

Table 1. Proposed Amendments (Revised 05/23/2022)

Topic/ Amendment No.	Sponsor(s)	Title	Effect
Errors			
1 (Version 2)	Herbold & Lewis	Fix errors and provide clarifications	<p>This amendment would correct typographical errors and omissions, and provide additional clarity, as follows:</p> <ol style="list-style-type: none"> 1. clarify the definition of “incentive”; 2. clarify the definition of “unsealed”; 3. require tip disclosure, if applicable, before facilitation of the offer rather than completion of the offer; and 4. change cancelled review period from three days to 72 hours.
Marketplace Network Companies			
2	Pedersen	Change definition of marketplace network company	<p>This amendment would change the definition of marketplace network companies in several ways, including:</p> <ol style="list-style-type: none"> 1. providing more flexibility for companies by using “primarily engaged” rather than “exclusively engaged”; 2. specifying that for a marketplace network company, a worker sets their own rates; and 3. removing the requirement that a marketplace network company does not monitor offers by geographic location. <p>It also provides guidance to the Office of Labor Standards (OLS) on factors to consider when determining whether a company meets the marketplace network company definition.</p>
3	Pedersen	Exclude marketplace network companies from companies covered by Chapter 8.37	<p>This amendment would (1) exclude marketplace network companies from network companies that are covered under Chapter 8.37 and (2) remove regulations specific to marketplace network companies.</p>
4*	Lewis	Request OLS report back on marketplace network companies	<p>* This amendment will only be moved if Amendment 3 is passed.</p> <p>This amendment would request that OLS report back to Council if companies are modifying their operations to be classified as a “marketplace network company” and, if so, provide Council recommendations for a definition and regulations for marketplace network companies.</p>

Table 1. Proposed Amendments (cnt'd)

Topic/ Amendment No.	Sponsor(s)	Title	Effect
Minimum Payment Calculation and Associated Factors			
5	Herbold & Lewis	Reduce associated cost, time, and mileage factors	<p>This amendment would reduce the inputs to the minimum payment calculation as follows:</p> <ul style="list-style-type: none"> • Reduce associated cost factor from 1.13 to 1.12 • Reduce associated time factor from 1.21 to 1.17 • Reduce associated mileage factor from 1.25 to 1.10 <p>This amendment would reduce the per-offer minimum payment for app-based workers. In 2022, the per-minute amount would be reduced from \$0.39 to \$0.38 and the per-mile amount would be reduced from \$0.73 to \$0.64.</p>
6	Nelson	Change adjustment of associated cost and time factors	<p>This amendment would change the OLS Director's discretion to adjust the associated cost factor and associated time factor from annually to every three years. As a result, the associated cost and time factors would remain constant for at least three years.</p>
7 (Version 2)	Herbold & Lewis	Adjustments to the associated mileage factor	<p>This amendment would give the OLS Director authority to adjust the associated mileage factor and provide guidance for that adjustment.</p> <p>The introduced legislation would not explicitly give the OLS Director authority to adjust the associated mileage factor in the future if conditions change. This authority would be provided for both the associated cost factor and associated time factor.</p> <p>This amendment assumes passage of Amendment 5, which would lower the associated mileage factor from 1.25 to 1.10. If Amendment 5 does not pass, this amendment will need to be revised to state that the associated mileage factor can be adjusted "provided, that this adjustment shall not result in reduction of the associated mileage factor below 1.25."</p>
15	Nelson	Change adjustment of associated mileage factor	<p>This amendment would change the Office of Labor Standards (OLS) Director's discretion to adjust the associated mileage factor from annually to every three years. As a result, the associated mileage factor would remain constant for at least three years.</p> <p>This amendment is contingent on the passage of Amendment 6, which would amend CB 120294 to change the frequency of adjustments to the associated cost factor and associated time factor, and the passage of Amendment 7, which would amend CB 120294 to give the OLS Director the authority to adjust the associated mileage factor annually.</p>

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Transparency and Notice			
8	Herbold	Amend notice of rights requirement	<p>This amendment would 1) require OLS to produce a model notice of rights and translations; 2) require the notice of rights to have a description of whether the network company identifies as an on-demand network company, a marketplace network company, or neither, and the implications for engaged time and miles; and 3) require the network company to file their notice of rights with OLS.</p> <p>This amendment would ensure that a model notice of rights and accurate translations are available to network companies. It would assist OLS with outreach and implementation, clarifying for app-based workers what type of network company they likely work for, and therefore when to expect engaged time and miles to apply.</p>
9	Herbold & Lewis	Modify up-front disclosures	<p>This amendment would allow for additional information to be disclosed after an offer is accepted, instead of in advance of the offer. The information would still need to be disclosed before a specific online order is assigned to a worker, if reasonably ascertainable. This amendment would only apply to pre-scheduled offers or offers containing multiple online orders, such as an offer for a pre-scheduled block of deliveries.</p> <p>This amendment would also require rules to be adopted clarifying the disclosure of unsealed contents of online orders, and corrects a technical error regarding tip disclosure.</p>
14	Nelson	Remove tip amount from up-front disclosures	<p>This amendment would remove the tip amount from up-front disclosure requirements for each offer. As a result, network work companies would not be required to provide tip amounts when facilitating or presenting an offer.</p>

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Cancellations without Cause and Fraud			
10	Herbold	Clarify receipt requirement for cancelled offers	<p>This amendment would add a definition for “cancellation without cause” and clarify that a receipt is due to an app-based worker within 72 hours of a cancellation with or without cause. The ordinance currently requires a receipt to the app-based worker within 24 hours of an offer’s performance or a cancellation with cause, and does not specify a receipt requirement for a cancellation without cause.</p> <p>Requiring a receipt for cancellations within 72 hours instead of 24 hours allows a network company to review whether a cancellation is with cause or without cause, consistent with subsection 8.37.080.D.</p>
11	Herbold & Lewis	Exclude engaged time for cancellations without cause, and permit network companies to create and share a fraudulent use policy	<p>This amendment would change the definition of engaged time to clarify that offers ending in a cancellation without cause by the app-based worker shall not incur any engaged time.</p> <p>This amendment would also permit network companies to create and share a policy with app-based workers regarding how fraudulent use would be identified and what actions may be taken to remedy or prevent fraudulent use of the network company’s platform.</p>

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OLS Rulemaking and Effective Date			
12A	Herbold & Mosqueda	Change the effective date of Chapter 8.37 from 12 months to 18 months after Council Bill 120294 takes effect	<p>This amendment would change the effective date of Chapter 8.37, the App-Based Worker Minimum Payment Ordinance, from 12 months to 18 months after Council Bill 120294 takes effect.</p> <p>Extending the effective date of Chapter 8.37 by six months would (1) allow the City to consider OLS funding needs during the City's 2023 and 2024 budget deliberations, pursuant to the funding requirements of SMC 3.15.007; and (2) provide OLS and network companies with more time to prepare for implementation.</p>
12B	Nelson	Change the effective date of Chapter 8.37 to be six months after Director's Rules are filed with the City Clerk	<p>This amendment would change the effective date of Chapter 8.37, the App-Based Worker Minimum Payment Ordinance, to six months after Director's Rules are filed with the City Clerk, and no earlier than 18 months after the effective date of the ordinance. The current ordinance has Chapter 8.37 going into effect 12 months after the effective date of the ordinance.</p> <p>Ensuring that the effective date of Chapter 8.37 comes six months after rules are filed with the City Clerk would provide network companies with more time to prepare for implementation.</p>
OLS Investigation Costs			
13	Mosqueda	Clarify assessment of investigation costs	<p>This amendment would clarify that the OLS Director can assess investigation costs against the respondent. The amendment would authorize the Director to issue rules for assessing the reasonable investigation costs and would strongly encourage the Director to assess such costs to implement this Chapter 8.37.</p>