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To:

City of Seattle Edward B. Murray, Mayor

NEWS RELEASE FROM THE OFFICE OF THE MAYOR

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Mayor proposes new rules to strengthen Seattle labor laws

Legislation introduced by Murray would harmonize all of Seattle's labor laws, bringing more clarity to workers and businesses

SEATTLE (Nov. 19, 2015) – Seattle Mayor Ed Murray proposed a comprehensive set of <u>amendments</u> to Seattle's labor standards to remedy and prevent wage theft and other labor standards violations. The legislation is aimed to better protect workers, deter and penalize bad actors while leveling the playing field for businesses that are already in compliance.

"This proposal advances our ground-breaking workers' rights protections by ensuring the spirit and letter of these laws are upheld," said Mayor Ed Murray. "We're making reforms that will allow the Office of Labor Standards to better protect our workers, take meaningful actions against bad actors and allow us to help level the playing field for businesses that already are doing the right thing by paying employees their full paycheck."

The proposed ordinance harmonizes enforcement procedures, remedies key definitions in the Minimum Wage, Administrative Wage Theft, Paid Sick and Safe Time, and Job Assistance ordinances. The Mayor's proposal provides workers with a private right of action to pursue labor standards claims in court, increases recovery for workers by permitting up to three times the amount owed, and strengthens the Office of Labor Standard's (OLS) ability to identify businesses that are failing to comply with <u>labor standards requirements</u>, such as paying below the City's minimum wage, while also granting the Office flexibility in determining penalties to address intentional noncompliance but also ensure that genuine mistakes by employers are not unduly punished.

Additionally, the ordinance creates incentives for employers to resolve investigations quickly to ensure workers receive their owed compensation as soon as administratively possible. Taken together, the new legislation would help workers quickly recover their earned wages

when violations occur and streamlines enforcement procedures for OLS, and ensure greater compliance by more employers.

"As a small business owner and early supporter of increasing the minimum wage, I applaud the Mayor's efforts to strengthen wage theft enforcement," said Molly Moon Neitzel, owner of Molly Moon's Homemade Ice Cream. "It is important that all businesses, big or small, play by the rules and pay their workers properly. The boost workers saw with the \$15 minimum wage law will be wiped out unless we can enforce the promise of a living wage.

Under the proposal, employees can report wage theft and other labor violations to OLS without having their identifying information disclosed, which helps address a fear of potential retaliation to them or their colleagues. Additionally, penalties can be levied against an employer if it's found it retaliated against employees for reporting violations.

"These amendments provide stronger incentives for employees to report labor standards violations and for employers to comply with labor standards requirements," said Dylan Orr, the Director of the Office of Labor Standards. "The result will be increased equity and a healthy economy for everyone in Seattle."

Research continues to show that wage theft by employers is an issue around the country. A <u>seminal study</u> by the National Employment Law Project found that more than two thirds of 4,387 workers surveyed in low-wage industries in Los Angeles, Chicago and New York experienced at least one pay-related violation in the previous work week, amounting to an average loss of 15 percent of weekly earnings. Based on this finding, potentially tens of thousands of the estimated 102,000 low-wage workers in Seattle may regularly experience wage theft.

"Seattle is making history once again by becoming the first large city to develop a comprehensive, first of its kind proposal that harmonizes and strengthens the City's enforcement of its labor standards," said Rebecca Smith, Deputy Director of the National Employment Law Project. "This proposal guards against workers being cheated out of their wages by bad-actor employers, ensuring they are paid the wages that they've earned."

Casa Latina, a Seattle-based non-profit organization, reported filing 100 wage theft complaints with the Washington Department of Labor and Industries in an 18-month period from 2010-11, and receiving 250 calls per year from workers who said that they were not getting paid. A comprehensive study of wage theft across the state, authored by a student at UW Evans School of Public Affairs, reported that Washington State Labor and Industries closed 14,799 wage theft claims from 2009 to 2013 adding up to \$46 million in claims. The

average claim per worker in King County was \$3,281.25.

A detailed chart of the changes contained in the proposed ordinance can be found <u>HERE</u>. The full legislation can be found <u>HERE</u>.

In September of this year, <u>Murray and OLS announced \$1 million in grants</u> for community organizations to provide outreach, education and technical assistance to Seattle's workers about their rights under Seattle's labor standards ordinances.

[]] Issac Sederbaum, "Wage Theft in Washington: An Examination of Labor & Industries Claims 2009-2013," University of Washington Daniel J. Evans School of Public Affairs, 2014.