

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 paid sick and paid safe time for gig workers working in Seattle; and amending Sections 3.02.125 and 6.208.020 of the Seattle Municipal Code.

Summary and background of the Legislation: In response to the COVID-19 emergency, this legislation would require covered hiring entities, food delivery network companies and transportation network companies, to provide gig workers with paid sick and safe time (PSST) to care for their personal and family members' health conditions or safety needs.

The legislation would apply to gig workers working in whole or part in Seattle for 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.

The legislation would require hiring entities to permit accrual and use of PSST until 180 days after the termination of the civil emergency proclaimed by the Mayor on March 3, 2020 or the termination of any concurrent civil emergency proclaimed by a public official in response to the COVID-19 public health emergency and applicable to the City, whichever is latest.

Gig workers who commenced work for the hiring entity *before* the effective date of the ordinance would accrue PSST according to the hiring entity's choice of one of the following accrual methods:

- Gig workers would begin accruing PSST on October 1, 2019, or upon commencement of work, whichever is later, and would accrue at least one day of paid sick and paid safe time for every 30 days worked; or
- Gig workers would accrue at least five days of accrued PSST as of the effective date of this ordinance and subsequently would accrue at least one day of PSST for every 30 days worked after the effective date of this ordinance.

Gig workers who commence work for the hiring entity *on or after* the effective date of this ordinance would begin accruing PSST upon commencement of work and would accrue at least one day of PSST for every 30 days worked on or after the effective date of this ordinance.

Gig Workers would be entitled to use accrued PSST if they have worked for the hiring entity, where the work was performed in whole or part in Seattle, within 90 calendar days before their request to use PSST.

For use of PSST, hiring entities would pay gig workers their “average daily compensation,” an amount based on the gig worker’s daily average of compensation (*i.e.*, hiring entity payments for providing services, bonuses, and commissions, as well as tips earned from customers) for each day worked during the highest earning calendar month since October 1, 2019 or since the commencement of work for the hiring entity, whichever is later. Hiring entities would recalculate a gig worker’s average daily compensation every calendar month and follow other requirements, such as providing monthly notification of the gig worker’s average daily compensation and available PSST; waiting until after a gig worker has used PSST for more than three consecutive days to ask for reasonable verification; carrying-over up to nine days accrued, unused PSST to the following calendar year; providing each gig worker with a written notice of rights and PSST policy; retaining records for three years; and complying with anti-retaliation prohibitions.

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

The legislation would automatically be repealed: three years after the termination of the civil emergency proclaimed by the Mayor on March 3, 2020; three years after the termination of any concurrent civil emergency proclaimed by a public official in response to COVID-19; or on December 31, 2023, whichever is latest.

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. Additional resources to support these activities may need to be considered in the Mayor’s 2021 Proposed Budget and future budget deliberations.

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

This legislation would establish rights for gig workers to access paid leave if they are not able to work due to health or safety reasons during the COVID-19 emergency and as the economy and community recovers after the emergency.

There are no financial costs to the City of not implementing the legislation. However, not implementing this legislation could impact the public health, safety and welfare of the community because workers without access to PSST are more likely to work while sick and to miss opportunities to care for their personal and family member's health or safety needs.

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 and health by requiring hiring entities to provide gig workers with paid leave if they are not able to work due to health or safety reasons during the COVID-19 emergency and as the economy and community recovers after the emergency. This legislation would also support the economic security and health of gig workers and the larger community in Seattle, including women and people of color who are more likely to have 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:

N/A.