

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 gig workers in Seattle; establishing labor standards requirements for premium pay for gig workers working in Seattle; amending Sections 3.02.125 and 6.208.020 of the Seattle Municipal Code; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: To protect public health, safety, and welfare, this legislation would declare an emergency in response to the high number of confirmed cases and deaths in King County and around the world from the new coronavirus 19 (COVID-19) and would require food delivery network companies and transportation network companies to provide gig workers with premium pay for work performed in Seattle during the COVID-19 emergency. The premium pay would compensate gig workers for the substantial risks they are undertaking to provide essential services during the COVID-19 emergency in the interest of providing fair and equitable compensation and better ensuring the retention of gig workers throughout the duration of the COVID-19 emergency.

The legislation would apply to gig workers working in whole or part in Seattle for covered hiring entities with 250 or more gig workers worldwide. Covered hiring entities would include a (1) food delivery network company offering prearranged delivery services for compensation using an online-enabled application or platform to connect customers with workers for delivery from eating and drinking establishments, food processing establishments, grocery stores, or any facility intended to fulfill customer orders from a business whose business model relies on the delivery of groceries or prepared food and beverages; or a (2) transportation network company (TNC) offering prearranged transportation services for compensation using an online enabled application or platform to connect passengers with drivers using a TNC endorsed vehicle.

Premium pay would be defined as compensation owed to a gig worker that is separate from hiring entity payments for providing services, bonuses, and commissions, as well as tips earned from customers.

Hiring entities would owe premium pay of no less than \$5 for each online order for delivery or transportation services with a work-related stop in Seattle. For online orders with more than one drop-off point, hiring entities would owe premium pay of no less than \$5 for any work-related stop in Seattle for a first drop-off point and no less than \$5 for each additional drop-off point in Seattle.

When providing the premium pay, hiring entities would include notification of online orders that qualified for the premium pay and itemize premium pay separately from other compensation.

Hiring entities also would be responsible for providing each gig worker with a notice of rights, retaining records showing compliance for three years, and complying with anti-retaliation prohibitions.

The Office of Labor Standards (OLS) would coordinate implementation and enforcement of premium pay requirements. As with the City's other labor standards, OLS would be required to commence any investigation within three years of the alleged violation. Aggrieved parties also would have a private right of action.

The premium pay requirement would be in effect until the termination of the civil emergency proclaimed by the Mayor on March 3, 2020. However, if the City passes a minimum compensation standard for TNC drivers, the legislation states the Council's intention to consider eliminating the premium pay requirement for TNC drivers before the termination of the civil emergency.

The rest of the legislation would be in effect three years after the termination of the civil emergency proclaimed by the Mayor on March 3, 2020 and then would be automatically repealed without subsequent action by the Council.

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. This legislation would establish an implementation and enforcement role for OLS and an appeal role for the Hearing Examiner. The City could either (1) require these entities to reprioritize their existing portfolios of work or (2) add resources to support the newly created roles during the 2020 budget rebalancing process or the 2021 budget adoption process.

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. However, not implementing would not compensate gig workers for the risks they are undertaking to provide essential services during the COVID-19 emergency.

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. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No.

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

No

e. Does this legislation affect a piece of property?

No

f. 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 City's Race and Social Justice Initiative seeks to achieve racial equity in key areas: jobs, health, community development, education, criminal justice, housing, and the environment. This legislation would support jobs by requiring hiring entities to provide premium pay to gig workers who are performing hazardous duty or work involving physical hardship that can cause extreme physical discomfort and distress during the COVID-19 emergency. This legislation would also support the financial well-being of gig workers working in Seattle, including women and people of color who are more likely to earn lower incomes.

Regarding language access, this legislation would authorize OLS to create and distribute a model "notice of rights" in English and other languages.

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, quarterly dashboard](#). The same metrics publicized for other local 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 worker rights and hiring entity responsibilities.

List attachments/exhibits below: