

May 19, 2022

MEMORANDUM

To: Public Safety and Human Services Committee
From: Karina Bull, Amy Gore, and Jasmine Marwaha, Analysts
Subject: Council Bill 120294 – App-Based Worker Minimum Payment Standards Amendments

On May 24, 2022, the Public Safety and Human Services Committee (Committee) will continue discussing and may possibly vote on [Council Bill \(CB\) 120294](#), which would establish minimum payment requirements and related protections for app-based workers.

CB 120294 was discussed by the Committee on April 12 and April 26. For a full overview of the legislation and initial presentation of policy considerations, see [Central Staff Memo \(April 12\)](#). For an initial discussion of potential amendments, see [Central Staff Memo \(April 26\)](#).

This memorandum summarizes 14 proposed amendments in Table 1. All of the proposed amendments are attached to this memo.

- Amendments marked with an asterisk (“*”) are conditional amendments which will only be brought forward if a prior amendment passes/fails, as noted.
- Amendments with the same number and “A” or “B” are mutually exclusive.

Table 1. Proposed Amendments

Topic/ Amendment No.	Sponsor(s)	Title	Effect
Errors			
1	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. require tip disclosure, if applicable, before facilitation of the offer rather than completion of the offer; and 3. 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	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>

Table 1. Proposed Amendments (cnt'd)

Topic/ Amendment No.	Sponsor(s)	Title	Effect
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>

Table 1. Proposed Amendments (cnt'd)

Topic/ Amendment No.	Sponsor(s)	Title	Effect
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>

Table 1. Proposed Amendments (cnt'd)

Topic/ Amendment No.	Sponsor(s)	Title	Effect
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	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.

Attachments:

1. Amendment 1 - Fix errors and provide clarifications
2. Amendment 2 - Change definition of marketplace network company
3. Amendment 3 - Exclude marketplace network companies from companies covered by Chapter 8.37
4. Amendment 4 - Request OLS report back on marketplace network companies
5. Amendment 5 - Reduce associated cost, time, and mileage factors
6. Amendment 6 - Change adjustment of associated cost and time factors
7. Amendment 7 - Adjustments to the associated mileage factor
8. Amendment 8 - Amend notice of rights requirement
9. Amendment 9 - Modify up-front disclosures
10. Amendment 10 - Clarify receipt requirement for cancelled offers
11. Amendment 11 - Exclude engaged time for cancellations without cause, and permits network companies create and share a fraudulent use policy
12. Amendment 12A - Change the effective date of Chapter 8.37 from 12 months to 18 months after Council Bill 120294 takes effect
13. Amendment 12B - Change the effective date of Chapter 8.37 to be six months after Director's Rules are filed with the City Clerk
14. Amendment 13 - Clarify assessment of investigation costs

cc: Aly Pennucci, Deputy Director
Yolanda Ho, Lead Analyst

Amendment 1 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmembers Herbold and Lewis

Fix errors and provide clarifications

Effect: This amendment would correct typographical errors and omissions, and provide additional clarity, as follows:

1. clarify the definition of “incentive”;
2. require tip disclosure, if applicable, before facilitation of the offer rather than completion of the offer; and
3. change cancelled review period from three days to 72 hours.

Amend Section 3 of CB 120294 as follows:

* * *

“Incentive” means a sum of money paid to an app-based worker (~~upon completion of services~~) in addition to the guaranteed minimum network company payment for an offer, upon completion of specific tasks presented by the network companies, including but not limited to completing performance of a certain number of offers, completing performance of a certain number of consecutive offers, completing performance of an offer subject to a price multiplier or variable pricing policy, making oneself available to accept offers in a particular geographic location during a specified period of time, or recruiting new app-based workers.

“Marketplace network company” means a network company that ~~((+))~~a is exclusively engaged in facilitating pre-scheduled offers in which the prospective customer and worker exchange information regarding the scope and details of services to be performed prior to the customer placing the online order for those services or the app-based

worker accepting the offer, and ~~((2))~~b exclusively facilitates services performed without the network company monitoring offers by geographic location, mileage, or time. On-demand network companies and companies that primarily provide delivery services are not marketplace network companies.

* * *

8.37.070 Network company transparency

A. Right to up-front information regarding offers

1. A network company shall provide, and/or ensure a customer provides, an app-based worker the following information when facilitating or presenting an offer:

a. A reasonable estimate of the engaged time required to complete performance of the offer and, if applicable, the range of time in which the offer can be completed;

b. A reasonable estimate of the engaged miles required to complete performance of the offer and the approximate geographic location or locations where work in furtherance of the offer will occur, including pick-up and drop-off locations for offers involving deliveries;

c. A guaranteed minimum amount of network company payment for the offer; provided, that it does not fall below the minimum network company payment requirements established in Section 8.37.050 for an offer requiring the amount of engaged time and engaged miles provided in the estimate;

d. The amount of any tip that each customer has indicated they will provide, if the network company's online-enabled application or platform enables customers to

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tip in advance of ~~facilitating or presenting the offer to the app-based worker~~~~((completion of an online order))~~);

* * *

8.37.080 Flexibility

D. For all cancelled offers, network companies shall allow the app-based worker to communicate the reason for cancellation, including ~~((at least all))~~but not limited to the reasons included in subsection 8.37.080.C, via the worker platform. The network company shall review the stated reason for cancellation for a reasonable time of no less than ~~((three days))~~72 hours before taking any action.

Amendment 2 Version 1 to CB 120294 – Change Marketplace Network Company Definition

Sponsor: Councilmember Pedersen

Change definition of marketplace network company

Effect: This amendment would change the definition of marketplace network companies in several ways, including:

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.

It also provides guidance to the Office of Labor Standards on factors to consider when determining whether a company meets the marketplace network company definition.

Amend Section 3 of CB 120294 as follows:

8.37.020 Definitions

* * *

“Marketplace network company” means a network company ~~((that (1) is exclusively engaged in facilitating pre-scheduled offers in which the prospective customer and worker exchange information regarding the scope and details of services to be performed prior to the customer placing the online order for those services or the app-based worker accepting the offer, and (2) exclusively facilitates services performed without the network company monitoring offers by geographic location, mileage, or time))~~ primarily engaged in facilitating or presenting pre-scheduled offers in which (a) the application or platform enables the prospective customer and app-based worker to exchange information about the scope and details of services to be performed, prior to the customer placing the online order for those services or the app-based worker accepting the offer; (b) the app-based worker sets their own rates; and (c) the network

company does not monitor offers by mileage or time. On-demand network companies and companies that primarily provide delivery services are not marketplace network companies.

When determining whether a network company is “primarily engaged in facilitating or presenting pre-scheduled offers in which (a) the application or platform enables the prospective customer and app-based worker to exchange information about the scope and details of services to be performed, prior to the customer placing the online order for those services or the app-based worker accepting the offer; (b) the app-based worker sets their own rates; and (c) the network company does not monitor offers by mileage or time” the Agency may consider any number of factors, including but not limited to the following examples: number of pre-scheduled offers relative to the network company’s overall offers; how app-based worker rates are set; what information regarding offer mileage or offer time a network company knows before, during, or after performance of an offer; information from app-based workers performing offers through the application or platform; marketing or promotional materials from the network company; or other public statements from representatives of the network company.

Amendment 3 Version 1 to CB 120294 – Exclude Marketplace Network Companies

Sponsor: Councilmember Pedersen

Exclude marketplace network companies from network companies covered by Chapter 8.37

Effect: 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.

Amend Section 3 of CB 120294 as follows:

8.37.020 Definitions

* * *

“Engaged miles” means miles traveled during engaged time in a vehicle that the network company does not own and maintain, or miles traveled during engaged time in a vehicle leased by the network company or its agent to the app-based worker. ~~((Engaged miles do not include any miles that may be traveled in furtherance of an offer facilitated by a marketplace network company.))~~

“Engaged time” means the period of time in which an app-based worker performs services in furtherance of an offer facilitated or presented by a network company or participates in any training program required by a network company. Engaged time begins and ends as described below:

1. If an offer is being facilitated or presented by an on-demand network company, or is an on-demand offer, “engaged time” begins upon the app-based worker’s acceptance of the offer and ends upon the app-based worker’s completing performance of the offer, cancellation of

the offer by the network company or customer, or cancellation with cause of the app-based worker's acceptance of the offer pursuant to subsection 8.37.080.C.

~~((2. If an offer is being facilitated or presented by a marketplace network company, "engaged time" is the reasonable estimate of engaged time required to perform the offer as mutually agreed by the marketplace network company or customer and the app-based worker when the offer is accepted. Engaged time may be non-consecutive and/or performed flexibly during an agreed-upon range of time and is subject to rulemaking regarding offers that are cancelled with cause.--))~~

~~((3))~~2. In all other circumstances, "engaged time" begins when the app-based worker begins performance of the offer or when the app-based worker reports to a location designated in the offer. Engaged time ends upon the app-based worker's completing performance of the offer, cancellation of the offer by the network company or customer, or cancellation with cause of the app-based worker's acceptance of the offer pursuant to subsection 8.37.080.C.

The Director may issue rules on "engaged time" for (a) offers with non-compensable time, such as sleep time or other periods of off-duty time; or (b) offers with periods of time when the worker is not completely relieved of the duty to perform services and cannot use the time effectively for their own purposes.

* * *

"Perform services in Seattle" means activities, conducted by an app-based worker in furtherance of an offer, that occur within the geographic boundaries of Seattle.

1. The term "perform services in Seattle" includes any time spent on a commercial stop in Seattle that is related to the provision of delivery or other services associated with an offer.

2. The term “perform services in Seattle” does not include stopping for refueling, stopping for a personal meal or errands, or time spent in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle with no commercial stops in Seattle. ~~((For offers made by a marketplace network company, the term “perform services in Seattle” shall be determined based on the address where services are to be performed per the terms agreed upon as part of the offer.))~~

* * *

8.37.040 Network company coverage

A. For the purposes of this Chapter 8.37, covered network companies are limited to those that facilitate work performed by 250 or more app-based workers worldwide regardless of where those workers perform work, including but not limited to chains, integrated enterprises, or franchises associated with a franchise or network of franchises that facilitate work performed by 250 or more app-based workers worldwide in aggregate.

B. To determine the number of app-based workers performing work for the current calendar year:

1. The calculation is based upon the average number per calendar week of app-based workers who worked for compensation during the preceding calendar year for any and all weeks during which at least one app-based worker worked for compensation. For network companies that did not have any app-based workers during the preceding calendar year, the number of app-based workers counted for the current calendar year is calculated based upon the average number per calendar week of app-based workers who worked for compensation during

the first 90 calendar days of the current year in which the network company engaged in business.

2. All app-based workers who worked for compensation shall be counted, including but not limited to:

- a. App-based workers who are not covered by this Chapter 8.37;
- b. App-based workers who worked in Seattle; and
- c. App-based workers who worked outside Seattle.

C. Separate entities that form an integrated enterprise shall be considered a single network company under this Chapter 8.37. Separate entities will be considered an integrated enterprise and a single network company under this Chapter 8.37 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.

D. For the purposes of this Chapter 8.37, covered network companies do not include any company that meets the definition of a marketplace network company.

8.37.050 Minimum network company payment

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B. Minimum network company payment calculation

1. Per-minute amount. For each minute of engaged time, a network company shall compensate app-based workers, and/or ensure that app-based workers receive, at least the equivalent of the total of the minimum wage equivalent rate multiplied by the associated cost factor multiplied by the associated time factor. In 2022, the per-minute amount is \$0.39. On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-minute amount shall be increased to reflect any adjustment(s) to the minimum wage equivalent rate, associated cost factor, or associated time factor. The Agency shall determine the per-minute amount and file a schedule of such amount with the City Clerk.

a. Associated cost factor. The associated cost factor is 1.13.

b. Associated time factor. The associated time factor is 1.21.

2. Per-mile amount. For each engaged mile traveled, a network company shall compensate app-based workers, and/or ensure that app-based workers receive, at least the equivalent of the standard mileage rate multiplied by the associated mileage factor, which is 1.25. In 2022, the per-mile amount is \$0.73. On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-mile amount shall be increased annually to reflect any adjustment(s) to the standard mileage rate or associated mileage factor. The Agency shall determine the per-mile amount and file a schedule of such amount with the City Clerk.

3. The calculations described in this subsection 8.37.050.B are expressed in equation form as:

$$\begin{aligned} & (\text{Engaged minutes} \times \text{minimum wage equivalent rate} \\ & \quad \times \text{associated cost factor} \times \text{associated time factor}) \\ & + (\text{engaged miles} \times \text{standard mileage rate} \times \text{associated mileage factor}) \\ & = \text{minimum network company payment per offer.} \end{aligned}$$

The established current rates and factors result in the following calculation for the required minimum network company payment:

$$\begin{aligned} & (\text{Engaged minutes} \times \$0.288 \times 1.13 \times 1.21) \\ & + (\text{Engaged miles} \times \$0.585 \text{ per} \times 1.25) \\ & = \$0.39/\text{minute} + \$0.73/\text{mile}. \end{aligned}$$

4. Per-offer amount. For each offer resulting in engaged time or engaged miles, a network company shall compensate app-based workers a minimum per-offer amount of at least \$5. The Director may issue rules excluding certain offers from payment of the minimum per-offer amount under subsection 8.37.050.B.4, including but not limited to on-demand offers cancelled by the customer within a grace period of not more than five minutes after acceptance.

a. Effective January 1, 2024, the minimum per-offer amount paid to an app-based worker shall be increased on a percentage basis to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amount and file a schedule of such amount with the City Clerk.

~~((5. The Director shall issue rules establishing the minimum network payment for marketplace offers that are based on estimated engaged time and are cancelled before completion of the performance of the offer.))~~

~~((6))~~5. Application of minimum network company payment requirements.

~~((a. A marketplace network company may fulfill the requirements of this subsection 8.37.050.B by ensuring that the app-based worker is paid the minimum network payment calculated based on the reasonable estimate of engaged time as mutually agreed upon by the marketplace network company or customer and the app-based worker when the offer was accepted.))~~

~~((b))~~a. A minimum network company payment shall be provided for any offer resulting in engaged time and engaged miles by the app-based worker, offers cancelled by a customer or the network company, and offers for which acceptance was cancelled with cause by the app-based worker pursuant to subsection 8.37.080.C.

~~((e))~~b. If an app-based worker accepts a new offer during performance of a previously accepted offer, and both offers are facilitated or presented by the same network company, engaged time and engaged miles accrued during any period of time in which performance of the offers overlaps shall be subject to the minimum compensation requirements for a single offer under this subsection 8.37.050.B.

Amendment 4 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmember Lewis

Request OLS report back on marketplace network companies

Effect: This amendment would request that Office of Labor Standards (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.

Amend CB 120294 as follows:

Section 8. The City Council requests that the Office of Labor Standards report back to Council if it has information indicating that network companies are modifying their business operations after the effective date of this ordinance in order to be classified as a “marketplace network company” and, if significant changes occur, submit to the Public Safety and Human Services Committee, or the Council committee with oversight of the Office of Labor Standards and/or app-based workers, the following:

A. any information they have regarding companies modifying their business operations to be classified as a “marketplace network company” and

B. recommendations for an accurate definition and regulations for marketplace network companies.

Section 9 ((8)). 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.

Amendment 5 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmembers Herbold and Lewis

Reduce associated cost, time, and mileage factors

Effect: This amendment would reduce the inputs to the minimum payment calculation as follows:

- 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

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.

Amend Section 3 of CB 120294 as follows:

8.37.050 Minimum network company payment

A. For each offer resulting in engaged time or engaged miles, a network company shall compensate app-based workers, and/or ensure app-based workers receive, at least the equivalent of a minimum network company payment that is the greater of either:

1. The minimum per-minute amount for engaged time under subsection 8.37.050.B.1 plus the minimum per-mile amount for engaged miles under subsection 8.37.050.B.2; or

2. The minimum per-offer amount under subsection 8.37.050.B.4.

B. Minimum network company payment calculation

1. Per-minute amount. For each minute of engaged time, a network company shall compensate app-based workers, and/or ensure that app-based workers receive, at least the equivalent of the total of the minimum wage equivalent rate multiplied by the associated cost

factor multiplied by the associated time factor. In 2022, the per-minute amount is \$0.~~((39))~~38

On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-minute amount shall be increased to reflect any adjustment(s) to the minimum wage equivalent rate, associated cost factor, or associated time factor. The Agency shall determine the per-minute amount and file a schedule of such amount with the City Clerk.

a. Associated cost factor. The associated cost factor is 1.~~((13))~~12.

b. Associated time factor. The associated time factor is 1.~~((21))~~17.

2. Per-mile amount. For each engaged mile traveled, a network company shall compensate app-based workers, and/or ensure that app-based workers receive, at least the equivalent of the standard mileage rate multiplied by the associated mileage factor, which is 1.~~((25))~~10. In 2022, the per-mile amount is \$0.~~((73))~~64. On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-mile amount shall be increased annually to reflect any adjustment(s) to the standard mileage rate or associated mileage factor. The Agency shall determine the per-mile amount and file a schedule of such amount with the City Clerk.

3. The calculations described in this subsection 8.37.050.B are expressed in equation form as:

$$\begin{aligned} & (\text{Engaged minutes} \times \text{minimum wage equivalent rate} \\ & \quad \times \text{associated cost factor} \times \text{associated time factor}) \\ & + (\text{engaged miles} \times \text{standard mileage rate} \times \text{associated mileage factor}) \\ & = \text{minimum network company payment per offer.} \end{aligned}$$

The established current rates and factors result in the following calculation for the required minimum network company payment:

$$\begin{aligned} & (\text{Engaged minutes} \times \$0.288 \times 1.(\del{13})\underline{12} \times 1.(\del{21})\underline{17}) \\ & + (\text{Engaged miles} \times \$0.585 (\del{\text{per}}) \times 1.(\del{25})\underline{10}) \\ & = \$0.(\del{39})\underline{38}/\text{minute} + \$0.(\del{73})\underline{64}/\text{mile}. \end{aligned}$$

* * *

C. Adjustment of the associated cost factor and associated time factor.

1. Adjustment of the associated cost factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated cost factor annually; provided, that this adjustment shall not result in reduction of the associated cost factor below 1.(\del{13})\underline{12}. In adjusting the associated cost factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys; data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated cost factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated cost factor with the City Clerk.

2. Adjustment to the associated time factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated time factor annually; provided, that this adjustment shall not result in reduction of the associated time factor below 1.(\del{21})\underline{17}. In adjusting the associated time factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys; data provided by network companies; data provided by app-based workers; data provided by

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customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony provided; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated time factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated time factor with the City Clerk.

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Amendment 6 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmember Nelson

Change adjustment of associated cost and time factors

Effect: This amendment would change the Office of Labor Standards 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.

Amend Section 3 of CB 120294 as follows:

8.37.050 Minimum network company payment

* * *

C. Adjustment of the associated cost factor and associated time factor.

1. Adjustment of the associated cost factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated cost factor ~~((annually))~~ every three years; provided, that this adjustment shall not result in reduction of the associated cost factor below 1.13. In adjusting the associated cost factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys; data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated cost factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated cost factor with the City Clerk.

2. Adjustment to the associated time factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated time factor ~~((annually))~~ every three years; provided, that this adjustment shall not result in reduction of the associated time factor below 1.21. In adjusting the associated time factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys; data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony provided; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated time factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated time factor with the City Clerk.

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Amendment 7 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmembers Herbold and Lewis

Adjustments to the associated mileage factor

Effect: This amendment would give the OLS Director authority to adjust the associated mileage factor and provide guidance for that adjustment.

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.

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.”

Amend Section 3 of CB 120294 as follows:

8.37.050 Minimum network company payment

* * *

C. Adjustment of the associated cost factor, ~~((and))~~ associated time factor, and associated mileage factor

1. Adjustment of the associated cost factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated cost factor annually; provided, that this adjustment shall not result in reduction of the associated cost factor below 1.13. In adjusting the associated cost factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys; data provided by network companies; data provided by app-based workers; data provided by

customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated cost factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated cost factor with the City Clerk.

2. Adjustment to the associated time factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated time factor annually; provided, that this adjustment shall not result in reduction of the associated time factor below 1.21. In adjusting the associated time factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys; data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony provided; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated time factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated time factor with the City Clerk.

3. Adjustment to the associated mileage factor. Beginning three years after the effective date of this Chapter 8.37, the Director by rule may adjust the associated mileage factor annually; provided, that this adjustment shall not result in reduction of the associated mileage factor below 1.10. In adjusting the associated time factor, the Director shall consider relevant and available sources of data, which may include but are not limited to: app-based worker surveys;

Amy Gore
Public Safety and Human Services Committee
May 24, 2022
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data provided by network companies; data provided by app-based workers; data provided by customers; data from other jurisdictions; data available through academic, policy, or community-based organizations; public testimony provided; and stakeholder interviews. The Director may consider the non-exhaustive list of factors that comprise the “associated mileage factor” as defined in Section 8.37.020, as well as any other factor the Director determines is necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the associated mileage factor with the City Clerk.

Amendment 8 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmember Herbold

Amend notice of rights requirement

Effect: 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.

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.

Amend Section 3 of CB 120294 as follows:

8.37.100 Notice of rights

A. Network companies shall provide each app-based worker with a written notice of rights established by this Chapter 8.37. The Agency ~~((may))~~ shall create and distribute a model notice of rights in English and other languages. ~~((However, upon the effective date of this Chapter 8.37, and subsequently upon an initial offer to a new app-based worker, network companies are responsible for providing app-based workers with the notice of rights required by subsection 8.37.100.B, in a form and manner sufficient to inform app-based workers of their rights under this Chapter 8.37, regardless of whether the Agency has created and distributed a model notice of rights.))~~

B. The notice of rights shall provide information on:

1. The right to the applicable minimum per-minute amount, per-mile amount, and per-offer amount guaranteed by this Chapter 8.37, including a clear statement of the current applicable amounts;

2. A clear statement as to whether the network company identifies as an on-demand network company, a marketplace network company, or neither, and the corresponding timeframe when engaged time and engaged miles apply for a typical offer from that network company (e.g. upon acceptance by the app-based worker, a reasonable estimate of engaged time mutually agreed upon, or when the app-based worker begins performance), pursuant to Section 8.37.020;

~~((2))~~3. The right to receive the information required to be disclosed by this Chapter 8.37 before accepting an offer and performing services in furtherance of an offer;

~~((3))~~4. The right to flexibility in making themselves available for work and accepting, rejecting, or cancelling offers under this Chapter 8.37;

~~((4))~~5. The right to be protected from retaliation for exercising in good faith the rights protected by this Chapter 8.37; and

~~((5))~~6. The right to file a complaint with the Agency or bring a civil action for violation of the requirements of this Chapter 8.37, including but not limited to a network company's or any person's failure to pay the minimum per-minute amount, per-mile amount, or per-offer amount, and a network company's or other person's retaliation against an app-based worker or other person for engaging in an activity protected by this Chapter 8.37.

~~((6))~~7. The right to a clear statement of the network company's tip policy, including but not limited to whether the network company's online-enabled application or

platform allows customers to tip in advance of completion of an online order and whether the network company permits customers to modify or remove tips after performance.

C. Network companies shall provide the notice of rights required by subsection 8.37.100.B in an electronic format that is readily accessible to the app-based worker. The notice of rights shall be made available to the app-based worker via smartphone application, email, or online web portal, in English and any language that the network company knows or has reason to know is the primary language of the app-based worker. The Director may issue rules governing the form and content of the notice of rights, the manner of its distribution, and required languages for its translation.

D. Network companies shall file their notice of rights in a written format with the Agency no later than 60 days after the effective date of this Chapter 8.37. The information must also include the registered legal name and trade name of the hiring entity as listed on the hiring entity's Seattle business license tax certificate, and a contact name and information for that hiring entity.

Amendment 9 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmembers Herbold and Lewis

Modify up-front disclosures

Effect: 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.

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.

Amend Section 3 of CB 120294 as follows:

8.37.070 Network company transparency

A. Right to up-front information regarding offers

1. A network company shall provide, and/or ensure a customer provides, an app-based worker the following information when facilitating or presenting an offer:

a. A reasonable estimate of the engaged time required to complete performance of the offer and, if applicable, the range of time in which the offer can be completed;

b. A reasonable estimate of the engaged miles required to complete performance of the offer and the approximate geographic location or locations where work in furtherance of the offer will occur, including pick-up and drop-off locations for offers involving deliveries;

c. A guaranteed minimum amount of network company payment for the offer; provided, that it does not fall below the minimum network company payment requirements established in Section 8.37.050 for an offer requiring the amount of engaged time and engaged miles provided in the estimate;

d. The amount of any tip that each customer has indicated they will provide, if the network company's online-enabled application or platform enables customers to tip in advance of facilitating or presenting the offer to the app-based worker (~~completion of an online order~~);

e. When performance of an offer requires a stop or stops at business establishments, the names of such businesses;

f. To the extent it is reasonably ascertainable, information regarding physical labor required to perform services in furtherance of the offer and accessibility at locations where work will be performed, including but not limited to weights of any goods to be handled; numbers of flights of stairs; and availability of elevators, ramps, and other conditions affecting accessibility. The Director shall issue rules regarding the types of information required to be disclosed, the format of provision of the information, and efforts to ascertain the information that would be considered reasonable; and

g. To the extent it is reasonably ascertainable, the network company shall make available to the app-based worker information that it has about the unsealed contents of each online order. The Director shall issue rules regarding the types of information required to be disclosed, the format of provision of the information, and efforts to ascertain the information that would be considered reasonable.

2. A network company shall not be held responsible for a violation of subsection 8.37.070.A.1 that is attributable solely to incomplete or inaccurate information provided by another party, provided that the network company made a reasonable effort to obtain complete and accurate information.

3. An on-demand offer shall be made available for at least two minutes after the app-based worker has been provided the information described in subsection 8.37.070.A.1.

4. If a network company presents a pre-scheduled offer, or an offer that entails fulfillment of multiple individual online orders, and the network company lacks advance notice of ~~((each online order to provide))~~ the information in subsections 8.37.070.A.1.b, 8.37.070.A.1.d, 8.37.070.A.1.e, 8.37.070.A.1.f, and 8.37.070.A.1.g for that offer, the network company shall provide the app-based worker with such information prior to assigning them work in furtherance of each online order, to the extent it is reasonably ascertainable.

Amendment 10 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmember Herbold

Clarify receipt requirement for cancelled offers

Effect: 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.

Requiring a receipt for cancellations within 72 hours instead of 24 hours allows for a network company to review whether a cancellation is with cause or without cause, consistent with subsection 8.37.080.D.

Amend Section 3 of CB 120294 as follows:

8.37.020 Definitions

* * *

“Cancellation without cause” means cancellation or incomplete performance of a previously accepted offer by an app-based worker without a given reason, or for a reason not listed in subsection 8.37.080.C.

* * *

8.37.070 Network company transparency

* * *

B. Within 24 hours of each offer’s performance, or within 72 hours after a cancellation by an app-based worker, a network company shall transmit an electronic receipt to the app-based worker that contains the following information for each unique offer covered by this Chapter 8.37:

1. The app-based worker's total amount of engaged time;
2. The app-based worker's total amount of engaged miles;
3. The app-based worker's compensation, itemized by:
 - a. Gross network company payment, as well as the method used to calculate payment, including but not limited to amount per minute or amount per mile;
 - b. Total incentive(s) and the basis for calculating the incentive(s), if applicable;
 - c. Total amount of compensation from tips;
 - d. Total amount of any deductions, itemized by deduction type; and
 - e. Net compensation.
4. Itemized fees collected from the app-based worker to access the network company's online-enabled application or platform;
5. The approximate geographic location or locations of the app-based worker's engaged time and engaged miles, including pick-up and drop-off locations for offers involving deliveries; and
6. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 8.37.

Amendment 11 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmembers Herbold and Lewis

Exclude engaged time for cancellations without cause, and permit network companies to create and share a fraudulent use policy

Effect: 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.

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.

Amend Section 3 of CB 120294 as follows:

8.37.020 Definitions

* * *

“Cancellation without cause” means cancellation or incomplete performance of a previously accepted offer by an app-based worker without a given reason, or for a reason not listed in subsection 8.37.080.C.

* * *

“Engaged time” means the period of time in which an app-based worker performs services in furtherance of an offer facilitated or presented by a network company or participates in any training program required by a network company. Engaged time ~~((begins and ends))~~ shall apply as described below:

1. If an offer is being facilitated or presented by an on-demand network company, or is an on-demand offer, “engaged time” begins upon the app-based worker’s acceptance of the offer and ends upon the app-based worker’s completing performance of the offer, cancellation of the

offer by the network company or customer, or cancellation with cause of the app-based worker's acceptance of the offer pursuant to subsection 8.37.080.C.

2. If an offer is being facilitated or presented by a marketplace network company, "engaged time" is the reasonable estimate of engaged time required to perform the offer as mutually agreed by the marketplace network company or customer and the app-based worker when the offer is accepted. Engaged time may be non-consecutive and/or performed flexibly during an agreed upon range of time and is subject to rulemaking regarding offers that are cancelled with cause. ((-))

3. In all other circumstances, "engaged time" begins when the app-based worker begins performance of the offer or when the app-based worker reports to a location designated in the offer. Engaged time ends upon the app-based worker's completing performance of the offer, cancellation of the offer by the network company or customer, or cancellation with cause of the app-based worker's acceptance of the offer pursuant to subsection 8.37.080.C.

4. Offers ending in a cancellation without cause by an app-based worker shall not incur any engaged time or engaged miles.

The Director may issue rules on "engaged time" for (a) offers with non-compensable time, such as sleep time or other periods of off-duty time; or (b) offers with periods of time when the worker is not completely relieved of the duty to perform services and cannot use the time effectively for their own purposes.

* * *

8.37.080 Flexibility

A. An app-based worker has the right to decide when to make themselves available to work and which offers to accept or reject. A network company shall not subject an app-based

worker to an adverse action, nor institute a policy subjecting an app-based worker to an adverse action, for engaging in the following activities:

1. Limiting hours of availability, including but not limited to being logged into the worker platform for limited hours, only at certain hours of the day, or during certain days of the week.

2. Accepting or rejecting any individual offer, any types of offers, or any number or proportion of offers. An app-based worker may indicate rejection of an offer by declining to respond to the offer. A network company shall ensure that its worker platform enables an app-based worker to communicate a rejection of each offer.

B. A network company shall allow an app-based worker to be logged into the network company's worker platform at any date, time of day, or for any amount of time, except in the following circumstances:

1. Certain instances of deactivation as defined in rules, or other applicable law.
2. Limitations on a maximum amount of consecutive work time to protect worker and public safety.

C. A network company shall not subject an app-based worker to an adverse action, nor institute a policy subjecting an app-based worker to an adverse action, for cancelling their acceptance of an offer with cause. An app-based worker may cancel their acceptance of an offer with cause (i.e., "cancellation with cause") when any of the following conditions occur:

1. Information provided pursuant to subsection 8.37.070.A.1 was substantially inaccurate; provided, that a customer's alteration of a tip amount shall not constitute grounds for cancellation with cause;

2. The app-based worker cannot complete performance of the offer because the customer is not present or fails to respond to communications from the app-based worker, the customer's presence or response is required for the app-based work to complete performance of the offer, and the app-based worker has made attempts to contact and/or wait for the customer in accordance with an applicable network company policy, provided that the no-contact or limited-contact deliveries are not considered to require the end customer's presence;

3. Timely completion of the offer has become impracticable due to an unforeseen obstacle or occurrence; or

4. The app-based worker makes a good faith complaint regarding sexual harassment or discrimination that is alleged to have occurred during performance of the offer.

D. For all cancelled offers, network companies shall allow the app-based worker to communicate the reason for cancellation, including ~~((at least all))~~ but not limited to reasons included in subsection 8.37.080.C, via the worker platform. The network company shall review the stated reason for cancellation for a reasonable time of no less than ~~((three days))~~ 72 hours before ~~((taking any action))~~ determining, based on clear and convincing evidence, whether an app-based worker cancelled an offer without cause.

8.37.090 Fraudulent use policy

A. A network company may provide an app-based worker a written policy and procedure for remedying or preventing fraudulent use ("fraudulent use policy"). The employer's fraudulent use policy should include, but not be limited to:

1. A description of what actions undertaken by the app-based worker constitute fraudulent use, which may include but not be limited to cancellations without cause;

2. The consequences to an app-based worker who is determined to have committed a fraudulent use of the of the network company's online enabled application or platform;

3. The method of notification to the app-based worker that the app-based worker is suspected of committing a fraudulent use of the network company's online enabled application or platform; and

4. An opportunity, process, and timeline for an app-based worker to appeal a finding of fraudulent use.

8.37.100 Notice of rights

A. Network companies shall provide each app-based worker with a written notice of rights established by this Chapter 8.37. The Agency may create and distribute a model notice of rights in English and other languages. However, upon the effective date of this Chapter 8.37, and subsequently upon an initial offer to a new app-based worker, network companies are responsible for providing app-based workers with the notice of rights required by subsection 8.37.100.B, in a form and manner sufficient to inform app-based workers of their rights under this Chapter 8.37, regardless of whether the Agency has created and distributed a model notice of rights.

B. The notice of rights shall provide information on:

1. The right to the applicable minimum per-minute amount, per-mile amount, and per-offer amount guaranteed by this Chapter 8.37, including a clear statement of the current applicable amounts;

2. The right to receive the information required to be disclosed by this Chapter 8.37 before accepting an offer and performing services in furtherance of an offer;

3. The right to flexibility in making themselves available for work and accepting, rejecting, or cancelling offers under this Chapter 8.37;

4. The right to be protected from retaliation for exercising in good faith the rights protected by this Chapter 8.37; and

5. The right to file a complaint with the Agency or bring a civil action for violation of the requirements of this Chapter 8.37, including but not limited to a network company's or any person's failure to pay the minimum per-minute amount, per-mile amount, or per-offer amount, and a network company's or other person's retaliation against an app-based worker or other person for engaging in an activity protected by this Chapter 8.37.

6. The right to a clear statement of the network company's tip policy, including but not limited to whether the network company's online-enabled application or platform allows customers to tip in advance of completion of an online order and whether the network company permits customers to modify or remove tips after performance.

7. The location of the network company's fraudulent use policy, if applicable, pursuant to subsection 8.37.080.E.

Karina Bull
Public Safety and Human Services Committee
May 24, 2022
D1b

Amendment 12A Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmembers Herbold and Mosqueda

Change the effective date of Chapter 8.37 from 12 months to 18 months after Council Bill 120294 takes effect

Effect: 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.

Extending the effective date of Chapter 8.37 by six months would (1) allow the City to consider the Office of Labor Standards (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.

Amend Section 7 of CB 120294 as follows:

Section 7. Section 3 of this ordinance shall take effect ~~((12))~~ 18 months after the effective date of this ordinance.

Amendment 12B Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmember Nelson

Change the effective date of Chapter 8.37 to be six months after Director’s Rules are filed with the City Clerk

Effect: 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.

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.

Amend Section 7 of CB 120294 as follows:

Section 7. Section 3 of this ordinance shall take effect on the later of: ((12)) six months after the Director first files rules with the City Clerk that will administer, evaluate and enforce Section 3 of this ordinance, pursuant to Seattle Municipal Code Chapter 3.02 and Section 3.15.006; and 18 months after the effective date of this ordinance.

Amendment 13 Version 1 to CB 120294 – App-Based Worker Minimum Payment

Sponsor: Councilmember Mosqueda

Clarify assessment of investigation costs

Effect: This amendment would clarify that the Office of Labor Standards (OLS) Director can assess investigation costs against the respondent. The amendment would authorize the Director to issue rules for assessing reasonable investigation costs and would strongly encourage the Director to assess such costs to support implementation of this Chapter 8.37.

Amend Section 3 of CB 120294 as follows:

8.37.170 Remedies

* * *

G. 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 8.37, including but not limited to reasonable investigation costs and attorneys' fees. The Director may issue rules on the amounts and contributing factors for assessing reasonable investigation costs and is strongly encouraged to assess such costs in favor of the City to support the Agency's implementation of this Chapter 8.37.

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