

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** 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 in Seattle; amending Sections 100.015, 100.027, and 100.200 of Ordinance 126094 to make technical corrections; 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: In June 2020, the City Council (Council) passed Ordinance 126094 (Premium Pay for Gig Workers Ordinance), emergency legislation to support gig workers for the risks of working for food delivery network companies during the new coronavirus (COVID-19) global pandemic and for the costs of taking preventative safety measures to protect themselves and others from spreading the virus.

Effective June 26, 2020 upon the Mayor’s signature, the ordinance requires hiring entities (*i.e.*, food delivery network companies with 250 or more gig workers worldwide) to provide premium pay to gig workers working in Seattle for the duration of the COVID-19 civil emergency proclaimed by the Mayor on March 3, 2020.

The ordinance also establishes gig worker and consumer protections. Hiring entities, as a result of the ordinance going into effect, are prohibited from reducing areas of service in Seattle; reducing a gig worker’s compensation; limiting a gig worker’s earning capacity; or adding customer charges for delivery of groceries.

The Office of Labor Standards (OLS) implements and enforces the ordinance. OLS conducts outreach to workers and hiring entities and has authority to conduct investigations. If OLS finds that a hiring entity violated the ordinance, the Director can issue an order requiring payment of unpaid compensation to the gig worker(s) and penalties payable to the City and the gig worker(s).

This legislation would make several technical amendments to the Premium Pay for Gig Workers Ordinance to support implementation and enforcement. The following amendments are consistent with the Council’s intention:

- Clarification that workers who are employees under SMC 14.20 (Wage Theft Ordinance for employees) for covered hiring entities are not covered gig workers under this ordinance; and
- Clarification that hiring entities must comply with gig worker and consumer protections for the duration of the civil emergency proclaimed by the Mayor on March 3, 2020; and

- Clarification that the highest penalty for a third or subsequent violation of the ordinance is \$5,462.70 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

As this legislation would also declare an emergency in response to the high number of confirmed cases and deaths in King County and around the world from COVID-19, the technical amendments would become immediately effective upon the legislation's passage by Council and approval by the Mayor.

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?
No.

Is there financial cost or other impacts of *not* implementing the legislation?
No.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?
No.

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 Race and Social Justice Initiative is the City’s commitment to eliminate racial disparities and achieve racial equity in Seattle. This legislation would support the implementation and enforcement of an ordinance that fosters the financial well-being of Black, Indigenous, and People of Color who are working as gig workers during the COVID-19 emergency.

According to the Bureau of Labor Statistics, Black gig workers account for 17 percent of electronically mediated workers, higher than their representation in overall employment (12%). National and local studies also show that Black, Indigenous, and People of Color are more likely to earn lower incomes.

- 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).**

Not applicable.

List attachments/exhibits below: