly to eligible delivery drivers, with the Office of Attorney General of the District of Columbia over allegations that the company had misrepresented what tip amounts meant for worker pay and took tips from workers to lower the company's labor costs; and

WHEREAS, in 2019, the Los Angeles Times reported that Amazon delivery drivers suspected that Amazon was using their tips to subsidize promised wages but did not have breakdowns of their compensation as proof of this practice, and two drivers tested their suspicions by delivering items to their homes through Amazon and by tipping themselves amounts that Amazon ultimately did not include in their

compensation for the deliveries; and

WHEREAS, in February 2021, Amazon agreed to pay \$61.7 million in a settlement with the Federal Trade Commission (FTC) over allegations of withholding the full amount of customer tips from AmazonFlex drivers, and the FTC alleged that Amazon withheld this amount from workers by using the worker's tips to subsidize the company's guaranteed minimum base pay to drivers for each order. As part of the settlement agreement, Amazon was prohibited from misrepresenting any driver's income or rate of pay, the amount of tips paid to workers, the amount of tips paid by customers, and making changes to how tips are used as compensation without first obtaining the worker's express informed consent; and

WHEREAS, the definitions of "employee" and "employer" in local, state, and federal laws are broad, but large delivery businesses and other platform businesses rely on business models that hire platform gig workers as independent contractors, thereby creating barriers for gig workers to access employee protections; and

WHEREAS, Black and Latinx workers comprise almost 42 percent of platform gig workers for large delivery businesses and other platform businesses although they comprise less than 29 percent of the overall labor force; and

WHEREAS, misclassification is the practice of improperly classifying employees as independent contractors; and

WHEREAS, in 2019 the Harvard Law School Labor and Worklife Program reported that 19 percent of employers in the Seattle-Bellevue-Tukwila area engage in misclassification - higher than the statewide misclassification average of 13 percent - and that the prevalence of misclassification in Washington increased from 5 percent in 2008 to 14 percent in 2017, and averaged 16 percent over the past five years; and

WHEREAS, misclassification occurs in many growth industries such as home care, janitorial, trucking,

delivery, construction, personal services, hospitality and restaurants, and platform gig work; and

WHEREAS, in 2021, the National Equity Atlas, a research partnership between PolicyLink and the University of Southern California Equity Research Institute, reported that Black, Latinx, and immigrant workers are overrepresented in these industries, compared to their overall share of the labor force; and

WHEREAS, in 2020, the National Employment Law Project reported that it is increasingly clear that misclassification is an issue of racial justice as many poor workers of color and immigrant workers, deprived of the core rights and protections of employees, are stuck in a separate and unequal economy where they are underpaid, put in harm's way on the job, and left to fend for themselves; and

WHEREAS, in February 2019, the City Council (Council) passed Resolution 31863 to address the problem of misclassifying employees as independent contractors; and

WHEREAS, Resolution 31863 requested the Office of Labor Standards (OLS) and the Labor Standards Advisory Commission (LSAC) to work on policy, outreach and enforcement proposals to address the problem of misclassification; and

WHEREAS, in May 2020, the LSAC issued policy recommendations to create more transparency and access to information for workers hired as independent contractors, including recommendations for (1) pre-contract disclosures to provide independent contractors with basic job information and (2) payment disclosures to provide a description of the work performed and pay information; and

WHEREAS, requiring hiring entities to provide independent contractors with pre-contract and payment disclosures, along with requiring timely payment, aligns with transparency and pay requirements for employees in the Wage Theft Ordinance, Seattle Municipal Code (SMC) 14.20; and

WHEREAS, establishing rights to pre-contract and payment disclosures and timely payment helps all workers hired as independent contractors, and especially those who are misclassified and therefore deprived of the right to receive this information as employees; and

WHEREAS, in 2021, the Economic Policy Institute reported that workers of color predominate in the low-

paying jobs where misclassification is common and all workers who are misclassified suffer from lack of workplace protections but women, people of color, and immigrants face unique barriers to economic insecurity and disproportionately must accept low-wage, unsafe, and insecure working conditions; and WHEREAS, The City of Seattle (City) is committed to ending racial disparities and achieving racial equity in Seattle; and

WHEREAS, it is the City’s intent for correctly classified independent contractors, misclassified employees, and correctly classified employees to have equal baseline rights; and

WHEREAS, establishing efficient enforcement mechanisms for independent contractors to enforce such rights prevents theft of earned income, promotes the dignity of these vital workers, and increases their economic security and ability to care for themselves and their families; and

WHEREAS, preventing theft of an independent contractor’s earned income also promotes business and economic development within the City by reducing unfair competition by unscrupulous hiring entities that do not pay or underpay independent contractors; and

WHEREAS, the City is a leader on wage, labor, and workforce practices that improve workers’ lives, support economic security, and contribute to a fair, healthy, and vibrant economy; and

WHEREAS, establishing new labor standards for independent contractors, such as requirements for pre-contract disclosures, timely payment, and payment disclosures, requires appropriate action by the Council; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Chapter 14.34 is added to the Seattle Municipal Code as follows:

Chapter 14.34 INDEPENDENT CONTRACTOR PROTECTIONS

14.34.010 Short title

This Chapter 14.34 shall constitute the “Independent Contractor Protections Ordinance” and may be cited as such.

14.34.020 Definitions

For purposes of this Chapter 14.34:

“Adverse action” means reducing compensation, garnishing tips or gratuities, temporarily or permanently denying or limiting access to work, incentives, or bonuses, offering less desirable work, terminating, deactivating, threatening, penalizing, retaliating, engaging in unfair immigration-related practices, filing a false report with a government agency, or otherwise discriminating against any person for any reason prohibited by Section 14.34.120. “Adverse action” for an independent contractor may involve any aspect of the contractor’s work, including compensation, work hours, responsibilities, or other material change in the terms and conditions in the ability of the independent contractor to perform services for or through the hiring entity. “Adverse action” also includes any action by the hiring entity or a person acting on the hiring entity’s behalf that would dissuade a reasonable person from exercising any right afforded by this Chapter 14.34.

“Agency” means the Office of Labor Standards and any division therein.

“Aggrieved party” means an independent contractor or other person who suffers tangible or intangible harm due to a hiring entity or other person's violation of this Chapter 14.34.

“Application dispatch” means technology that allows customers to directly request dispatch of independent contractors for provision of services and/or allows independent contractors or hiring entities to accept requests for services and payments for services via the internet using mobile interfaces such as, but not limited to, smartphone and tablet applications.

“City” means The City of Seattle.

“Commercial hiring entity” means a hiring entity regularly engaged in business or commercial activity. A hiring entity is regularly engaged in business or commercial activity if the hiring entity owns or operates any trade, occupation, or business, including a not for profit business, or holds itself out as engaging in any trade, occupation, or business. “Commercial hiring entity” does not include third parties purchasing services from hiring entities that hire platform gig workers to provide prearranged services.

“Compensation” means the payment owed to an independent contractor by reason of working for the hiring entity, including but not limited to hiring entity payments for providing services, bonuses, and commissions, as well as tips and service charge distributions.

“Director” means the Director of the Office of Labor Standards or the Director's designee.

“Director rules” means: (1) rules the Director or Agency may promulgate pursuant to subsection 14.34.130.B or 14.34.130.C; or (2) other rules that the Director identifies, by means of an Agency Q&A, previously promulgated pursuant to authority in this Title 14. Rules the Director identifies by means of an Agency Q&A shall have the force and effect of law and may be relied on by hiring entities, independent contractors, and other parties to determine their rights and responsibilities under this Chapter 14.34.

“Employ” means to suffer or permit to work.

“Employee” means any individual employed by an employer, including but not limited to full-time employees, part-time employees, and temporary workers. An employer bears the burden of proof that the individual is, as a matter of economic reality, in business for oneself rather than dependent upon the alleged employer.

“Employer” means any individual, partnership, association, corporation, business trust, or any entity, person or group of persons, or a successor thereof, that employs another person and includes any such entity or person acting directly or indirectly in the interest of an employer in relation to an employee. More than one entity may be the “employer” if employment by one employer is not completely disassociated from employment by the other employer.

“Hiring entity” means any individual, partnership, association, corporation, business trust, or any entity, person or group of persons, or a successor thereof, that hires an independent contractor to provide any service to the hiring entity or a third party.

“Hiring entity payment” means the amount owed to an independent contractor by reason of working for the hiring entity, including but not limited to payment for providing services, bonuses, and commissions.

“Independent contractor” means a person or entity composed of no more than one person, regardless of corporate form or method of organizing the person’s business, that is hired by a hiring entity as a self-employed person or entity to provide services in exchange for compensation. “Independent contractor” includes a platform gig worker. “Independent contractor” does not include:

1. Any person duly authorized to practice law and who is engaged in the practice of law for the services at issue;
2. Any person who is a licensed medical professional acting within the scope of that license for the services at issue; and
4. Pursuant to rules that the Director may issue, any person working in a profession that is governed by a comparable code of ethics and who is working within the scope of that profession for the services at issue.

“Online order” or “online order for work” means an order for services placed through an online-enabled application or platform, including but not limited to an application dispatch system, provided by a hiring entity.

“Platform gig worker” means an independent contractor hired by a hiring entity to provide prearranged services for compensation using an online-enabled application or platform to connect third parties (e.g., customers) with workers.

“Primary language” means the language in which the independent contractor feels most comfortable communicating.

“Rate of inflation” means 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and Clerical Workers, termed CPI-W, for the 12-month period ending in August, provided that the percentage increase shall not be less than zero.

“Respondent” means a hiring entity or any person who is alleged or found to have committed a violation of this ordinance.

“Successor” means any person to whom a hiring entity quitting, selling out, exchanging, or disposing of

a business sells or otherwise conveys in bulk and not in the ordinary course of the hiring entity’s business, a major part of the property, whether real or personal, tangible or intangible, of the hiring entity’s business. For purposes of this definition, “person” means an individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, corporation, business trust, partnership, limited liability partnership, company, joint stock company, limited liability company, association, joint venture, or any other legal or commercial entity.

“Tip” or “tips” means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of some service performed for the customer by the independent contractor receiving the tip.

“Written” or “writing” means a printed or printable communication in physical or electronic format, including but not limited to a communication that is transmitted through email, text message, or a computer or mobile system, or that is otherwise sent and maintained electronically.

14.34.030 Independent contractor coverage

A. For the purposes of this Chapter 14.34, covered independent contractors are limited to those who perform work for a covered hiring entity, where (1) the work is performed in whole or part in Seattle, and (2) the hiring entity knows or has reason to know that the work is performed in whole or part in Seattle.

B. The determination of whether a hiring entity knows or has reason to know that work is performed in whole or part in Seattle, may be demonstrated by any number of factors, including but not limited to:

1. The hiring entity specifies the location of the work to be performed, including a service area that is wholly or partially within Seattle;
2. The hiring entity provides a location within Seattle at which the independent contractor is permitted or required to perform the work;
3. The independent contractor maintains a regular place of business at an address in Seattle and the hiring entity is aware of this regular place of business as indicated by inclusion of the independent contractor’s address in Seattle in a pre-contract disclosure, written contract, payment, or other means;

4. The independent contractor provides information to the hiring entity indicating that work will be performed in whole or part in Seattle;

5. The independent contractor provides services that in fact include a work-related or commercial stop in Seattle; or

6. Pursuant to rules that the Director may issue, other factors that are material and necessary to effectuate the terms of this Chapter 14.34.

C. If a pre-contract disclosure, payment disclosure, or a written contract references Seattle as a location for services or the independent contractor's regular place of business, there shall be a presumption rebuttable by clear and convincing evidence that the hiring entity knows or has reason to know that the independent contractor's work is performed in whole or part in Seattle. The lack of a reference to Seattle in the disclosures or contract does not conclusively establish that a hiring entity did not know, or did not have reason to know, that work was to be performed in Seattle.

D. Time spent by an employee in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle, with no work-related or commercial stops in Seattle except for refueling or the independent contractor's personal meals or errands, does not create coverage for an independent contractor under this Chapter 14.34.

C. Independent contractors who are employees under Chapter 14.20 for covered hiring entities are not covered independent contractors under this Chapter 14.34. Hiring entities must make all required disclosures and pay all compensation owed to such workers in accordance with their obligations under Chapter 14.20.

D. Independent contractors who are Transportation Network Company (TNC) drivers under Chapter 14.33 for covered hiring entities are not owed pre-contract disclosures under Section 14.34.050 or payment disclosures under Section 14.34.060. Hiring entities that hire TNC drivers must comply with all other requirements of this Chapter 14.34, including provision of timely payment under Section 14.34.055, and make all required disclosures and pay all compensation owed to such workers in accordance with their obligations

under Chapter 14.33.

14.34.040 Hiring entity coverage

A. For the purposes of this Chapter 14.34, a covered hiring entity is limited to a commercial hiring entity that hires an independent contractor for services in the course of the commercial hiring entity's business or commercial activity.

B. Separate entities that form an integrated enterprise shall be considered a single hiring entity under this ordinance. Separate entities will be considered an integrated enterprise and a single hiring entity under this ordinance where a separate entity controls the operation of another entity. The factors to consider in making this assessment include, but are not limited to:

1. Degree of interrelation between the operations of multiple entities;
2. Degree to which the entities share common management;
3. Centralized control of labor relations;
4. Degree of common ownership or financial control over the entities; and
5. Use of a common brand, trade, business, or operating name.

14.34.045 Value of services

For the purposes of this Chapter 14.34, covered services by independent contractors are limited to those with proposed or actual compensation of \$600 or more, or compensation reasonably expected to be \$600 or more either by itself or when aggregated for services between the same hiring entity and independent contractor during the calendar year.

14.34.050 Pre-contract disclosure

A. Prior to an independent contractor beginning work for the hiring entity, the hiring entity shall provide the independent contractor with a written pre-contract disclosure that provides itemized information on the proposed terms and conditions of work, including but not limited to:

1. Current date;

2. Name of the independent contractor;
3. Name of the hiring entity;
4. Contact information for the hiring entity, including but not limited to physical address, mailing address, telephone number, and/or email address as applicable;
5. Description of work;
6. Location(s) of work and regular place of business of independent contractor or hiring entity;
7. Rate or rates of pay, including any applicable price multiplier or variable pricing policy, or incentive pay applicable to the offer of work;
8. Estimated tips and/or service charge distributions, if the hiring entity includes tips or service charge distributions as part of the offered compensation;
9. Pay basis (e.g., hour, day, week, monthly, fee per project, piece rate, commission);
10. Tips and/or service charge distribution policy, if applicable;
11. Typical expenses incurred in the course of work and which expenses will be paid or reimbursed by the hiring entity, if applicable;
12. Deductions, fees, or other charges that the hiring entity may subtract from payment and accompanying policies for each type of charge, if applicable;
13. Payment schedule; and
14. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 14.34.

B. Hiring entities shall satisfy the pre-contract disclosure requirements by providing the required information in a single document, which may be in the form of a pre-contract disclosure, contract offer, counteroffer, application, or other single document meeting the disclosure requirements.

C. Hiring entities shall provide platform gig workers with a pre-contract disclosure at the initial time of hire and for each online order for work covered by this Chapter 14.34. However, pre-contract disclosures for

each online order may abbreviate or omit information required by subsections 14.34.050.A.4 and 14.34.050.A.10-13 if the hiring entity fully provided such information in the pre-contract disclosure provided at the initial time of hire and there have been no changes to such information.

D. Hiring entities shall provide an independent contractor with written notice of any change to the information required by subsection 14.34.050.A before the change takes place, or as soon as practicable for retroactive changes to such information. Hiring entities may provide piece-meal notice of such changes (i.e., notice separate from the single document required in subsection 14.34.050.B). However, for changes to more than six of the items required by subsection 14.34.050.A, hiring entities shall issue a revised single document with all disclosures required by subsection 14.34.050.A.

E. Hiring entities shall provide the pre-contract disclosure in English and any language that the hiring entity knows or has reason to know is the primary language of the independent contractor.

F. The Agency shall create and distribute a model notice of the pre-contract disclosure in English, Spanish, and other languages by March 1, 2022. Hiring entities are not required to use the model notice when providing the pre-contract disclosure. However, hiring entities are responsible for providing the pre-contract disclosure in a format that is readily accessible to the independent contractor. Hiring entities of platform gig workers shall provide the pre-contract disclosure in an electronic format via smartphone application or online web portal.

G. Hiring entities shall satisfy pre-contract disclosure requirements for independent contractors working for the hiring entity as of March 1, 2022 by providing the required information by March 31, 2022 or by the date of compensation, whichever date is sooner.

H. If the independent contractor performs agreed-upon work pursuant to the pre-contract disclosure, the terms and conditions in the pre-contract disclosure shall presumptively become part of the terms and conditions of a contract between the hiring entity and the independent contractor. This presumption shall be rebuttable by clear and convincing evidence, such as a written contract.

14.34.055 Timely payment

A. Except as otherwise provided by law, the hiring entity shall provide the independent contractor with timely compensation for work performed.

B. The hiring entity shall provide compensation that conforms to the terms and conditions of the contract between the hiring entity and the independent contractor, whether the amount of compensation is specified by the contract resulting from the pre-contract disclosure pursuant to subsection 14.34.050.H or by other means such as a superseding written contract.

C. If the independent contractor performs agreed-upon work for the hiring entity and the hiring entity has not provided a pre-contract disclosure regarding the terms and conditions of payment, there is a rebuttable presumption that the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship pursuant to subsections 14.34.170.C and 14.34.230.B.

D. The hiring entity shall provide the compensation as follows:

1. On or before the date the compensation is due under the terms and conditions of the contract;

or

2. If the contract does not specify when the hiring entity shall provide the independent contractor with compensation or the mechanism by which the date for compensation shall be determined, the hiring entity shall provide the independent contractor with compensation no later than 30 days after the completion of the independent contractor's services under the contract.

E. Once the independent contractor has commenced performance of the services under the contract, the hiring entity shall not require as a condition of timely compensation that the independent contractor accept less compensation than the amount of compensation due under the contract.

14.34.060 Payment disclosure

A. Each time the hiring entity provides the independent contractor with compensation, the hiring entity shall provide a written payment disclosure that provides itemized payment information, including but not

limited to:

1. Current date;
2. Name of independent contractor;
3. Name of hiring entity;
4. Description of services covered by payment (e.g., description of project, tasks completed, or hours worked);
5. Location of services covered by payment;
6. Rate or rates of pay, including any applicable price multiplier or variable pricing policy, or incentive pay applicable to the work;
7. Tip compensation and/or service charge distributions, if applicable;
8. Pay basis with accounting of method(s) for determining payment earned during the pay period;
9. Expenses reimbursed, if applicable;
10. Gross payment;
11. Deductions, fees, or other charges, if applicable;
12. Net payment after deductions, fees, or other charges; and
13. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 14.34.

B. Hiring entities shall satisfy the payment disclosure requirements in subsection 14.34.060.A by providing the required information in a single document, including but not limited to a payment disclosure notice, paycheck stub, or an independent contractor's invoice accompanied by a single document with supplemental information as necessary.

C. In addition to providing a payment disclosure at the time of compensation, hiring entities of platform gig workers shall provide a payment disclosure for each completed online order for work covered by this

Chapter 14.34. The Director may issue rules governing the timing and content of payment disclosures for each completed online order for work.

D. The Agency shall create and distribute a model notice of the payment disclosure in English, Spanish, and other languages by March 1, 2022. Hiring entities are not required to use the model notice when providing the payment disclosure. However, hiring entities are responsible for providing the payment disclosure in a format that is readily accessible to the independent contractor. Hiring entities of platform gig workers shall provide the payment disclosure in an electronic format via smartphone application or online web portal.

14.34.100 Notice of rights

A. Hiring entities shall provide each independent contractor with a written notice of rights established by this Chapter 14.34.

1. For independent contractors working for the hiring entity as of March 1, 2022, hiring entities shall provide the notice of rights by March 31, 2022 or by the date of compensation, whichever date is sooner.

2. For independent contractors hired by the hiring entity after March 1, 2022, hiring entities shall provide the notice of rights prior to the independent contractor beginning work for the hiring entity.

3. Hiring entities shall provide the notice of rights in English and any language that the hiring entity knows or has reason to know is the primary language of the independent contractor.

B. The notice of rights shall provide information on:

1. The right to pre-contract disclosures, timely payment, and payment disclosures guaranteed by this Chapter 14.34;

2. The right to be protected from retaliation for exercising in good faith the rights protected by this Chapter 14.34;

3. The right to file a complaint with the Agency or bring a civil action for a violation of the requirements of this Chapter 14.34, including a hiring entity's failure to provide a pre-contract disclosure, timely payment, and a payment disclosure, and a hiring entity or other person's retaliation against an

independent contractor or other person for asserting the right to disclosures, timely payment, or otherwise engaging in an activity protected by this Chapter 14.34; and

4. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 14.34.

C. The Agency shall create and distribute a model notice of rights in English and other languages by March 1, 2022. Hiring entities are not required to use the model notice when providing the notice of rights. However, hiring entities are responsible for providing the notice of rights in a format that is readily accessible to the independent contractor. Hiring entities of platform gig workers shall provide the notice of rights in an electronic format via smartphone application or online web portal.

14.34.110 Hiring entity records

A. Hiring entities shall retain records that document compliance with this Chapter 14.34 for each independent contractor.

B. Hiring entities shall retain the records required by subsection 14.34.110.A for a period of three years.

C. If a hiring entity fails to retain adequate records required under subsection 14.34.110.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the hiring entity violated this Chapter 14.34 for the periods and for each independent contractor for whom records were not retained.

14.34.120 Retaliation prohibited

A. No hiring entity or any other person shall interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under this Chapter 14.34.

B. No hiring entity or any other person shall take any adverse action against any person because the person has exercised in good faith the rights protected under this Chapter 14.34. Such rights include, but are not limited to, the right to make inquiries about the rights protected under this Chapter 14.34; the right to inform others about their rights under this Chapter 14.34; the right to inform the person's hiring entity, the person's legal counsel, a union or similar organization, or any other person about an alleged violation of this Chapter

14.34; the right to file an oral or written complaint with the Agency or bring a civil action for an alleged violation of this Chapter 14.34; the right to cooperate with the Agency in its investigations of this Chapter 14.34; the right to testify in a proceeding under or related to this Chapter 14.34; the right to refuse to participate in an activity that would result in a violation of city, state or federal law; and the right to oppose any policy, practice, or act that is unlawful under this Chapter 14.34.

C. No hiring entity or any other person shall communicate to a person exercising rights protected in this Section 14.34.120, directly or indirectly, the willingness to inform a government worker that the person is not lawfully in the United States, or to report, or to make an implied or express assertion of a willingness to report, suspected citizenship or immigration status of an independent contractor or family member of an independent contractor to a federal, state, or local agency because the independent contractor has exercised a right under this Chapter 14.34.

D. It shall be a rebuttable presumption of retaliation if a hiring entity or any other person takes an adverse action against a person within 90 days of the person's exercise of rights protected in this Section 14.34.120. The hiring entity may rebut the presumption with clear and convincing evidence that the adverse action was taken for a permissible purpose.

E. Proof of retaliation under this Section 14.34.120 shall be sufficient upon a showing that a hiring entity or any other person has taken an adverse action against a person and the person's exercise of rights protected in this Section 14.34.120 was a motivating factor in the adverse action, unless the hiring entity can prove that the action would have been taken in the absence of such protected activity.

F. The protections afforded under this Section 14.34.120 shall apply to any person who mistakenly but in good faith alleges violations of this Chapter 14.34.

G. A complaint or other communication by any person triggers the protections of this Section 14.34.120 regardless of whether the complaint or communication is in writing or makes explicit reference to this Chapter 14.34.

14.34.130 Enforcement power and duties

A. The Agency shall have the power to enforce this Chapter 14.34 and shall have such powers and duties in the performance of these functions as are defined in this Chapter 14.34 and otherwise necessary and proper in the performance of the same and provided for by law.

B. The Agency is authorized to coordinate implementation and enforcement of this Chapter 14.34 and may promulgate appropriate guidelines or rules for such purposes.

C. The Director is authorized to promulgate rules consistent with this Chapter 14.34 and Chapter 3.02. Any guidelines or rules promulgated by the Director shall have the force and effect of law and may be relied on by hiring entities, independent contractors, and other parties to determine their rights and responsibilities under this Chapter 14.34.

14.34.140 Violation

The failure of any respondent to comply with any requirement imposed on the respondent under this Chapter 14.34 is a violation.

14.34.150 Investigation

A. The Agency shall have the power to investigate any violations of this Chapter 14.34 by any respondent. The Agency may initiate an investigation pursuant to Director rules, including but not limited to situations when the Director has reason to believe that a violation has occurred or will occur, or when circumstances show that violations are likely to occur within a class of hiring entities or businesses because the workforce contains significant numbers of independent contractors who are vulnerable to violations of this Chapter 14.34 or the workforce is unlikely to volunteer information regarding such violations. An investigation may also be initiated through the receipt by the Agency of a report or complaint filed by an independent contractor or other person.

B. An independent contractor or other person may report to the Agency any suspected violation of this Chapter 14.34. The Agency shall encourage reporting pursuant to this Section 14.34.150 by taking the

following measures:

1. The Agency shall keep confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the independent contractor or person reporting the violation.

However, with the authorization of such person, the Agency may disclose the independent contractor's or person's name and identifying information as necessary to enforce this Chapter 14.34 or for other appropriate purposes.

2. The Agency may require the hiring entity to post or otherwise notify other independent contractors working for the hiring entity that the Agency is conducting an investigation. The hiring entity shall provide the notice of investigation in a form, place, and manner designated by the Agency. The Agency shall create the notice of investigation in English and other languages.

3. The Agency may certify the eligibility of eligible persons for "U" Visas under the provisions of 8 U.S.C. § 1184.p and 8 U.S.C. § 1101.a.15.U. This certification is subject to applicable federal law and regulations, and Director rules.

C. The Agency's investigation shall commence within three years of the alleged violation. To the extent permitted by law, the applicable statute of limitations for civil actions is tolled during any investigation under this Chapter 14.34 and any administrative enforcement proceeding under this Chapter 14.34 based upon the same facts. For purposes of this Chapter 14.34:

1. The Agency's investigation begins on the earlier date of when the Agency receives a complaint from a person under this Chapter 14.34, or when the Agency provides notice to the respondent that an investigation has commenced under this Chapter 14.34.

2. The Agency's investigation ends when the Agency issues a final order concluding the matter and any appeals have been exhausted; the time to file any appeal has expired; or the Agency notifies the respondent in writing that the investigation has been otherwise resolved.

D. The Agency's investigation shall be conducted in an objective and impartial manner.

E. The Director may apply by affidavit or declaration in the form allowed under RCW 9A.72.085 to the Hearing Examiner for the issuance of subpoenas requiring a hiring entity to produce the records required by Section 14.34.110, or for the attendance and testimony of witnesses, or for the production of documents required to be retained under Section 14.34.110, or any other document relevant to the issue of whether any independent contractor or group of independent contractors received the information or other benefits required by this Chapter 14.34, and/or to whether a hiring entity has violated any provision of this Chapter 14.34. The Hearing Examiner shall conduct the review without hearing as soon as practicable and shall issue subpoenas upon a showing that there is reason to believe that: a violation has occurred, a complaint has been filed with the Agency, that circumstances show that violations are likely to occur within a class of businesses because the workforce contains significant numbers of independent contractors who are vulnerable to violations of this Chapter 14.34, the workforce is unlikely to volunteer information regarding such violations, or the Agency has gathered preliminary information indicating that a violation may have occurred.

F. A hiring entity that fails to comply with the terms of any subpoena issued under subsection 14.34.150.E in an investigation by the Agency under this Chapter 14.34 before the issuance of a Director's Order issued pursuant to subsection 14.34.160.C may not use such records in any appeal to challenge the correctness of any determination by the Agency of liability, damages owed, or penalties assessed.

G. In addition to other remedies, the Director may refer any subpoena issued under subsection 14.34.150.E to the City Attorney to seek a court order to enforce any subpoena.

H. Where the Director has reason to believe that a violation has occurred, the Director may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing, including but not limited to a deposit of funds or bond sufficient to satisfy a good-faith estimate of compensation, interest, damages, and penalties due. A respondent may appeal any such order in accordance with Section 14.34.180.

14.34.160 Findings of fact and determination

A. Except when there is an agreed upon settlement, the Director shall issue a written determination with findings of fact resulting from the investigation and statement of whether a violation of this Chapter 14.34 has or has not occurred based on a preponderance of the evidence before the Director.

B. If the Director determines that there is no violation of this Chapter 14.34, the Director shall issue a “Determination of No Violation” with notice of an independent contractor’s or other person’s right to appeal the decision, pursuant to Director rules.

C. If the Director determines that a violation of this Chapter 14.34 has occurred, the Director shall issue a “Director's Order” that shall include a notice of violation identifying the violation or violations.

1. The Director’s Order shall state with specificity the amounts due under this Chapter 14.34 for each violation, including payment of unpaid compensation, liquidated damages, civil penalties, penalties payable to aggrieved parties, fines, and interest pursuant to Section 14.34.170.

2. The Director's Order may specify that civil penalties and fines due to the Agency can be mitigated for respondent's timely payment of remedy due to an aggrieved party pursuant to subsection 14.34.170.A.4.

3. The Director’s Order may specify that civil penalties and fines are due to the aggrieved party rather than due to the Agency.

4. The Director's Order may direct the respondent to take such corrective action as is necessary to comply with the requirements of this Chapter 14.34, including but not limited to monitored compliance for a reasonable time period.

5. The Director's Order shall include notice of the respondent's right to appeal the decision pursuant to Section 14.34.180.

14.34.165 Complaint procedure

A. The Agency shall have the power to respond to any violations of this Chapter 14.34 with a complaint procedure.

B. The Agency may initiate a complaint procedure as an alternative enforcement method to an investigation for responding to a report or complaint by any person of a violation of this Chapter 14.34. The Director may issue rules for the complaint procedure, including but not limited to rules to establish the timeline for sending the information required by subsection 14.34.170.D and to indicate when the Agency may prioritize use of a complaint procedure prior to an investigation or in lieu of an investigation. The Director may also establish other enforcement methods to efficiently resolve violations of this Chapter 14.34.

C. The Agency may require the complainant to provide information pursuant to the complaint procedure, including but not limited to:

1. Contact information for the independent contractor and hiring entity;
2. A statement describing the proposed terms and conditions of work, such as the information required by the pre-contract disclosure pursuant to Section 14.34.050;
3. A copy of the pre-contract disclosure, payment provided to the independent contractor, or payment disclosure, if available; and
4. A statement describing the alleged violations of this Chapter 14.34.

D. The Agency shall send notices to the hiring entity and complainant, including but not limited to:

1. Notice of the alleged violation(s). The Agency shall send notice to the hiring entity of the alleged violation(s) of this Chapter 14.34. The Agency shall bear the cost of sending such notice by certified mail or by other means incurring a cost to the Agency. This notice shall include but not be limited to:
 - a. Statement of the alleged violation(s) of this Chapter 14.34; and
 - b. Description of the remedies available to an independent contractor for violation(s) of this Chapter 14.34;
2. Response from the hiring entity. Within 20 days of service of the notice to hiring entity of the alleged violation, the hiring entity shall send the Agency one of the following:
 - a. Written statement that the hiring entity provided the independent contractor with the

pre-contract disclosure, timely payment in full, or payment disclosure required by this Chapter 14.34 and proof of such disclosure(s) or payment; or

b. Written statement that the hiring entity did not provide the independent contractor the pre-contract disclosure, timely payment in full, or payment disclosure required by this Chapter 14.34 and the reason(s) for not providing such disclosure(s) or payment.

3. Notice to the complainant of the response from the hiring entity. The Agency shall send a notice to the complainant of the response from the hiring entity. This notice to the complainant shall include but not be limited to:

- a. The response from hiring entity, including any enclosures;
- b. Information on the right to bring a civil action in a court of competent jurisdiction;
- c. Any other information about the status of the complaint; and
- d. Information about the navigation program pursuant to Section 14.34.167.

4. Notice of no response. If the Agency receives no response from the hiring entity within the timeframe established by Director rule for subsection 14.34.165.D.3, the Agency shall send a notice of no response to the complainant and the hiring entity, and shall include proof that the Agency previously sent notice of the alleged violation(s) to the hiring entity.

5. Notice of closure. The Agency shall send the complainant and hiring entity notice of the Agency's completion of the complaint procedure and/or closure of the case.

E. Upon satisfying the requirements of subsections 14.34.165.C and 14.34.165.D, the Agency may close the case.

14.34.167 Navigation program

A. The Agency shall establish a navigation program that provides intake and information relating to the provisions of this Chapter 14.34.

1. The navigation program shall provide a range of information, including but not limited to:

- a. Information on the provisions and procedures of this Chapter 14.34;
- b. Model notices of the pre-contract disclosure, payment disclosure, and notice of rights required by this Chapter 14.34;
- c. General court information, including but not limited to:
 - i. Information on court procedures for filing civil actions in small claims, district court, and superior court; and
 - ii. Information on obtaining translation and interpretation services, and other courtroom services;
- d. A list of organizations that can be used to identify attorneys;
- e. Organizations providing outreach and education, and/or legal assistance to independent contractors;
- f. Information about classifying workers as employees or independent contractors; and
- g. As determined by the Director, additional information related to the provisions of this Chapter 14.34, other workplace protections for independent contractors, or other resources for resolving workplace issues.

2. The navigation program shall include outreach and education to the public on the provisions and procedures of this Chapter 14.34.

3. The navigation program shall not include legal advice from the Agency. However, if the Agency refers an independent contractor to a community organization through the navigation program, the community organization is not precluded from providing legal advice.

14.34.170 Remedies

A. The payment of unpaid compensation, liquidated damages of up to twice the amount of unpaid compensation, civil penalties, penalties payable to aggrieved parties, fines, and interest provided under this Chapter 14.34 is cumulative and is not intended to be exclusive of any other available remedies, penalties,

finances, and procedures.

1. The amounts of all civil penalties, penalties payable to aggrieved parties, and fines contained in this Section 14.34.170 shall be increased annually to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amounts and file a schedule of such amounts with the City Clerk.

2. If a violation is ongoing when the Agency receives a complaint or opens an investigation, the Director may order payment of unpaid compensation plus interest that accrues after receipt of the complaint or after the investigation opens and before the date of the Director's Order.

3. Interest shall accrue from the date the unpaid compensation was first due at 12 percent annum, or the maximum rate permitted under RCW 19.52.020.

4. If there is a remedy due to an aggrieved party, the Director may waive part or all civil penalties and fines due to the Agency based on timely payment of the full remedy due to the aggrieved party.

a. The Director may waive the total amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within ten days of service of the Director's Order.

b. The Director may waive half the amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within 15 days of service of the Director's Order.

c. The Director shall not waive any amount of civil penalties and fines due to the Agency if the Director determines that the respondent has not paid the full remedy due to the aggrieved party after 15 days of service of the Director's Order.

5. When determining the amount of liquidated damages, civil penalties, penalties payable to aggrieved parties, and fines due under this Section 14.34.170 for a settlement agreement or Director's Order, including but not limited to the mitigation of civil penalties and fines due to the Agency for timely payment of

remedy due to an aggrieved party under subsection 14.34.170.A.4, the Director may consider:

- a. The total amount of unpaid compensation, liquidated damages, penalties, fines, and interest due;
- b. The nature and persistence of the violations;
- c. The extent of the respondent's culpability;
- d. The substantive or technical nature of the violations;
- e. The size, revenue, and human resources capacity of the respondent;
- f. The circumstances of each situation;
- g. The amount of penalties in similar situations; and
- h. Pursuant to rules that the Director may issue, other factors that are material and necessary to effectuate the terms of this Chapter 14.34.

B. A respondent found to be in violation of this Chapter 14.34 shall be liable for full payment of unpaid compensation due plus interest in favor of the aggrieved party under the terms of this Chapter 14.34, and other equitable relief. If the precise amount of unpaid compensation cannot be determined due to a respondent's failure to produce records or if a respondent produces records in a manner or form which makes timely determination of the amount of unpaid compensation impracticable, the Director may designate a daily amount for unpaid compensation due to aggrieved party. For any violation of this Chapter 14.34, the Director may assess liquidated damages in an additional amount of up to twice the unpaid compensation.

C. If the independent contractor performs agreed-upon work for a hiring entity and the hiring entity has not provided a pre-contract disclosure pursuant to Section 14.34.050, there shall be a presumption rebuttable by clear and convincing evidence, such as a written contract, that the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship.

D. A respondent found to be in violation of this Chapter 14.34 for retaliation under Section 14.34.120 shall be subject to any appropriate relief at law or equity including, but not limited to reinstatement of the

aggrieved party, front pay in lieu of reinstatement with full payment of unpaid compensation plus interest in favor of the aggrieved party under the terms of this Chapter 14.34, and liquidated damages in an additional amount of up to twice the unpaid compensation. The Director also shall order the imposition of a penalty payable to the aggrieved party of up to \$5,565.10.

E. The Director is authorized to assess civil penalties for a violation of this Chapter 14.34 and may specify that civil penalties are due to the aggrieved party rather than due to the Agency.

1. For a first violation of this Chapter 14.34, the Director may assess a civil penalty of up to \$556.30 per aggrieved party.

2. For a second violation of this Chapter 14.34, the Director shall assess a civil penalty of up to \$1,112.60 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

3. For a third or any subsequent violation of this 14.34, the Director shall assess a civil penalty of up to \$5,565.10 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

4. For purposes of this subsection 14.34.170.E, a violation is a second, third, or subsequent violation if the respondent has been a party to one, two, or more than two settlement agreements, respectively, stipulating that a violation has occurred; and/or one, two, or more than two Director's Orders, respectively, have issued against the respondent in the ten years preceding the date of the violation; otherwise, it is a first violation.

F. The Director is authorized to assess fines for a violation of this Chapter 14.34 and may specify that fines are due to the aggrieved party rather than due to the Agency. The Director is authorized to assess fines as follows:

Violation	Fine
Failure to provide written pre-contract disclosure under Section 14.34.050	Up to \$556.30 per aggrieved party

Failure to provide written payment disclosure under Section 14.34.060	Up to \$556.30 per aggrieved party
Failure to provide written notice of rights under Section 14.34.100	Up to \$556.30 per aggrieved party
Failure to retain hiring entity records for three years under subsections 14.34.110.A and 14.34.110.B	Up to \$556.30 per missing record
Failure to comply with prohibitions against retaliation for exercising rights protected under Section 14.34.120	Up to \$1,112.60 per aggrieved party
Failure to provide notice of investigation to independent contractors under subsection 14.34.150.B.2	Up to \$556.30 per aggrieved party
Failure to post or distribute public notice of failure to comply with final order under subsection 14.34.210.A.1	Up to \$556.30

For each independent contractor hired by the hiring entity, the maximum amount that may be imposed in fines in a one-year period for each type of violation listed above is \$5,565.10. For each hiring entity, if a fine for retaliation is issued, the maximum amount that may be imposed in a one-year period is \$22,259.36.

G. A respondent who willfully hinders, prevents, impedes, or interferes with the Director or Hearing Examiner in the performance of their duties under this Chapter 14.34 shall be subject to a civil penalty of not less than \$1,112.60 and not more than \$5,565.10.

H. In addition to the unpaid compensation, penalties, fines, liquidated damages, and interest, the Agency may assess against the respondent in favor of the City the reasonable costs incurred in enforcing this Chapter 14.34, including but not limited to reasonable attorneys' fees.

I. A respondent that is the subject of a settlement agreement stipulating that a violation has occurred shall count for debarment, or a final order for which all appeal rights have been exhausted, shall not be permitted to bid, or have a bid considered, on any City contract until such amounts due under the final order have been paid in full to the Director. If the respondent is the subject of a final order two times or more within a five-year period, the hiring entity shall not be allowed to bid on any City contract for two years. This subsection 14.34.170.I shall be construed to provide grounds for debarment separate from, and in addition to, those

contained in Chapter 20.70 and shall not be governed by that chapter provided that nothing in this subsection 14.34.170.I shall be construed to limit the application of Seattle Municipal Code Chapter 20.70. The Director shall notify the Director of Finance and Administrative Services of all respondents subject to debarment under this subsection 14.34.170.I.

14.34.180 Appeal period and failure to respond

A. An independent contractor or other person who claims an injury as a result of an alleged violation of this Chapter 14.34 may appeal the Determination of No Violation, pursuant to Director rules.

B. A respondent may appeal the Director's Order, including all remedies issued pursuant to Section 14.34.170, by requesting a contested hearing before the Hearing Examiner in writing within 15 days of service of the Director's Order. If a respondent fails to appeal the Director's Order within 15 days of service, the Director's Order shall be final. If the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run until 5 p.m. on the next business day.

14.34.190 Appeal procedure and failure to appear

A. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases. The hearing shall be conducted de novo and the Director shall have the burden of proving by a preponderance of the evidence that the violation or violations occurred. Upon establishing such proof, the remedies and penalties imposed by the Director shall be upheld unless it is shown that the Director abused discretion. Failure to appear for a contested hearing shall result in an order being entered finding that the respondent committed the violation stated in the Director's Order. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying or reversing the Director's Order, consistent with Ordinance 126068.

14.34.200 Appeal from Hearing Examiner order

A. The respondent may obtain judicial review of the decision of the Hearing Examiner by applying for a Writ of Review in the King County Superior Court within 30 days from the date of the decision in accordance with the procedure set forth in chapter 7.16 RCW, other applicable law, and court rules.

B. The decision of the Hearing Examiner shall be final and conclusive unless review is sought in compliance with this Section 14.34.200.

14.34.210 Failure to comply with final order

A. If a respondent fails to comply within 30 days of service of any settlement agreement with the Agency, or with any final order issued by the Director or the Hearing Examiner for which all appeal rights have been exhausted, the Agency may pursue, but is not limited to, the following measures to secure compliance:

1. The Director may require the respondent to post or distribute public notice of the respondent's failure to comply in a form and manner determined by the Agency.

2. The Director may refer the matter to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the amounts due.

3. The Director may refer the matter to the City Attorney for the filing of a civil action in King County Superior Court, the Seattle Municipal Court, or any other court of competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the Director may seek to enforce a Director's Order or a final order of the Hearing Examiner under Section 14.34.190.

4. The Director may request that the City's Department of Finance and Administrative Services deny, suspend, refuse to renew, or revoke any business license held or requested by the hiring entity or person until such time as the hiring entity complies with the remedy as defined in the settlement agreement or final order. The City's Department of Finance and Administrative Services shall have the authority to deny, refuse to renew, or revoke any business license in accordance with this subsection 14.34.210.A.4.

B. No respondent that is the subject of a final order issued under this Chapter 14.34 shall quit business, sell out, exchange, convey, or otherwise dispose of the respondent's business or stock of goods without first notifying the Agency and without first notifying the respondent's successor of the amounts owed under the final order at least three business days before such transaction. At the time the respondent quits business, or sells out, exchanges, or otherwise disposes of the respondent's business or stock of goods, the full amount of the remedy, as defined in a final order issued by the Director or the Hearing Examiner, shall become immediately due and payable. If the amount due under the final order is not paid by respondent within ten days from the date of such sale, exchange, conveyance, or disposal, the successor shall become liable for the payment of the amount due, provided that the successor has actual knowledge of the order and the amounts due or has prompt, reasonable, and effective means of accessing and verifying the fact and amount of the order and the amounts due. The successor shall withhold from the purchase price a sum sufficient to pay the amount of the full remedy. When the successor makes such payment, that payment shall be deemed a payment upon the purchase price in the amount paid, and if such payment is greater in amount than the purchase price the amount of the difference shall become a debt due such successor from the hiring entity.

14.34.220 Debt owed The City of Seattle

A. All monetary amounts due under the Director's Order shall be a debt owed to the City and may be collected in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies, provided that amounts collected by the City for unpaid compensation, liquidated damages, penalties payable to aggrieved parties, or front pay shall be held in trust by the City for the aggrieved party and, once collected by the City, shall be paid by the City to the aggrieved party.

B. If a respondent fails to appeal a Director's Order to the Hearing Examiner within the time period set forth in subsection 14.34.180.B, the Director's Order shall be final, and the Director may petition the Seattle Municipal Court, or any court of competent jurisdiction, to enforce the Director's Order by entering judgment in favor of the City finding that the respondent has failed to exhaust its administrative remedies and that all

amounts and relief contained in the order are due. The Director's Order shall constitute prima facie evidence that a violation occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to appeal the Director's Order to the Hearing Examiner within the time period set forth in subsection 14.34.180.B, and therefore has failed to exhaust the respondent's administrative remedies, shall also be admissible without further evidentiary foundation.

C. If a respondent fails to obtain judicial review of an order of the Hearing Examiner within the time period set forth in subsection 14.34.200.A, the order of the Hearing Examiner shall be final, and the Director may petition the Seattle Municipal Court to enforce the Director's Order by entering judgment in favor of the City for all amounts and relief due under the order of the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence that the violations contained therein occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to avail itself of judicial review in accordance with subsection 14.34.200.A, shall also be admissible without further evidentiary foundation.

D. In considering matters brought under subsections 14.34.220.B and 14.34.220.C, the Seattle Municipal Court may include within its judgment all terms, conditions, and remedies contained in the Director's Order or the order of the Hearing Examiner, whichever is applicable, that are consistent with the provisions of this Chapter 14.34.

14.34.230 Private right of action

A. Any person or class of persons that suffers an injury as a result of a violation of this Chapter 14.34, or is the subject of prohibited retaliation under Section 14.34.120, may bring a civil action in a court of competent jurisdiction against the hiring entity or other person violating this Chapter 14.34 and, upon

prevailing, may be awarded reasonable attorney fees and costs and such legal or equitable relief as may be appropriate to remedy the violation including, without limitation: the payment of any unpaid compensation plus interest due to the person and liquidated damages in an additional amount of up to twice the unpaid compensation; and a penalty payable to any aggrieved party of up to \$5,565.10 if the aggrieved party was subject to prohibited retaliation. Interest shall accrue from the date the unpaid compensation was first due at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

B. In a civil action against the hiring entity under this Chapter 14.34 or in a breach of contract action against the hiring entity, there shall be a presumption rebuttable by clear and convincing evidence, such as a written contract, that if the independent contractor performs agreed-upon work for a hiring entity and the hiring entity has not provided a pre-contract disclosure pursuant to Section 14.34.050, the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship.

C. For purposes of this Section 14.34.230, "person" includes any entity a member of which has suffered an injury or retaliation, or any other individual or entity acting on behalf of an aggrieved party that has suffered an injury or retaliation.

D. For purposes of determining membership within a class of persons entitled to bring an action under this Section 14.34.230, two or more independent contractors are similarly situated if they:

1. Are or were hired for the same hiring entity or hiring entities, whether concurrently or otherwise, at some point during the applicable statute of limitations period,
2. Allege one or more violations that raise similar questions as to liability, and
3. Seek similar forms of relief.

E. For purposes of subsection 14.34.230.C, independent contractors shall not be considered dissimilar solely because the independent contractors':

1. Claims seek damages that differ in amount, or

2. Job titles or other means of classifying independent contractors differ in ways that are unrelated to their claims.

F. An order issued by the court may include a requirement for a hiring entity to submit a compliance report to the court and to the Agency.

14.34.233 Waiver

Any waiver by an individual of any provisions of this Chapter 14.34 shall be deemed contrary to public policy and shall be void and unenforceable.

14.34.235 Encouragement of more generous policies

A. Nothing in this Chapter 14.34 shall be construed to discourage or prohibit a hiring entity from the adoption or retention of disclosure policies more generous than the one required herein.

B. Nothing in this Chapter 14.34 shall be construed as diminishing the obligation of the hiring entity to comply with any contract, or other agreement providing more generous disclosure policies to an independent contractor than required herein.

14.34.240 Other legal requirements; effect on other laws

A. Subject to subsections 14.34.050.H, 14.34.055.C, 14.34.170.C, and 14.34.230.B, the provisions of this Chapter 14.34:

1. Supplement and do not diminish or replace any other basis of liability or requirement established by statute or common law;
2. Shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard for disclosure requirements or timely payment, or that extends other protections to independent contractors; and
3. Shall not be interpreted or applied so as to create any power or duty in conflict with federal or state law.

Nor shall this Chapter 14.34 be construed to preclude any person aggrieved from seeking judicial review of any

final administrative decision or order made under this Chapter 14.34 affecting such person. Nothing in this Section 14.34.240 shall be construed as restricting an independent contractor’s right to pursue any other remedies at law or equity for violation of the contractor’s rights.

B. A hiring entity’s failure to comply with the provisions of this Chapter 14.34 shall not render any contract between the hiring entity and an independent contractor void or voidable.

C. No provision of this Chapter 14.34 shall be construed as providing a determination about the legal classification of any individual as an employee or independent contractor.

14.34.250 Severability

The provisions of this Chapter 14.34 are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection, or portion of this Chapter 14.34, or the application thereof to any hiring entity, independent contractor, person, or circumstance, is held to be invalid, it shall not affect the validity of the remainder of this Chapter 14.34, or the validity of its application to other persons or circumstances.

Section 2. Section 3.02.125 of the Seattle Municipal Code, last amended by Ordinance 126283, is amended as follows:

3.02.125 Hearing Examiner filing fees

A. The filing fee for a case before the City Hearing Examiner is \$85, with the following exceptions:

Basis for Case	Fee in dollars
* * *	
Hazard Pay for Grocery Employees Ordinance (Ordinance 126274)	No fee
<u>Independent Contractor Protections Ordinance (Chapter 14.34)</u>	<u>No fee</u>
Land Use Code Citation (Chapter 23.91)	No fee
* * *	

* * *

Section 3. Section 3.15.000 of the Seattle Municipal Code, last amended by Ordinance 126189, is

amended as follows:

3.15.000 Office of Labor Standards created - Functions

There is created within the Executive Department an Office of Labor Standards, under the direction of the Mayor. The mission of the Office of Labor Standards is to advance labor standards through thoughtful community and business engagement, strategic enforcement and innovative policy development, with a commitment to race and social justice. The Office of Labor Standards seeks to promote greater economic opportunity and further the health, safety, and welfare of ~~((employees))~~ workers; support employers and other hiring entities in their implementation of labor standards requirements; and end barriers to workplace equity for women, communities of color, immigrants and refugees, and other vulnerable workers.

The functions of the Office of Labor Standards are as follows:

- A. Promoting labor standards through outreach, education, technical assistance, and training ~~((for employees and employers))~~;
- B. Collecting and analyzing data on labor standards enforcement;
- C. Partnering with community, businesses, and workers for stakeholder input and collaboration;
- D. Developing innovative labor standards policy;
- E. Administering and enforcing City of Seattle ordinances relating to paid sick and safe time (Chapter 14.16), use of criminal history in employment decisions (Chapter 14.17), minimum wage and minimum compensation (Chapter 14.19), wage and tip compensation requirements (Chapter 14.20), secure scheduling (Chapter 14.22), domestic workers (Chapter 14.23), hotel employees safety protections (Chapter 14.26), protecting hotel employees from injury (Chapter 14.27), improving access to medical care for hotel employees (Chapter 14.28), hotel employees job retention (Chapter 14.29), commuter benefits (Chapter 14.30), transportation network company driver deactivation protections (Chapter 14.32), transportation network company driver minimum compensation (Chapter 14.33), independent contractor protections (Chapter 14.34), and other labor standards ordinances that may be enacted in the future.

Section 4. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last amended by Ordinance 126274, is amended as follows:

6.208.020 Denial, revocation of, or refusal to renew business license

A. In addition to any other powers and authority provided under this Title 6, the Director, or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any business license issued under the provisions of this Chapter 6.208. The Director, or the Director's designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 6.208.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, or 5.52.
4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.
5. The property at which the business is located has been determined by a court to be a chronic nuisance property as provided in Chapter 10.09.
6. The applicant or licensee has been convicted of theft under subsection 12A.08.060.A.4 within the last ten years.
7. The applicant or licensee is a person subject within the last ten years to a court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of either:
 - a. The expiration of the time for filing an appeal from the final judgment order under the court rules in effect at the time of the final judgment order; or
 - b. If a timely appeal is made, the date of the final resolution of that appeal and any

subsequent appeals resulting in final judicial affirmation of the findings of violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

8. The applicant or licensee is a person subject within the last ten years to a final and binding citation and notice of assessment from the Washington Department of Labor and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and penalties assessed therewith were not satisfied within 30 days of the date the citation became final and binding.

9. Pursuant to subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, 14.23.115.A.4, 14.26.210.A.4, 14.27.210.A.4, 14.28.210.A.4, 14.30.180.A.4, ~~((and))~~ 14.33.210.A.4, and 14.34.210.A.4, subsection 100.240.A.4 of Ordinance 126091, subsection 100.240.A.4 of Ordinance 126094, and subsection 100.240.A.4 of Ordinance 126274, the applicant or licensee has failed to comply, within 30 days of service of any settlement agreement, with any final order issued by the Director of the Office of Labor Standards, or any final order issued by the Hearing Examiner under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, ~~((and))~~ 14.33, and 14.34, Ordinance 126091, Ordinance 126094, and Ordinance 126274 for which all appeal rights have been exhausted, and the Director of the Office of Labor Standards has requested that the Director deny, refuse to renew, or revoke any business license held or requested by the applicant or licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the violation(s) under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, ~~((and))~~ 14.33, and 14.34, Ordinance 126091, Ordinance 126094, and Ordinance 126274 are remedied.

10. The business is one that requires an additional license under this Title 6 and the business does not hold that license.

11. The business has been determined under a separate enforcement process to be operating in violation of law.

* * *

Section 5. Recognizing that more than 40,000 app-based workers in the City of Seattle, including people of color, immigrants, workers with disabilities, LGBTQ+ workers, and single parents are often paid subminimum wages for their work, despite the promise of good wages, flexibility and accessibility, and that the community depends on these essential workers to deliver groceries and food and provide other valuable services, the City Council intends to address this inequity by ensuring that app-based workers are paid at least the City's minimum wage under Chapter 14.19 of the Seattle Municipal Code plus reasonable expenses and all required benefits, with meaningful transparency, and have the ability to exercise the flexibility promised by app-based companies. The City intends to ensure that current definitions of worker classification under Seattle's labor standards are being effectively enforced and does not intend to establish a new classification of workers distinct from employees or independent contractors, but to ensure that all workers benefit from the protection of Seattle's labor standards. The City has consistently expressed its intent to promote greater economic opportunity and end barriers to workplace equity for all workers in Seattle. To accomplish these goals, the Council will seek to engage stakeholders in the spring and summer of 2021 on legislation that will address these inequities and create new standards to protect workers' pay, flexibility, and transparency, while ensuring workers are correctly classified under existing Seattle labor standards. The Council intends to discuss the legislation in committee in July and August 2021 and consider the legislation for a full Council vote before the start of the 2021 budget deliberations.

Section 6. Sections 1 through 4 of this ordinance shall take effect and be in force on March 1, 2022.

Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by

me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Karina Bull /x6-0078	n/a

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

Summary and background of the Legislation: In February 2019, the City Council (Council) passed [Resolution 31863](#) to address the problem of employers improperly misclassifying employees as independent contractors. The resolution requested the Office of Labor Standards (OLS) and the Labor Standards Advisory Commission (LSAC) to work on policy, outreach and enforcement proposals to address this problem. In May 2020, the LSAC recommended that the City require hiring entities to provide independent contractors (not just those who are at risk of being misclassified) with information on the proposed terms of engagement between parties and itemized pay information. The LSAC described these recommendations as the first steps toward creating more transparency and access to information for workers hired as independent contractors.

This legislation would incorporate and expand LSAC’s recommendations to establish new labor standards for many independent contractors working in Seattle. The labor standards would become effective on March 1, 2022.

Labor Standards Requirements

The legislation would require all commercial hiring entities to provide independent contractors with pre-contract disclosures, timely payment, and payment disclosures. These requirements would apply to services with a proposed or actual compensation of \$600 or more, or reasonably expected to be \$600 either by itself and when aggregated for services between the same commercial hiring entity and independent contractor during the calendar year.

- 1. Pre-contract disclosures** – Prior to an independent contractor beginning work, a hiring entity would provide a written disclosure of the terms and conditions of the job in English and the independent contractor’s primary language. OLS would create model notices of the pre-contract disclosure in English, Spanish, and other languages.
 - If an independent contractor performed agreed-upon work for the hiring entity, the terms and conditions in the pre-contract disclosure would presumptively become part of the terms and conditions of a contract between parties. The hiring entity could rebut this presumption with clear and convincing evidence, such as a written contract.

- If a hiring entity failed to provide a pre-contract disclosure, there would be a legal presumption that the independent contractor’s claims for payment were true. The hiring entity could rebut this presumption with clear and convincing evidence, such as a written contract.
- 2. Timely payment** – A hiring entity would pay an independent contractor pursuant to the terms and conditions of the contract between parties, whether the amount of payment was specified in the contract resulting from the pre-contract disclosure or by other means such as a superseding written contract. The payment would be due on or before the date specified in the applicable contract. If the contract did not specify a due date, payment would be due no later than 30 days after the completion of the services.
 - 3. Payment disclosures** – With each payment, the hiring entity would provide a written disclosure with itemized pay information including total payment and a breakdown of the rate of pay, pay basis, tip compensation (if included) and other items.

The legislation would also require hiring entities to provide independent contractors with a notice of rights in English and the independent contractor’s primary language; retain records showing compliance for three years; and comply with anti-retaliation prohibitions.

Enforcement

OLS would implement the legislation through rulemaking, outreach, and enforcement. For enforcement, OLS would have authority to conduct complaint-based or directed investigations and/or engage in a new “complaint procedure.” The complaint procedure would serve as an information exchange between parties: OLS would provide the hiring entity with notice of an alleged violation and an opportunity to respond and would provide the hiring entity’s response to the independent contractor. OLS would not determine whether a violation has occurred. After the conclusion of this procedure, the independent contractor could pursue further enforcement of the claim in court.

In addition to filing claims with OLS, independent contractors could file a civil action for violations and could be awarded attorney fees plus costs.

Remedies for violations would include (1) provision of the pre-contract and payment disclosures, and (2) payment of up to three times the unpaid compensation plus interest. OLS could also require hiring entities to pay penalties and/or fines of up to \$556.30 per aggrieved party and per type of violation.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes x No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes x No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Yes. There would be financial implications for OLS (e.g., cost of creating model notices in English and other languages, providing outreach, and conducting investigations) and the Hearing Examiner (e.g., cost of conducting hearings on appeals from respondents and aggrieved parties).

Discussions are on-going with OLS about the estimated costs of implementation. OLS has initially estimated \$684,000 to hire three FTES, cover administrative costs, create the required model notices, conduct outreach, and engage in rulemaking. Central Staff plans to gather and analyze information to better understand OLS's estimate and the implications.

Is there financial cost or other impacts of *not* implementing the legislation?

There are no financial costs to the City of not implementing the legislation.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes. OLS would implement and enforce this legislation. The Hearing Examiner would conduct hearings on appeals from respondents and aggrieved parties. There also could be an undetermined number of legal referrals to the City Attorney.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The Race and Social Justice Initiative is the City's commitment to eliminate racial disparities and achieve racial equity in Seattle. The implementation of this legislation would support jobs and the financial well-being of BIPOC workers hired as independent contractors – especially Black, Latinx, and immigrant workers who are overrepresented in industries that misclassify employees as independent contractors. The goal of the legislation is for properly classified independent contractors, misclassified employees, and correctly classified employees to have the same baseline rights. The legislation would require hiring entities to provide independent contractors in industries at risk of misclassifying employees as independent contractors (and all independent contractors working for commercial enterprises) with the same with job information and timely pay that is required for employees. The legislation would also create enforcement mechanisms, such as agency

enforcement of claims, agency-initiated investigations, protocols to protect the identifying information of complainants, and a new complaint procedure to encourage vulnerable workers to report violations.

Hiring entities would be required to provide a pre-contract disclosure and notice of rights in English and in the primary language(s) of the independent contractor. OLS would create and distribute model notices/templates of these documents in English and other languages.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

N/A.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

N/A.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

OLS could publicly share information on outreach and enforcement efforts on their [on-line, interactive dashboard](#). The same metrics publicized for other labor standards could apply for this legislation (e.g., number of inquiries, number of investigations, amount of remedies). OLS also could contract with community and business organizations to conduct measurable outreach and education efforts on employee rights and employer responsibilities.

May 14, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Karina Bull, Analyst
Subject: Council Bill 120069: Independent Contractor Protections Ordinance

On May 18, 2021, the Finance and Housing Committee (Committee) will discuss and may vote on [Council Bill \(CB\) 120069](#), legislation sponsored by Councilmember Herbold that would establish new requirements for businesses hiring independent contractors. This memo provides an overview of the legislation and identifies policy issues for the Councilmembers' consideration.

Background

In February 2019, the City Council (Council) passed [Resolution 31863](#) requesting the Office of Labor Standards (OLS) and the Labor Standards Advisory Commission (LSAC) to propose policy solutions for the problem of employers improperly misclassifying employees as independent contractors.

In May 2020, the LSAC recommended requiring hiring entities to provide all independent contractors (not just those who are at risk of being misclassified) with job and pay information. The LSAC described these recommendations as the first steps toward creating more transparency and access to information for workers hired as independent contractors.

On May 4, 2021, the Committee discussed draft legislation that incorporated and expanded LSAC's recommendations. See [Central Staff memo dated May 3, 2021](#) for an overview of the draft legislation and issue identification.

Introduced Legislation

The introduced legislation is largely the same as the draft legislation with a few key differences. The introduced legislation would require commercial hiring entities (*i.e.*, businesses) to provide independent contractors with pre-contract disclosures, timely payment, and payment disclosures for services valued at \$600 or more. These requirements would become effective on March 1, 2022 and would be implemented by the Office of Labor Standards (OLS). See Table 1 for an overview of policy developments in the introduced legislation.

Table 1: Introduced legislation

Issue	Description
A. Hiring Entity Coverage	The legislation would solely cover commercial hiring entities.
B. Value of services	<p>The legislation would establish a threshold value of services for coverage:</p> <ol style="list-style-type: none"> 1. proposed or actual compensation of \$600 or more, or 2. compensation reasonably expected to be \$600 either by itself and when aggregated for services between the same commercial hiring entity and independent contractor during the calendar year. <p>The threshold would be \$600 or more to align with Internal Revenue Service (IRS) requirements for businesses to submit an annual 1099-NEC form to report non-employee compensation of \$600 or more.</p>
C. TNC drivers	The legislation would require Transportation Network Companies (TNCs) to provide TNC drivers with timely payment but would not require pre-contract disclosures and payment disclosures. TNCs would need to comply with disclosure and minimum pay requirements under the TNC Minimum Compensation Ordinance, Seattle Municipal Code (SMC) 14.33 .
D. Presumptive contract	The legislation would create a presumptive contract when an independent contractor performed the agreed-upon work in the pre-contract disclosure. A hiring entity could rebut this presumption with clear and convincing evidence, such as a written contract.
E. Model notices	The legislation would require OLS to create and distribute model notices for the pre-contract disclosure, payment disclosure, and notice of rights by March 1, 2022. OLS would be required to create these notices in English, Spanish, and other languages.

Financial Impacts

The legislation could have financial impacts for independent contractors, commercial hiring entities, and the City.

For independent contractors, the legislation could improve the likelihood of receiving timely payment and would provide more resources for pursuing payment claims. Studies show that timely payment is an issue for independent contractors. A Gallup, Inc. survey reported that 39 percent of independent contractors reported problems with timely and accurate payment compared to 18 percent of employees reporting such problems in traditional employment. Hiring entities could be significantly motivated to engage in transparent business dealings and promptly pay independent contractors if failing to do so could result in presumptive contracts

that favor the independent contractor's payment claims or enforcement actions imposing liquidated damages (up to three times the amount owed), penalties, fines, and attorney fees.

Independent contractors with limited recourse for proving payment claims, such as those who typically engage in oral agreements or who might not notice a pay discrepancy without an itemized pay statement, could substantially benefit from pre-contract and payment disclosures. However, some independent contractors, including those who work in professional or highly compensated fields, may already provide customers with written cost estimates or require written contracts and therefore may not benefit as much from disclosures. Some independent contractors may also prefer engaging in oral agreements rather than receiving or exchanging written documents.

Notably, in some situations the creation of a presumptive contract (when an independent contractor begins work in a pre-contract disclosure) could work against the interest of an independent contractor who orally proposed and/or agreed to terms different than the pre-contract disclosure. It would be critical for the City's outreach campaign to inform parties of the importance of memorializing changes to the pre-contract disclosure in writing.

For commercial hiring entities, especially small businesses, the legislation could encourage more meaningful engagement with independent contractors during the hiring process and result in more intentional contracting practices. However, the legislation could also result in increased administrative costs, slower contracting processes, and increased liability for contract disputes. Businesses might need to take extra steps to determine whether service providers are operating as independent contractors and might choose to work with larger businesses that are not covered by this legislation. Consistent with any new labor standard, it would take time for business owners to become aware of the new requirements and some might only become aware in the context of an enforcement action.

Stakeholder engagement with both independent contractors and commercial hiring entities would help to identify a fuller range of financial and other impacts and could generate ideas for mitigating or avoiding unintended consequences.

For the City, the legislation could have a financial impact on OLS. Discussions are ongoing with OLS about the estimated costs of implementation. OLS has initially estimated \$684,000 (\$60,000 in one-time funds plus \$624,000 in ongoing annual costs) to hire three positions, cover administrative expenses, create the required model notices and court navigation documents, translate materials, conduct outreach, and engage in rulemaking.

OLS notes that this legislation would represent the first *new* local labor standard that would widely apply across business sectors since 2015 when the Minimum Wage and Wage Theft

Ordinances went into effect.¹ More recently-enacted labor standards, such as the Domestic Workers Ordinance and TNC Driver Ordinances apply to distinct subsets of workers and hiring entities and Council approved funds for implementation.² While Council did not approve funds for implementation of other recent labor standards, such as the Hotel Worker Ordinances and temporary gig worker ordinances, OLS notes that these ordinances had limited coverage and implementation resulted in OLS deferring or under-resourcing other projects. OLS also believes that hiring additional staff would require bigger office space and incur relocation costs. Central Staff will continue gathering and analyzing information to better understand OLS's estimate and the implications.

To address the financial impacts of implementing legislation for a wide swath of hiring entities and workers, the Council may want to consider one of the following options.

Options

- A. Add up to \$684,000 in new resources to support OLS during the 2021 supplemental budget process and/or the 2022 budget process. Central Staff would need to work with the City Budget Office to determine options for this additional appropriation, which could include reducing deliverables in other areas funded in the 2021 Adopted Budget, identifying new sources of revenues, or other approaches.
- B. Delay the effective date of the labor standards requirements to provide OLS with more time to prepare for implementation and balance the needs of their existing workload.
- C. Specify a combination of A and B.
- D. Take no action. OLS would prioritize their work using existing resources.

Racial equity impacts

This legislation would create rights to accountable hiring and payment practices for workers hired as independent contractors. Similar rights already exist for employees under the Wage Theft Ordinance, [SMC 14.20](#). However, a growing number of workers – including Black, Indigenous, and People of Color (BIPOC) workers who are overrepresented in industries prone to misclassification – are deprived of these employee rights when they are improperly treated as independent contractors rather than employees.³

¹ The Commuter Benefits Ordinance, effective January 2020, broadly applies to any employer with 20 more employees but has a more limited scope than this legislation. Revisions to the Paid Sick and Safe Time (PSST) Ordinance went into effect for all employers in January 2018, but such revisions reflected new statewide requirements for paid sick leave rather than a new labor standard. Revisions to the PSST Ordinance in March 2020 to expand the use of paid safe time were more limited in scope than this legislation.

² For the Domestic Workers Ordinance, Council approved \$275,991 in the 2019 Adopted Budget for two positions and \$35,000 for administration of the Domestic Workers Standards Board. For the TNC Minimum Compensation Ordinance, Council approved \$301,470 in the 2021 Adopted Budget for two positions and \$45,000 for outreach.

³ The National Employment Law Project analyzed 2020 Current Population Survey Annual Social and Economic Supplement microdata and found that Black, Latinx, Asian/Pacific Islander, and Native American workers are overrepresented in industries with high rates of misclassification such as construction, trucking, delivery, home

Misclassification of employees as independent contractors is an egregious practice with a disproportionate impact on BIPOC workers. This legislation would represent one step to reduce the impact of misclassification on BIPOC workers by establishing a baseline of workplace rights regardless of classification. BIPOC workers who are properly classified as independent contractors, misclassified as independent contractors, or properly classified as employees would all have rights to job information and timely payment.

The legislation would address the needs of independent contractors with limited English proficiency by requiring hiring entities to provide disclosures and notice of rights in English and in the worker's primary language. To better ensure compliance with these requirements, OLS would create and distribute translated model notices of these documents.

The legislation would seek to support the needs of vulnerable workers, who may fear retaliation by hiring entities and have limited access to private attorneys, by creating a variety of enforcement mechanisms. These mechanisms would include agency enforcement of claims, complaint-based and agency-initiated investigations, protocols to protect the identifying information of complainants and witnesses, a new complaint procedure, and a court navigation program to encourage greater reporting of violations and create more pathways to getting workers the money they are rightfully owed.

Notably, this legislation could also increase business costs and liability for BIPOC business owners. BIPOC-owned businesses comprise about 20 percent of all businesses in King County and 20 percent of businesses with employees in Seattle.

Stakeholder engagement with both BIPOC independent contractors and business owners would help to further identify the impacts of this legislation on business practices and economic livelihood.

Amendments

As of May 13, 2021, there are no amendments for Council's consideration. Any proposed amendments will be distributed as soon as they are available.

care, agricultural, personal care, ride-hail, and janitorial and building service sectors; they comprise 36 percent of the overall labor force, but between 55 and 86 percent of workers in home care, agricultural, personal care, and janitorial sectors. Black and Latinx workers comprise almost 42 percent of workers performing ride-hail and other types of platform gig work but comprise less than 29 percent of the overall labor force.

Issue Identification

1. Coverage of government entities

The legislation is silent on coverage of government hiring entities. Council may want to consider explicitly including or excluding the City of Seattle from hiring entity coverage, and/or preemptively excluding other government entities from coverage.

Coverage of the City could broadly include any independent contractor service provided to the City or could be restricted to services provided in the course of the City's business or commercial activity. More research and/or rulemaking could be required to determine whether the City (as a whole or limited to certain departments) could be regarded as engaging in business or commercial activity. However, the City's two utilities, Seattle City Light and Seattle Public Utilities, could potentially be covered since their activities could be considered commercial.

Options

- A. Include the City of Seattle in hiring entity coverage.
- B. Exclude the City of Seattle from hiring entity coverage.
- C. Exclude other government entities from hiring entity coverage, such as King County, the State of Washington, and the federal government.
- D. Specify a combination of either A or B together with C.
- E. Make no changes to the legislation.

2. Value of services

The legislation would cover independent contractor services with proposed, actual, or expected compensation of \$600 or more during the calendar year. The threshold is \$600 or more to align with IRS requirements for businesses to submit an annual 1099-NEC form to report non-employee compensation of \$600 or more.

Council may want to consider adding a requirement to adjust this amount over time. For example, the amount could be adjusted to reflect changes in IRS requirements for reporting non-employee compensation. Aligning the amount with evolving IRS requirements could help with outreach because businesses would be familiar with this amount and could mitigate the work of recordkeeping because businesses would already be required to keep records to comply with IRS reporting requirements.

An alternative approach could adjust the amount to reflect the rate of inflation. To facilitate easier outreach and enforcement, the amount could be rounded to the nearest dollar, rather than the nearest cent as required for inflation adjustments to penalty and fine

amounts. For either approach, Council may wish to require that OLS file the amounts with the City Clerk.

Options

- A. Add a requirement to adjust the threshold amount for covered services to reflect IRS reporting requirements for non-employee compensation.
- B. Add a requirement to adjust the threshold amount for covered services annually to reflect the rate of inflation, rounded to the nearest dollar.
- C. Make no changes to the legislation.

Next Steps

The Finance and Housing Committee will discuss and may vote on this legislation at its meeting on May 18, 2021.

Please contact me if you have questions.

cc: Dan Eder, Interim Director
Aly Pennucci, Supervising Analyst



SEATTLE CITY COUNCIL
CENTRAL STAFF

Independent Contractor Protections Introduced Legislation

COUNCIL BILL 120069, SPONSORED BY COUNCILMEMBER HERBOLD

KARINA BULL, ANALYST
FINANCE AND HOUSING COMMITTEE
MAY 18, 2021

Introduced Legislation

- Commercial hiring entities would provide independent contractors with pre-contract disclosures, timely payment, and payment disclosures for services valued at \$600 or more.
- Effective on March 1, 2022.
- Implemented by the Office of Labor Standards (OLS).

Policy Changes (1/2)

1. Hiring entity coverage

- Coverage would be limited to commercial hiring entities.

2. Value of services

- Legislation would cover services with proposed, actual, or expected compensation of \$600 or more in calendar year.

3. Transportation Network Companies (TNCs)

- TNCs would provide drivers with timely payment, but would not be required to provide pre-contract or payment disclosures.

Policy Changes (2/2)

5. Presumptive contract

- Presumptive contract would be created when an independent contractor performs the agreed-upon work in the pre-contract disclosure.
- Hiring entity could rebut the presumption with clear and convincing evidence, such as a written contract.

6. Model notices

- OLS would distribute model notices in English, Spanish and other languages by March 1, 2022.

Issue Identification

Coverage of Government Entities

Options

- A. Include City of Seattle in hiring entity coverage.
- B. Exclude City of Seattle from hiring entity coverage.
- C. Exclude other government entities from hiring entity coverage.
- D. Specify a combination of either A or B with C.
- E. Make no changes to the legislation.

Value of Services - \$600 or more in a calendar year

Options

- A. Add requirement to adjust the threshold amount for covered services to reflect IRS reporting requirements for non-employee compensation.
- B. Add requirement to adjust the threshold amount for covered services annually to reflect the rate of inflation, rounded to the nearest dollar.
- C. Make no changes to the legislation.

Financial Impacts on City - OLS Estimate

1. \$684,000 (\$60,000 in one-time funds plus \$624,000 in ongoing annual costs)
2. Three positions (senior Investigator, paralegal, engagement specialist)
3. Administrative expenses
4. Creation of model notices and court navigation documents
5. Outreach
6. Rulemaking

Financial Impacts on City – OLS Estimate

Options

- A. Add up to \$684,000 in new resources to support OLS during the 2021 supplemental budget process and/or the 2022 budget process.
- B. Delay the effective date of the labor standards requirements to provide OLS with more time to prepare for implementation and balance the needs of their existing workload.
- C. Specify a combination of A and B.
- D. Take no action. OLS would prioritize their work using existing resources.

Questions?