

CITY OF SEATTLE
ORDINANCE 126595
COUNCIL BILL 120294

AN ORDINANCE relating to app-based worker labor standards; establishing a compensation scheme for app-based workers with minimum pay requirements and related standards for transparency and flexibility; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Title 8 and Chapter 8.37 to the Seattle Municipal Code.

WHEREAS, an estimated 40,000 app-based workers work in Seattle, including those who are Black, Indigenous, and other People of Color (BIPOC), immigrants, workers with disabilities, LGBTQ+ workers, and single parents; and

WHEREAS, the community depends on app-based workers to provide valuable services, but network companies often pay app-based workers subminimum wages despite the promise of good wages, flexibility, and accessibility; and

WHEREAS, the definitions of “employee” and “employer” in local, state, and federal laws are broad, but network companies rely on business models that treat app-based workers as “independent contractors,” thereby creating barriers for app-based workers to access employee protections such as minimum wage, unemployment benefits, workers’ compensation, and paid family and medical leave; and

WHEREAS, the U.S. Bureau of Labor Statistics (BLS) data show that Black workers account for 23 percent of app-based workers performing in-person work, higher than their overall share of employment (12 percent), and Latinx workers account for 19 percent of app-based workers performing in-person work, higher than their overall share of employment (17 percent); and

1 WHEREAS, Black and Latinx workers are overrepresented among app-based workers,
2 comprising almost 42 percent of app-based workers but less than 29 percent of the overall
3 labor force, and are disproportionately deprived of core employee protections when
4 network companies treat them as independent contractors; and

5 WHEREAS, BIPOC workers face unique barriers to economic insecurity and disproportionately
6 must accept low-wage, unsafe, and insecure working conditions; and

7 WHEREAS, BIPOC workers have long been heavily concentrated in exploitative industries; and

8 WHEREAS, the City is committed to ending racial disparities and achieving racial equity in
9 Seattle; and

10 WHEREAS, the City intends to address the inequities of app-based work by ensuring that such
11 workers earn at least the City’s minimum wage plus reasonable expenses, receive
12 transparent information on job offers and pay, and exercise the flexibility promised by
13 network companies; and

14 WHEREAS, the City intends to retain the current definitions of worker classification under
15 Seattle’s labor standards and does not intend to create a new classification of workers
16 distinct from employees or independent contractors; and

17 WHEREAS, the City intends to ensure that all workers can benefit from the protections of
18 Seattle’s labor standards; and

19 WHEREAS, the City is a leader on wage, labor, and workforce practices that improve workers’
20 lives, support economic security, and contribute to a fair, healthy, and vibrant economy;
21 and

1 WHEREAS, the Office of Labor Standards will consult with and consider input from
2 stakeholders, including network companies, app-based workers, and worker
3 organizations in the rulemaking process.; and

4 WHEREAS, establishing labor standards for app-based workers requires appropriate action by
5 the City Council; NOW, THEREFORE,

6 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

7 Section 1. The City Council (“Council”) finds and declares that:

8 A. App-based work is a growing source of income for workers in Seattle and across the
9 country.

10 B. In the exercise of The City of Seattle’s police powers, the City is granted authority to
11 pass regulations designed to protect and promote public health, safety, and welfare.

12 C. This ordinance protects and promotes public health, safety, and welfare by
13 establishing a compensation scheme for app-based workers with minimum pay requirements and
14 related standards for transparency and flexibility.

15 D. Numerous studies, including but not limited to studies by the Economic Policy
16 Institute, Center for American Progress, and the Brookings Institution, show that minimum
17 payment and other labor standards benefit employers and hiring entities by improving worker
18 performance, reducing worker turnover, and thereby improving productivity and the quality of
19 the services provided by workers, including app-based workers.

20 E. Many Seattle workers, including app-based workers, cannot fully participate in the
21 community’s dynamic civic life or pursue its myriad educational, cultural, and recreational
22 opportunities because they struggle to meet their households’ most basic needs.

1 F. The National Employment Law Project reports that instituting minimum pay
2 requirements can confer critical income gains for workers and begin to reverse decades of
3 growing pay inequality between the most underpaid workers and workers receiving close to the
4 median wage, particularly along racial and gender lines.

5 G. Transparent information on job opportunities, along with the flexibility to determine
6 hours of availability and which offers to accept, reject, or cancel with cause, allows workers to
7 make informed decisions on how and when to earn their income without fear of financial penalty
8 or other adverse actions.

9 H. Requiring disclosure of information and records on worker compensation and the
10 nature of network company charges supports efforts to verify compliance with pay requirements.

11 I. Establishing minimum pay and pay-related labor standards promotes the general
12 welfare, health, and prosperity of Seattle by ensuring that workers have stable incomes and can
13 better support and care for their families and fully participate in Seattle’s civic, cultural, and
14 economic life.

15 J. These labor standards also benefit the Seattle economy by increasing app-based worker
16 earnings and thereby boosting consumer spending in Seattle and benefiting the economy overall.

17 Section 2. A new Title 8 is added to the Seattle Municipal Code as follows:

18 **TITLE 8 LABOR STANDARDS**

19 Section 3. A new Chapter 8.37 is added to the Seattle Municipal Code as follows:

20 **Chapter 8.37 APP-BASED WORKER MINIMUM PAYMENT**

21 **8.37.010 Short title**

22 This Chapter 8.37 shall constitute the “App-Based Worker Minimum Payment Ordinance” and
23 may be cited as such.

1 **8.37.020 Definitions**

2 For purposes of this Chapter 8.37:

3 “Acceptance” means the initial communication from an app-based worker to a network
4 company that the app-based worker intends to perform services in furtherance of an offer,
5 including but not limited to indicating acceptance through the worker platform.

6 “Adverse action” means reducing compensation; garnishing tips or gratuities; temporarily
7 or permanently denying or limiting access to work, incentives, or bonuses; offering less desirable
8 work; terminating; deactivating; threatening; penalizing; retaliating; engaging in unfair
9 immigration-related practices; filing a false report with a government agency; or otherwise
10 discriminating against any person for any reason prohibited by Section 8.37.120. “Adverse
11 action” for an app-based worker may involve any aspect of the app-based worker’s work,
12 including compensation, work hours, volume, and frequency of offers made available,
13 desirability and compensation rates of offers made available, responsibilities, or other material
14 change in the terms and conditions of work or in the ability of an app-based worker to perform
15 work. “Adverse action” also includes any action by the network company or a person acting on
16 the network company’s behalf that would dissuade a reasonable person from exercising any right
17 afforded by this Chapter 8.37.

18 “Agency” means the Office of Labor Standards and any division therein.

19 “Aggrieved party” means an app-based worker or other person who suffers tangible or
20 intangible harm due to a network company’s or other person’s violation of this Chapter 8.37.

21 “App-based worker” means a person who has entered into an agreement with a network
22 company governing the terms and conditions of use of the network company’s worker platform
23 or a person affiliated with and accepting offers to perform services for compensation via a

1 network company’s worker platform. For purposes of this Chapter 8.37, at any time, but not
2 limited to, when an app-based worker is logged into the network company’s worker platform, the
3 worker is considered an app-based worker.

4 “Application dispatch” means technology that allows customers to directly request
5 dispatch of app-based workers for provision of services and/or allows app-based workers or
6 network companies to accept offers to perform services for compensation and payments for
7 services via the internet using interfaces, including but not limited to website, smartphone, and
8 tablet applications.

9 “Associated cost factor” means the additional percentage of the minimum wage
10 equivalent rate that reasonably compensates app-based workers for the non-mileage expenses
11 that are necessary to conduct app-based work, which include but are not limited to the following:

- 12 1. Employer-side payroll taxes that app-based workers must pay;
- 13 2. Cost of paid family and medical leave insurance;
- 14 3. Cost of state-provided unemployment insurance;
- 15 4. Cost of workers’ compensation insurance;
- 16 5. Business taxes that app-based workers must pay;
- 17 6. Business licensing fees that app-based workers must pay; and
- 18 7. Cost of miscellaneous expenses such as purchase of cellular phones, data plans,

19 and other equipment required for work.

20 “Associated mileage factor” means the additional percentage of the mileage rate that
21 reasonably compensates app-based workers for miles traveled without compensation that are
22 necessary to conduct app-based work, which may include but is not limited to the following:

1 1. Miles traveled after completing performance of an offer, to relocate to locations
2 where additional offers are likely to be available or to return to the starting location; and/or

3 2. Miles traveled to locations for rest breaks, meal breaks, restroom access, and
4 administrative needs.

5 “Associated time factor” means the additional percentage of the minimum wage
6 equivalent rate that reasonably compensates app-based workers for the time that app-based
7 workers spend working or engaged to wait for work without compensation to perform app-based
8 work, including but not limited to the following:

- 9 1. Reviewing offers;
- 10 2. Communicating with network companies and customers;
- 11 3. Relocating in anticipation of future offers;
- 12 4. Conducting administrative tasks; and
- 13 5. Taking rest breaks.

14 “Cancellation with cause” means cancellation of a previously accepted offer by an app-
15 based worker for reasons identified in subsection 8.37.080.C.

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

19 “City” means The City of Seattle.

20 “Compensation” means the total amount of payment owed to an app-based worker by
21 reason of performing work facilitated or presented by the network company, including but not
22 limited to network company payments, bonuses, incentives, and tips earned from customers.

1 “Creative services or works” means labor that results in or contributes to the creation of
2 original works, as well as the works resulting from such labor. The term “creative services or
3 works” includes but is not limited to fiction and non-fiction writing, art, photography, graphic
4 design, marketing, and related consulting services.

5 “Customer” means a paying customer and/or recipient of an online order.

6 “Director” means the Director of the Office of Labor Standards or the Director’s
7 designee.

8 “Engaged miles” means miles traveled during engaged time in a vehicle that the network
9 company does not own and maintain, or miles traveled during engaged time in a vehicle leased
10 by the network company or its agent to the app-based worker.

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

15 1. If an offer is being facilitated or presented by an on-demand network company,
16 or is an on-demand offer, “engaged time” begins upon the app-based worker’s acceptance of the
17 offer and ends upon the app-based worker’s completing performance of the offer, cancellation of
18 the offer by the network company or customer, or cancellation with cause of the app-based
19 worker’s acceptance of the offer pursuant to subsection 8.37.080.C.

20 2. In all other circumstances, “engaged time” begins when the app-based worker
21 begins performance of the offer or when the app-based worker reports to a location designated in
22 the offer. Engaged time ends upon the app-based worker’s completing performance of the offer,

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

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

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

9 "Eating and drinking establishment" means "eating and drinking establishment" as
10 defined in Section 23.84A.010.

11 "Food processing" means "food processing" as defined in Section 23.84A.012.

12 "Franchise" means an agreement by which:

13 1. A person is granted the right to engage in the business of offering, selling, or
14 distributing goods or services under a marketing plan prescribed or suggested in substantial part
15 by the grantor or its affiliate;

16 2. The operation of the business is substantially associated with a trademark,
17 service mark, trade name, advertising, or other commercial symbol designated, owned by, or
18 licensed by the grantor or its affiliate; and

19 3. The person pays, agrees to pay, or is required to pay, directly or indirectly, a
20 franchise fee.

21 "Front pay" means the compensation an app-based worker would earn or would have
22 earned if reinstated to their former position.

1 “Hearing Examiner” means the official appointed by the City Council and designated as
2 the Hearing Examiner under Chapter 3.02 or that person’s designee (e.g., Deputy Hearing
3 Examiner or Hearing Examiner Pro Tem).

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

11 “Marketplace network company” means a network company primarily engaged in
12 facilitating or presenting pre-scheduled offers in which (a) the application or platform
13 enables the prospective customer and app-based worker to exchange information about the
14 scope and details of services to be performed, prior to the customer placing the online order
15 for those services or the app-based worker accepting the offer; (b) the app-based worker sets
16 their own rates; and (c) the network company does not monitor offers by mileage or time.
17 On-demand network companies and companies that primarily provide delivery services are
18 not marketplace network companies.

19 When determining whether a network company is “primarily engaged in facilitating or
20 presenting pre-scheduled offers in which (a) the application or platform enables the prospective
21 customer and app-based worker to exchange information about the scope and details of services
22 to be performed, prior to the customer placing the online order for those services or the app-
23 based worker accepting the offer; (b) the app-based worker sets their own rates; and (c) the
24 network company does not monitor offers by mileage or time” the Agency may consider any

1 number of factors, including but not limited to the following examples: number of pre-scheduled
2 offers relative to the network company’s overall offers; how app-based worker rates are set; what
3 information regarding offer mileage or offer time a network company knows before, during, or
4 after performance of an offer; information from app-based workers performing offers through the
5 application or platform; marketing or promotional materials from the network company; or other
6 public statements from representatives of the network company.

7 “Minimum wage equivalent rate” means the per-minute equivalent of the “hourly
8 minimum wage” established for Schedule 1 employers in Chapter 14.19. In 2022, the “hourly
9 minimum wage” established for Schedule 1 employers in Chapter 14.19 is \$17.27 and the
10 resultant minimum wage equivalent rate is \$0.288.

11 “Network company” means an organization, whether a corporation, partnership, sole
12 proprietor, or other form, operating in Seattle, that uses an online-enabled application or
13 platform, such as an application dispatch system, to connect customers with app-based workers,
14 present offers to app-based workers through a worker platform, and/or facilitate the provision of
15 services for compensation by app-based workers.

16 1. The term “network company” includes any such entity or person acting directly
17 or indirectly in the interest of a network company in relation to the app-based worker.

18 2. The term “network company” excludes:

19 a. An entity offering services that enable individuals to schedule
20 appointments with and/or process payments to users, when the entity neither engages in
21 additional intermediation of the relationships between parties to such transactions nor engages in
22 any oversight of service provision; or

1 b. An entity operating digital advertising and/or messaging platforms,
2 when the entity neither engages in intermediation of the payments or relationships between
3 parties to resulting transactions nor engages in any oversight of service provision.

4 c. An entity that meets the definition of “transportation network company”
5 as defined by RCW 46.04.652.

6 d. An entity that meets the definition of “for hire vehicle company” or
7 “taxicab association” as defined in Section 6.310.110.

8 A company that meets the definition of network company in this subsection and
9 does not fall within any of the exclusions contained in this subsection is subject to this Chapter
10 8.37.

11 “Network company payment” means the amount owed to an app-based worker by reason
12 of performing services in furtherance of an offer facilitated or presented by the network
13 company, including but not limited to payment for providing services and/or commissions, or
14 participating in any training program required by a network company.

15 “Offer” means one or more online orders presented to an app-based worker as one
16 opportunity to perform services for compensation that the app-based worker may accept or
17 reject.

18 1. An opportunity to perform services for compensation includes but is not limited
19 to an opportunity described via a worker platform as a shift, a period of time to be spent engaged
20 in service provision, a continuous period of time in which the app-based worker must make
21 themselves available to perform services, or any other continuous period of time when the worker
22 is not completely relieved of the duty to perform the service(s), and such a period of time shall
23 be considered as one offer.

1 2. The term “offer” includes pre-scheduled offers and on-demand offers.

2 “On-demand network company” means a network company that is primarily engaged in
3 facilitating or presenting on-demand offers to app-based workers.

4 1. The term “on-demand network company” includes but is not limited to a
5 network company operating in Seattle that is primarily engaged in facilitating or presenting on-
6 demand offers to app-based workers for delivery services from one or more of the following: (a)
7 eating and drinking establishments, (b) food processing establishments, (c) grocery stores, or (d)
8 any facility supplying groceries or prepared food and beverages for an online order.

9 2. When determining whether a network company is “primarily engaged in
10 facilitating or presenting on-demand offers to app-based workers,” the Agency may consider any
11 number of factors, including but not limited to the following examples: number of on-demand
12 offers relative to the network company’s overall offers; information from app-based workers;
13 marketing or promotional materials from the network company; or other public statements from
14 representatives of the network company.

15 “On-demand offer” means an offer facilitated or presented by a network company to an
16 app-based worker that requires performance to be initiated within two hours of acceptance (i.e.,
17 an offer that is not a prescheduled offer).

18 “Online order” means an order for services that is placed through an online-enabled
19 application or platform, such as an application dispatch system, and that is facilitated by a
20 network company or presented by a network company for its own benefit. The Director may
21 issue rules further defining the definition of “online order” and the types of transactions excluded
22 from this definition. The term “online order” does not include the following transactions:

23 1. Sale or rental of products or real estate;

1 2. Payment in exchange for a service subject to professional licensure that has
2 been listed by the Director pursuant to this Section 8.37.020;

3 3. Payment in exchange for services wholly provided digitally;

4 4. Payment in exchange for creative services or works;

5 5. Transportation Network Company (TNC) dispatched trips. For purposes of this
6 subsection, “TNC dispatched trips” mean the provision of transportation by a driver for a
7 passenger through the use of a transportation network company's application dispatch system ;
8 and

9 6. Transportation provided by taxicabs or for-hire vehicles, as defined in Chapter
10 6.310.

11 “Operating in Seattle” means, with respect to a network company, facilitating or
12 presenting offers to provide services for compensation using an online-enabled application or
13 platform, such as an application dispatch system, to any app-based worker, where such services
14 are performed in Seattle.

15 “Paying customer” means a person or entity placing an online order via a network
16 company’s online-enabled application or platform.

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

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

22 2. The term “perform services in Seattle” does not include stopping for refueling,
23 stopping for a personal meal or errands, or time spent in Seattle solely for the purpose of

1 travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle
2 with no commercial stops in Seattle.

3 “Pre-scheduled offer” means an offer that is facilitated or presented by a network
4 company to an app-based worker at least two hours prior to when the app-based worker is
5 required to initiate performance.

6 “Rate of inflation” means 100 percent of the annual average growth rate of the bi-
7 monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and
8 Clerical Workers, termed CPI-W, for the 12-month period ending in August; provided that the
9 percentage increase shall not be less than zero.

10 “Respondent” means the network company or any person who is alleged or found to have
11 committed a violation of this Chapter 8.37.

12 “Service subject to professional licensure” means a service that legally requires
13 authorization or certification for a regulatory purpose for an individual to engage in the service
14 as an occupation, trade, or business. The Director shall issue rules that establish a list of
15 professional licenses indicative of occupations or trades in which workers possess significant
16 bargaining power and influence over their compensation and conditions of work. In establishing
17 this list, the Director shall consider, at a minimum, the licensing requirements of the Washington
18 State Department of Licensing, the Washington State Bar Association, and the Washington
19 Medical Commission.

20 “Standard mileage rate” means the current standard mileage rate established by the
21 United States Internal Revenue Service (IRS) for calculation of the costs of operating an
22 automobile. This mileage rate is adjusted annually by the IRS. For example, the 2022 mileage
23 rate is \$0.585.

1 “Tips” means a verifiable sum to be presented by a customer as a gift or gratuity in
2 recognition of some service performed for the customer by the app-based worker receiving the
3 tip.

4 “Unsealed” means loose items or items in packaging that have the potential to open, spill,
5 or otherwise expose an app-based worker to its contents, including but not limited to delivery
6 bags, boxes, or other containers designed to allow customers to transport hot food or groceries to
7 their homes. The term “unsealed” does not include individual items pre-packaged into a bag,
8 box, or other container that is then sealed in a manner designed to keep its contents securely
9 contained, inaccessible, and out of view of the app-based worker.

10 “Worker platform” means the worker-facing application dispatch system software or any
11 online-enabled application service, website, or system, used by an app-based worker, that
12 enables the arrangement of services for compensation.

13 “Written” or “in writing” means a printed or printable communication in physical or
14 electronic format including a communication that is transmitted through email, text message, or a
15 computer system, or is otherwise sent or maintained electronically, including via the worker
16 platform.

17 **8.37.030 App-based worker coverage**

18 A. An app-based worker is covered by this Chapter 8.37 if the app-based worker
19 performs services in Seattle facilitated or presented by a network company covered by this
20 Chapter 8.37.

21 1. If an app-based worker begins engaged time in Seattle, the requirements of this
22 Chapter 8.37 apply, regardless of where the app-based worker terminates performance of the
23 offer.

1 2. If an app-based worker begins engaged time outside of Seattle, the
2 requirements of this Chapter 8.37 apply only for the portion of services that occur within Seattle.

3 B. An app-based worker who is a covered employee under Chapter 14.19 for a covered
4 network company, or a covered employee under Chapter 14.19 for a customer of an online order,
5 is not a covered app-based worker under this Chapter 8.37.

6 **8.37.040 Network company coverage**

7 A. For the purposes of this Chapter 8.37, covered network companies are limited to those
8 that facilitate work performed by 250 or more app-based workers worldwide regardless of where
9 those workers perform work, including but not limited to chains, integrated enterprises, or
10 franchises associated with a franchise or network of franchises that facilitate work performed by
11 250 or more app-based workers worldwide in aggregate.

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

14 1. The calculation is based upon the average number per calendar week of app-
15 based workers who worked for compensation during the preceding calendar year for any and all
16 weeks during which at least one app-based worker worked for compensation. For network
17 companies that did not have any app-based workers during the preceding calendar year, the
18 number of app-based workers counted for the current calendar year is calculated based upon the
19 average number per calendar week of app-based workers who worked for compensation during
20 the first 90 calendar days of the current year in which the network company engaged in business.

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

23 a. App-based workers who are not covered by this Chapter 8.37;

1 b. App-based workers who worked in Seattle; and

2 c. App-based workers who worked outside Seattle.

3 C. Separate entities that form an integrated enterprise shall be considered a single
4 network company under this Chapter 8.37. Separate entities will be considered an integrated
5 enterprise and a single network company under this Chapter 8.37 where a separate entity controls
6 the operation of another entity. The factors to consider in making this assessment include but are
7 not limited to:

8 1. Degree of interrelation between the operations of multiple entities;

9 2. Degree to which the entities share common management;

10 3. Centralized control of labor relations;

11 4. Degree of common ownership or financial control over the entities; and

12 5. Use of a common brand, trade, business, or operating name.

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

15 **8.37.050 Minimum network company payment**

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

19 1. The minimum per-minute amount for engaged time under subsection
20 8.37.050.B.1 plus the minimum per-mile amount for engaged miles under subsection
21 8.37.050.B.2; or

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

23 B. Minimum network company payment calculation

1 1. Per-minute amount. For each minute of engaged time, a network company
2 shall compensate app-based workers, and/or ensure that app-based workers receive, at least the
3 equivalent of the total of the minimum wage equivalent rate multiplied by the associated cost
4 factor multiplied by the associated time factor. In 2022, the per-minute amount is \$0.38. On the
5 effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-minute
6 amount shall be increased to reflect any adjustment(s) to the minimum wage equivalent rate,
7 associated cost factor, or associated time factor. The Agency shall determine the per-minute
8 amount and file a schedule of such amount with the City Clerk.

9 a. Associated cost factor. The associated cost factor is 1.12.

10 b. Associated time factor. The associated time factor is 1.17.

11 2. Per-mile amount. For each engaged mile traveled, a network company shall
12 compensate app-based workers, and/or ensure that app-based workers receive, at least the
13 equivalent of the standard mileage rate multiplied by the associated mileage factor, which is
14 1.10. In 2022, the per-mile amount is \$0.64. On the effective date of this Chapter 8.37, and on
15 January 1 of each year thereafter, the per-mile amount shall be increased annually to reflect any
16 adjustment(s) to the standard mileage rate or associated mileage factor. The Agency shall
17 determine the per-mile amount and file a schedule of such amount with the City Clerk.

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

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

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

$$\begin{aligned} & (\text{Engaged minutes} \times \$0.288 \times 1.12 \times 1.17) \\ & + (\text{Engaged miles} \times \$0.585 \times 1.10) \\ & = \$0.38/\text{minute} + \$0.64/\text{mile}. \end{aligned}$$

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

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

13 5. Application of minimum network company payment requirements.

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

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

23 C. Adjustment of the associated cost factor, associated time factor, and associated
24 mileage factor

1 1. Adjustment of the associated cost factor. Beginning three years after the
2 effective date of this Chapter 8.37, the Director by rule may adjust the associated cost factor
3 every three years; provided, that this adjustment shall not result in reduction of the associated
4 cost factor below 1.12. In adjusting the associated cost factor, the Director shall consider relevant
5 and available sources of data, which may include but are not limited to: app-based worker
6 surveys; data provided by network companies; data provided by app-based workers; data
7 provided by customers; data from other jurisdictions; data available through academic, policy, or
8 community-based organizations; public testimony; and stakeholder interviews. The Director may
9 consider the non-exhaustive list of factors that comprise the “associated cost factor” as defined in
10 Section 8.37.020, as well as any other factor the Director determines is necessary to further the
11 purposes of this Chapter 8.37. The Agency shall file a schedule of any adjustment(s) to the
12 associated cost factor with the City Clerk.

13 2. Adjustment to the associated time factor. Beginning three years after the
14 effective date of this Chapter 8.37, the Director by rule may adjust the associated time factor
15 every three years; provided, that this adjustment shall not result in reduction of the associated
16 time factor below 1.17. In adjusting the associated time factor, the Director shall consider
17 relevant and available sources of data, which may include but are not limited to: app-based
18 worker surveys; data provided by network companies; data provided by app-based workers; data
19 provided by customers; data from other jurisdictions; data available through academic, policy, or
20 community-based organizations; public testimony provided; and stakeholder interviews. The
21 Director may consider the non-exhaustive list of factors that comprise the “associated time
22 factor” as defined in Section 8.37.020, as well as any other factor the Director determines is

1 necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any
2 adjustment(s) to the associated time factor with the City Clerk.

3 3. Adjustment to the associated mileage factor. Beginning three years after the
4 effective date of this Chapter 8.37, the Director by rule may adjust the associated mileage factor
5 every three years; provided, that this adjustment shall not result in reduction of the associated
6 mileage factor below 1.10. In adjusting the associated mileage factor, the Director shall consider
7 relevant and available sources of data, which may include but are not limited to: app-based
8 worker surveys; data provided by network companies; data provided by app-based workers; data
9 provided by customers; data from other jurisdictions; data available through academic, policy, or
10 community-based organizations; public testimony provided; and stakeholder interviews. The
11 Director may consider the non-exhaustive list of factors that comprise the “associated mileage
12 factor” as defined in Section 8.37.020, as well as any other factor the Director determines is
13 necessary to further the purposes of this Chapter 8.37. The Agency shall file a schedule of any
14 adjustment(s) to the associated mileage factor with the City Clerk.

15 D. Deductions

16 1. A network company may only deduct compensation when the app-based
17 worker expressly authorizes the deduction in writing and does so in advance for a lawful purpose
18 for the benefit of the app-based worker. Any such authorization by an app-based worker must be
19 voluntary and knowing.

20 2. Neither the network company nor any person acting in the interest of the
21 network company may derive any financial profit or benefit from any of the deductions under
22 this subsection 8.37.050.D. For the purposes of this subsection 8.37.050.D, reasonable interest
23 charged by the network company, or any person acting in the interest of a network company, for

1 a loan or credit extended to the app-based worker is not considered to be of financial benefit to
2 the network company, or any person acting in the interest of a network company.

3 **8.37.060 Tip and incentive compensation**

4 A. Tips

5 1. A network company shall pay to its app-based workers all tips and gratuities.

6 2. Tips paid to an app-based worker are in addition to, and may not count
7 towards:

8 a. The app-based worker's minimum network company payment under
9 Section 8.37.050;

10 b. A guaranteed minimum amount of network company payment for an
11 offer, as described in Section 8.37.070, regardless of whether the guaranteed minimum amount
12 exceeds the minimum network company payment owed to the app-based worker;

13 c. Any incentive presented to the app-based worker; or

14 d. Any amount of compensation presented to the app-based worker in
15 exchange for the performance of services.

16 B. Incentives paid to an app-based worker are in addition to, and may not count towards,
17 the app-based worker's minimum network company payment under Section 8.37.050.

18 **8.37.070 Network company transparency**

19 A. Right to up-front information regarding offers

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

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

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

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

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

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

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

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

6 2. A network company shall not be held responsible for a violation of subsection
7 8.37.070.A.1 that is attributable solely to incomplete or inaccurate information provided by
8 another party, provided that the network company made a reasonable effort to obtain complete
9 and accurate information.

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

12 4. If a network company presents a pre-scheduled offer, or an offer that entails
13 fulfillment of multiple individual online orders, and the network company lacks advance notice
14 of 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
15 and 8.37.070.A.1.g for that offer, the network company shall provide the app-based worker with
16 such information prior to assigning them work in furtherance of each online order, to the extent it
17 is reasonably ascertainable.

18 B. Within 24 hours of each offer's performance, or within 72 hours after a cancellation
19 by an app-based worker, a network company shall transmit an electronic receipt to the app-based
20 worker that contains the following information for each unique offer covered by this Chapter
21 8.37:

- 22 1. The app-based worker's total amount of engaged time;
- 23 2. The app-based worker's total amount of engaged miles;

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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.

C. On a weekly basis, the network company shall provide written notice to the app-based worker that contains the following information for offers covered by this Chapter 8.37 and which were performed or cancelled with cause, as well as other engagement with the worker platform, during the prior week:

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:

1 a. Gross network company payment, as well as the method used to
2 calculate payment, including but not limited to amount per minute or amount per mile;

3 b. Total incentives and the basis for calculating the incentives, if
4 applicable;

5 c. Total amount of compensation from tips;

6 d. Total amount of any deductions, itemized by deduction type;

7 e. Net compensation

8 4. Total amount of itemized fees collected from the app-based worker to access
9 the network company's online-enabled application or platform;

10 5. Pursuant to rules that the Director may issue, other information that is material
11 and necessary to effectuate the terms of this Chapter 8.37.

12 D. Within 24 hours of an online order's performance or cancellation with cause, a
13 network company shall transmit an electronic receipt to a paying customer that lists:

14 1. The date and time of completion of the online order;

15 2. The total amount paid to the network company, itemizing all charges, fees, and
16 customer-paid tips. The network company shall clearly designate the amount of tips paid directly
17 to the app-based worker and the amount of charges and fees retained by the company; and

18 3. Pursuant to rules that the Director may issue, other information that is material
19 and necessary to effectuate the terms of this Chapter 8.37.

20 E. A network company shall ensure that its customer-facing websites, applications, and
21 platforms do not describe any fees or non-tip charges in a manner that might be reasonably
22 misconstrued as a tip, gratuity, or other payment to the app-based worker. Any interface for

1 accepting customer orders shall clearly reflect the amount of any tip paid to the app-based
2 worker.

3 F. A network company shall ensure that all app-based workers have access to the
4 company's tip policy, including but not limited to whether the network company's online-
5 enabled application or platform allows customers to tip in advance of completion of an online
6 order and whether the network company permits customers to modify or remove tips after
7 performance.

8 G. A network company shall routinely and affirmatively transmit to the Agency such
9 records as required by rules issued by the Director. The Director shall have the authority to
10 require such aggregated or disaggregated records deemed necessary, appropriate, or convenient
11 to administer, evaluate, and enforce the provisions of this Chapter 8.37. The Director may issue
12 rules requiring that aggregated records be produced as a distribution at defined percentiles. The
13 Director may issue data production rules of general applicability as well as rules specific to on-
14 demand companies. In issuing data production rules, the Director shall consider, among other
15 factors, methods to provide workers with information to make informed choices about platforms
16 on which they may seek work and to provide the public with information to assess the impact of
17 network companies.

18 1. Records for production may include, but are not limited to:

19 a. Records regarding the availability of offers facilitated via the network
20 company platform;

21 b. Records regarding the amount of engaged time and engaged miles;

22 c. The amount of time that app-based workers must spend working or
23 engaged to wait for work without compensation to perform app-based work;

1 d. Records regarding the number of app-based workers who logged onto
2 the worker platform, logged on for the first time in the reporting period, or accepted an offer;

3 e. Per-offer or aggregated app-based worker compensation, including but
4 not limited to network company payments, bonuses, incentives, and tips earned from customers;
5 and

6 f. Any other records that the Director determines are material and
7 necessary to effectuate the purposes of this Chapter 8.37.

8 2. The Director shall issue rules governing the submission format, security, and
9 privacy protocols relating to the submission of network company records, to the extent
10 permitted by law.

11 H. A network company shall notify app-based workers at least 14 days prior to making a
12 material change to how network company payment will be calculated.

13 **8.37.080 Flexibility**

14 A. An app-based worker has the right to decide when to make themselves available to
15 work and which offers to accept or reject. A network company shall not subject an app-based
16 worker to an adverse action, nor institute a policy subjecting an app-based worker to an adverse
17 action, for engaging in the following activities:

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

21 2. Accepting or rejecting any individual offer, any types of offers, or any number
22 or proportion of offers. An app-based worker may indicate rejection of an offer by declining to

1 respond to the offer. A network company shall ensure that its worker platform enables an app-
2 based worker to communicate a rejection of each offer.

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

6 1. Certain instances of deactivation as defined in rules, or other applicable law.

7 2. Limitations on a maximum amount of consecutive work time to protect worker
8 and public safety.

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

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

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

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

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

3 D. For all cancelled offers, network companies shall allow the app-based worker to
4 communicate the reason for cancellation, including but not limited to reasons included in
5 subsection 8.37.080.C, via the worker platform. The network company shall review the stated
6 reason for cancellation for a reasonable time of no less than 72 hours before determining, based
7 on clear and convincing evidence, whether an app-based worker cancelled an offer without
8 cause.

9 **8.37.090 Fraudulent use policy**

10 A. A network company may take actions not expressly prohibited in this Chapter 8.37 or
11 other applicable law, which are reasonably necessary to remedy or prevent fraudulent use of the
12 network company’s application or platform. A network company shall provide an app-based
13 worker a written policy and procedure for remedying or preventing fraudulent use (“fraudulent
14 use policy”). The network company’s fraudulent use policy shall include, but not be limited to:

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

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

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

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

3 5. Pursuant to rules that the Director may issue, other information that is material
4 and necessary to effectuate the terms of this Section 8.37.090.

5 **8.37.100 Notice of rights**

6 A. Network companies shall provide each app-based worker with a written notice of
7 rights established by this Chapter 8.37. The Agency shall create and distribute a model notice of
8 rights in English and other languages.

9 B. The notice of rights shall provide information on:

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

13 2. A clear statement as to whether the network company identifies as an on-
14 demand network company, a marketplace network company, or neither, and the corresponding
15 timeframe when engaged time and engaged miles apply for a typical offer from that network
16 company (e.g. upon acceptance by the app-based worker, a reasonable estimate of engaged time
17 mutually agreed upon, or when the app-based worker begins performance), pursuant to Section
18 8.37.020;

19 3. The right to receive the information required to be disclosed by this Chapter
20 8.37 before accepting an offer and performing services in furtherance of an offer;

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

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

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

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

12 8. The right to a clear statement of the network company's fraudulent use policy
13 pursuant to Section 8.37.090, including where the app-based worker can locate that policy.

14 C. Network companies shall provide the notice of rights required by subsection
15 8.37.100.B in an electronic format that is readily accessible to the app-based worker. The notice
16 of rights shall be made available to the app-based worker via smartphone application, email, or
17 online web portal, in English and any language that the network company knows or has reason to
18 know is the primary language of the app-based worker. The Director may issue rules governing
19 the form and content of the notice of rights, the manner of its distribution, and required
20 languages for its translation.

21 D. Network companies shall file their notice of rights in a written format with the Agency
22 no later than 60 days after the effective date of this Chapter 8.37. The information must also
23 include the registered legal name and trade name of the hiring entity as listed on the hiring

1 entity's Seattle business license tax certificate, and a contact name and information for that
2 hiring entity.

3 **8.37.110 Network company records**

4 A. Network companies shall retain records that document compliance with this Chapter
5 8.37 for each app-based worker.

6 B. Network companies shall retain the records required by subsection 8.37.110.A for a
7 period of three years.

8 C. If a network company fails to retain adequate records required under subsection
9 8.37.110.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the
10 network company violated this Chapter 8.37 for the relevant periods and for each app-based
11 worker for whom records were not retained.

12 **8.37.120 Retaliation prohibited**

13 A. No network company or any other person shall interfere with, restrain, or deny the
14 exercise of, or the attempt to exercise, any right protected under this Chapter 8.37.

15 B. No network company or any other person shall take any adverse action against any
16 person because the person has exercised in good faith the rights protected under this Chapter
17 8.37. Such rights include, but are not limited to, the right to make inquiries about the rights
18 protected under this Chapter 8.37; the right to inform others about their rights under this Chapter
19 8.37; the right to inform the person's network company, the person's legal counsel, a union or
20 similar organization, or any other person about an alleged violation of this Chapter 8.37; the right
21 to file an oral or written complaint with the Agency or bring a civil action for an alleged
22 violation of this Chapter 8.37; the right to cooperate with the Agency in its investigations of this
23 Chapter 8.37; the right to testify in a proceeding under or related to this Chapter 8.37; the right to

1 refuse to participate in an activity that would result in a violation of city, state, or federal law;
2 and the right to oppose any policy, practice, or act that is unlawful under this Chapter 8.37.

3 C. No network company or any other person shall communicate to a person exercising
4 rights protected in this Section 8.37.120, directly or indirectly, the willingness to inform a
5 government worker that the person is not lawfully in the United States, or to report, or to make
6 an implied or express assertion of a willingness to report, suspected citizenship or immigration
7 status of an app-based worker or family member of an app-based worker to a federal, state, or
8 local agency because the app-based worker has exercised a right under this Chapter 8.37.

9 D. It shall be a rebuttable presumption of retaliation if a network company or any other
10 person takes an adverse action against a person within 90 days of the person's exercise of rights
11 protected in this Section 8.37.120. The network company may rebut the presumption with clear
12 and convincing evidence that the adverse action was taken for a permissible purpose.

13 E. Proof of retaliation under this Section 8.37.120 shall be sufficient upon a showing that
14 a network company or any other person has taken an adverse action against a person and the
15 person's exercise of rights protected in this Section 8.37.120 was a motivating factor in the
16 adverse action, unless the network company can prove that the action would have been taken in
17 the absence of such protected activity.

18 F. The protections afforded under this Section 8.37.120 shall apply to any person who
19 mistakenly but in good faith alleges violations of this Chapter 8.37.

20 G. A complaint or other communication by any person triggers the protections of this
21 Section 8.37.120 regardless of whether the complaint or communication is in writing or makes
22 explicit reference to this Chapter 8.37.

1 **8.37.125 Rulemaking authority**

2 The Director is authorized to administer and enforce this Chapter 8.37. The Director is
3 authorized to promulgate, revise, or rescind rules and regulations deemed necessary,
4 appropriate, or convenient to administer, evaluate and enforce the provisions of this Chapter
5 8.37 pursuant to Chapter 3.02, providing affected entities with due process of law and in
6 conformity with the intent and purpose of this Chapter 8.37. Any rules promulgated by the
7 Director shall have the force and effect of law and may be relied on by network companies, app-
8 based workers, and other parties to determine their rights and responsibilities under this Chapter
9 8.37.

10 **8.37.130 Enforcement power and duties**

11 The Agency shall have the power to administer and enforce this Chapter 8.37 and shall have
12 such powers and duties in the performance of these functions as are defined in this Chapter 8.37
13 and otherwise necessary and proper in the performance of the same and provided for by law.

14 **8.37.140 Violation**

15 The failure of any respondent to comply with any requirement imposed on the respondent under
16 this Chapter 8.37 is a violation.

17 **8.37.150 Investigation**

18 A. The Agency shall have the power to investigate any violations of this Chapter 8.37 by
19 any respondent. The Agency may prioritize investigations of workforces that are vulnerable to
20 violations of this Chapter 8.37. The Agency may initiate an investigation pursuant to Director's
21 Rules, including but not limited to situations when the Director has reason to believe that a
22 violation has occurred or will occur, or when circumstances show that violations are likely to
23 occur within a class of network companies or businesses because the workforce contains

1 significant numbers of app-based workers who are vulnerable to violations of this Chapter 8.37
2 or the workforce is unlikely to volunteer information regarding such violations. An investigation
3 may also be initiated through the receipt by the Agency of a report or complaint filed by an app-
4 based worker or other person.

5 B. An app-based worker or other person may report to the Agency any suspected
6 violation of this Chapter 8.37. The Agency shall encourage reporting pursuant to this Section
7 8.37.150 by taking the following measures:

8 1. The Agency shall keep confidential, to the maximum extent permitted by
9 applicable laws, the name and other identifying information of the app-based worker or person
10 reporting the violation. However, with the authorization of such person, the Agency may disclose
11 the app-based worker's or person's name and identifying information as necessary to enforce this
12 Chapter 8.37 or for other appropriate purposes.

13 2. The Agency may require the network company to post or otherwise notify other
14 app-based workers working for the network company that the Agency is conducting an
15 investigation. The network company shall provide the notice of investigation in a form, place,
16 and manner designated by the Agency. The Agency shall create the notice of investigation in
17 English and other languages.

18 3. The Agency may certify the eligibility of eligible persons for "U" Visas under
19 the provisions of 8 U.S.C. § 1184(p) and 8 U.S.C. § 1101(a)(15)(U). This certification is subject
20 to applicable federal law and regulations, and Director's Rules.

21 C. The Agency's investigation shall commence within three years of the alleged
22 violation. To the extent permitted by law, the applicable statute of limitations for civil actions is

1 tolled during any investigation under this Chapter 8.37 and any administrative enforcement
2 proceeding under this Chapter 8.37 based upon the same facts. For purposes of this Chapter 8.37:

3 1. The Agency’s investigation begins on the earlier date of when the Agency
4 receives a complaint from a person under this Chapter 8.37, or when the Agency provides notice
5 to the respondent that an investigation has commenced under this Chapter 8.37.

6 2. The Agency’s investigation ends when the Agency issues a final order
7 concluding the matter and any appeals have been exhausted; the time to file any appeal has
8 expired; or the Agency notifies the respondent in writing that the investigation has been
9 otherwise resolved.

10 D. The Agency’s investigation shall be conducted in an objective and impartial manner.

11 E. The Director may apply by affidavit or declaration in the form allowed under RCW
12 5.50.050 to the Hearing Examiner for the issuance of subpoenas requiring a network company to
13 produce the records required by Section 8.37.110, or for the attendance and testimony of
14 witnesses, or for the production of documents required to be retained under Section 8.37.110, or
15 any other document relevant to the issue of whether any app-based worker or group of app-based
16 workers received the information or other benefits required by this Chapter 8.37, and/or to
17 whether a network company has violated any provision of this Chapter 8.37. The Hearing
18 Examiner shall conduct the review without hearing as soon as practicable and shall issue
19 subpoenas upon a showing that there is reason to believe that: a violation has occurred; a
20 complaint has been filed with the Agency; or circumstances show that violations are likely to
21 occur within a class of businesses because the workforce contains significant numbers of app-
22 based workers who are vulnerable to violations of this Chapter 8.37, the workforce is unlikely to

1 volunteer information regarding such violations, or the Agency has gathered preliminary
2 information indicating that a violation may have occurred.

3 F. A network company that fails to comply with the terms of any subpoena issued under
4 subsection 8.37.150.E in an investigation by the Agency under this Chapter 8.37 before the
5 issuance of a Director’s Order issued pursuant to subsection 8.37.160.C may not use such
6 records in any appeal to challenge the correctness of any determination by the Agency of
7 liability, damages owed, or penalties assessed.

8 G. In addition to other remedies, the Director may refer any subpoena issued under
9 subsection 8.37.150.E to the City Attorney to seek a court order to enforce any subpoena.

10 H. Where the Director has reason to believe that a violation has occurred, the Director
11 may order any appropriate temporary or interim relief to mitigate the violation or maintain the
12 status quo pending completion of a full investigation or hearing, including but not limited to a
13 deposit of funds or bond sufficient to satisfy a good faith estimate of compensation, interest,
14 damages, and penalties due. A respondent may appeal any such order in accordance with Section
15 8.37.180.

16 **8.37.160 Findings of fact and determination**

17 A. Except when there is an agreed-upon settlement, the Director shall issue a written
18 determination with findings of fact resulting from the investigation and statement of whether a
19 violation of this Chapter 8.37 has or has not occurred based on a preponderance of the evidence
20 before the Director.

21 B. If the Director determines that there is no violation of this Chapter 8.37, the Director
22 shall issue a “Determination of No Violation” with notice of an app-based worker’s or other
23 person’s right to appeal the decision, pursuant to Director’s Rules.

1 C. If the Director determines that a violation of this Chapter 8.37 has occurred, the
2 Director shall issue a “Director’s Order” that shall include a notice of violation identifying the
3 violation or violations.

4 1. The Director’s Order shall state with specificity the amounts due under this
5 Chapter 8.37 for each violation, including payment of unpaid compensation, liquidated damages,
6 civil penalties, penalties payable to aggrieved parties, fines, and interest pursuant to Section
7 8.37.170.

8 2. The Director’s Order may specify that civil penalties and fines due to the
9 Agency can be mitigated for respondent’s timely payment of remedy due to an aggrieved party
10 pursuant to subsection 8.37.170.A.4.

11 3. The Director’s Order may specify that civil penalties and fines are due to the
12 aggrieved party rather than due to the Agency.

13 4. The Director’s Order may direct the respondent to take such corrective action
14 as is necessary to comply with the requirements of this Chapter 8.37, including but not limited to
15 monitored compliance for a reasonable time period.

16 5. The Director’s Order shall include notice of the respondent’s right to appeal the
17 decision pursuant to Section 8.37.180.

18 **8.37.165 Complaint procedure**

19 A. The Agency shall have the power to respond to any violations of this Chapter 8.37
20 with a complaint procedure.

21 B. The Agency may initiate a complaint procedure as an alternative enforcement method
22 to an investigation for responding to a report or complaint by any person of a violation of this
23 Chapter 8.37. The Director may issue rules for the complaint procedure, including but not

1 limited to rules to establish the timeline for sending the information required by subsection
2 8.37.165.D, determine the nature and content of information requested from the complainant and
3 network company, and indicate when the Agency may prioritize use of a complaint procedure
4 prior to an investigation or in lieu of an investigation. The Director may also establish other
5 enforcement methods to efficiently resolve violations of this Chapter 8.37.

6 C. The Agency may request the complainant to provide information pursuant to the
7 complaint procedure, including but not limited to:

- 8 1. Contact information for the app-based worker and network company; and
- 9 2. A statement describing the alleged violations of this Chapter 8.37.

10 D. The Agency may send notices to the network company and complainant, including but
11 not limited to:

12 1. Notice of the alleged violation(s). The Agency may send notice to the network
13 company of the alleged violation(s) of this Chapter 8.37. The Agency shall bear any cost of
14 sending such notice by certified mail or by other means incurring a cost to the Agency. This
15 notice may include but not be limited to:

- 16 a. Statement of the alleged violation(s) of this Chapter 8.37; and
- 17 b. Description of the remedies available to an app-based worker for
18 violation(s) of this Chapter 8.37;

19 2. Response from the network company. The Agency may request the network
20 company to send the Agency relevant information to respond to the alleged violation(s) within an
21 identified timeframe.

1 3. Notice to the complainant of the response from the network company. The
2 Agency may send a notice to the complainant of the response from the network company. This
3 notice to the complainant may include but not be limited to:

- 4 a. The response from the network company, including any enclosures;
- 5 b. Information on the right to bring a civil action in a court of competent
6 jurisdiction;
- 7 c. Any other information about the status of the complaint; and
- 8 d. Information about the navigation program pursuant to Section 8.37.167.

9 4. Notice of no response. If the Agency receives no response from the network
10 company within the identified timeframe pursuant to subsection 8.37.165.D.2, the Agency may
11 send a notice of no response to the complainant and the network company and may include proof
12 that the Agency previously sent notice of the alleged violation(s) to the network company.

13 5. Notice of closure. The Agency may send the complainant and network
14 company notice of the Agency's completion of the complaint procedure and/or closure of the
15 case.

16 E. Upon satisfying the requirements of subsections 8.37.165.C and 8.37.165.D, the
17 Agency may close the case.

18 **8.37.167 Navigation program**

19 A. The Agency may establish a navigation program that provides intake and information
20 relating to the provisions of this Chapter 8.37.

21 1. The navigation program may provide a range of information, including but not
22 limited to:

- 23 a. Information on the provisions and procedures of this Chapter 8.37;

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b. General court information, including but not limited to:

1) Information on court procedures for filing civil actions in small claims, district court, and superior court; and

2) Information on obtaining translation and interpretation services, and other courtroom services;

c. A list of organizations that can be used to identify attorneys;

d. Organizations providing outreach and education, and/or legal assistance, to app-based workers;

e. Information about classifying workers as employees or independent contractors; and

f. As determined by the Director, additional information related to the provisions of this Chapter 8.37, other workplace protections, or other resources for resolving workplace issues.

2. The navigation program may include outreach and education to the public on the provisions and procedures of this Chapter 8.37.

3. The navigation program shall not include legal advice from the Agency. However, if the Agency provides information to an app-based worker about a community organization through the navigation program, the community organization is not precluded from providing legal advice.

8.37.170 Remedies

A. The payment of unpaid compensation, liquidated damages of up to twice the amount of unpaid compensation, civil penalties, penalties payable to aggrieved parties, fines, and interest

1 provided under this Chapter 8.37 is cumulative and is not intended to be exclusive of any other
2 available remedies, penalties, fines, and procedures.

3 1. The amounts of all civil penalties, penalties payable to aggrieved parties, and
4 fines contained in this Section 8.37.170 shall be increased annually to reflect the rate of inflation
5 and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall
6 determine the amounts and file a schedule of such amounts with the City Clerk.

7 2. If a violation is ongoing when the Agency receives a complaint or opens an
8 investigation, the Director may order payment of unpaid compensation plus interest that accrues
9 after receipt of the complaint or after the investigation opens and before the date of the Director's
10 Order.

11 3. Interest shall accrue from the date the unpaid compensation was first due at 12
12 percent annum, or the maximum rate permitted under RCW 19.52.020.

13 4. If there is a remedy due to an aggrieved party, the Director may waive part or
14 all civil penalties and fines due to the Agency based on timely payment of the full remedy due to
15 the aggrieved party.

16 a. The Director may waive the total amount of civil penalties and fines due
17 to the Agency if the Director determines that the respondent paid the full remedy due to the
18 aggrieved party within ten days of service of the Director's Order.

19 b. The Director may waive half the amount of civil penalties and fines due
20 to the Agency if the Director determines that the respondent paid the full remedy due to the
21 aggrieved party within 15 days of service of the Director's Order.

1 c. The Director shall not waive any amount of civil penalties and fines due
2 to the Agency if the Director determines that the respondent has not paid the full remedy due to
3 the aggrieved party after 15 days of service of the Director’s Order.

4 5. When determining the amount of liquidated damages, civil penalties, penalties
5 payable to aggrieved parties, and fines due under this Section 8.37.170 for a settlement
6 agreement or Director’s Order, including but not limited to the mitigation of civil penalties and
7 fines due to the Agency for timely payment of remedy due to an aggrieved party under
8 subsection 8.37.170.A.4, the Director may consider:

9 a. The total amount of unpaid compensation, liquidated damages,
10 penalties, fines, and interest due;

11 b. The nature and persistence of the violations;

12 c. The extent of the respondent’s culpability;

13 d. The substantive or technical nature of the violations;

14 e. The size, revenue, and human resources capacity of the respondent;

15 f. The circumstances of each situation;

16 g. The amount of penalties in similar situations; and

17 h. Pursuant to rules that the Director may issue, other factors that are
18 material and necessary to effectuate the terms of this Chapter 8.37.

19 B. A respondent found to be in violation of this Chapter 8.37 shall be liable for full
20 payment of unpaid compensation due plus interest in favor of the aggrieved party under the
21 terms of this Chapter 8.37, and other equitable relief. If the precise amount of unpaid
22 compensation cannot be determined due to a respondent’s failure to produce records or if a
23 respondent produces records in a manner or form which makes timely determination of the

1 amount of unpaid compensation impracticable, the Director may designate a daily amount for
2 unpaid compensation plus interest in favor of the aggrieved party. The daily amount of unpaid
3 compensation shall be at least the equivalent of payment for eight hours of work at the “hourly
4 minimum wage” rate for Schedule 1 employers under Chapter 14.19. For any violation of this
5 Chapter 8.37, the Director may assess liquidated damages in an additional amount of up to twice
6 the unpaid compensation.

7 C. A respondent found to be in violation of this Chapter 8.37 for retaliation under Section
8 8.37.120 shall be subject to any appropriate relief at law or equity including, but not limited to,
9 reinstatement of the aggrieved party, front pay in lieu of reinstatement with full payment of
10 unpaid compensation plus interest in favor of the aggrieved party under the terms of this Chapter
11 8.37, and liquidated damages in an additional amount of up to twice the unpaid compensation.
12 The Director also shall order the imposition of a penalty payable to the aggrieved party of up to
13 \$5,755.31.

14 D. The Director is authorized to assess civil penalties for a violation of this Chapter 8.37
15 and may specify that civil penalties are due to the aggrieved party rather than due to the Agency.

16 1. For a first violation of this Chapter 8.37, the Director may assess a civil penalty
17 of up to \$575.31 per aggrieved party.

18 2. For a second violation of this Chapter 8.37, the Director shall assess a civil
19 penalty of up to \$1,150.63 per aggrieved party, or an amount equal to ten percent of the total
20 amount of unpaid compensation, whichever is greater.

21 3. For a third or any subsequent violation of this Chapter 8.37, the Director shall
22 assess a civil penalty of up to \$5,755.31 per aggrieved party, or an amount equal to ten percent of
23 the total amount of unpaid compensation, whichever is greater.

1 4. For purposes of this subsection 8.37.170.D, a violation is a second, third, or
 2 subsequent violation if the respondent has been a party to one, two, or more than two settlement
 3 agreements, respectively, stipulating that a violation has occurred; and/or one, two, or more than
 4 two Director’s Orders, respectively, have issued against the respondent in the ten years preceding
 5 the date of the violation; otherwise, it is a first violation.

6 E. The Director is authorized to assess fines for a violation of this Chapter 8.37 and may
 7 specify that fines are due to the aggrieved party rather than due to the Agency. The Director is
 8 authorized to assess fines as follows:

Violation	Fine
Failure to provide app-based worker with up-front information regarding offers under subsection 8.37.070.A	Up to \$575.31 per aggrieved party
Failure to provide app-based worker with electronic receipts within 24 hours of each offer’s performance or cancellation with cause under subsection 8.37.070.B	Up to \$575.31 per aggrieved party
Failure to provide app-based worker with weekly statements under subsection 8.37.070.C	Up to \$575.31 per aggrieved party
Failure to provide the Agency with records required under subsection 8.37.070.G	Up to \$575.31 per missing record
Failure to provide app-based worker with at least 14 days of notice of a material change to the network company payment calculation under subsection 8.37.070.H	Up to \$575.31 per aggrieved party
Failure to comply with requirements for app-based worker’s right to decide when to work and which offers to accept or reject under subsection 8.37.080.A	Up to \$575.31 per aggrieved party
Failure to comply with requirements for app-based worker’s right to be logged into the network company’s worker platform under subsection 8.37.080.B	Up to \$575.31 per aggrieved party
Failure to comply with requirements for app-based worker’s cancellation of acceptance of an offer with cause under subsection 8.37.080.C	Up to \$575.31 per aggrieved party
Failure to provide written notice of rights under Section 8.37.100	Up to \$575.31 per aggrieved party
Failure to retain network company records for three years under subsections 8.37.110.A and 8.37.110.B	Up to \$575.31 per missing record
Failure to comply with prohibitions against retaliation for exercising rights protected under Section 8.37.120	Up to \$1,150.63 per aggrieved party

Violation	Fine
Failure to provide notice of investigation to app-based workers under subsection 8.37.150.B.2	Up to \$575.31 per aggrieved party
Failure to post or distribute public notice of failure to comply with final order under subsection 8.37.210.A.1	Up to \$575.31 per aggrieved party

1 For each app-based worker who performs services in Seattle for the network company and for
2 each missing record, the maximum amount that may be imposed in fines in a one-year period for
3 each type of violation for each app-based worker listed above is \$5,755.31. For each app-based
4 worker who performs services in Seattle for the network company, if a fine for retaliation is
5 issued, the maximum amount that may be imposed for each app-based worker in a one-year
6 period is \$23,020.

7 F. A respondent that willfully hinders, prevents, impedes, or interferes with the Director
8 or Hearing Examiner in the performance of their duties under this Chapter 8.37 shall be subject
9 to a civil penalty of not less than \$1,150.63 and not more than \$5,755.31.

10 G. In addition to the unpaid compensation, penalties, fines, liquidated damages, and
11 interest, the Agency may assess against the respondent in favor of the City the reasonable costs
12 incurred in enforcing this Chapter 8.37, including but not limited to reasonable investigation
13 costs and attorneys' fees. The Director may issue rules on the amounts and contributing factors
14 for assessing reasonable investigation costs and is strongly encouraged to assess such costs in
15 favor of the City to support the Agency's implementation of this Chapter 8.37.

16 H. A respondent that is the subject of a settlement agreement stipulating that a violation
17 has occurred shall count for debarment, or a final order for which all appeal rights have been
18 exhausted, shall not be permitted to bid, or have a bid considered, on any City contract until such
19 amounts due under the final order have been paid in full to the Director. If the respondent is the
20 subject of a final order two times or more within a five-year period, the network company shall

1 not be allowed to bid on any City contract for two years. This subsection 8.37.170.H shall be
2 construed to provide grounds for debarment separate from, and in addition to, those contained in
3 Chapter 20.70 and shall not be governed by that chapter; provided, that nothing in this subsection
4 8.37.170.H shall be construed to limit the application of Chapter 20.70. The Director shall notify
5 the Director of Finance and Administrative Services of all respondents subject to debarment
6 under this subsection 8.37.170.H.

7 **8.37.180 Appeal period and failure to respond**

8 A. An app-based worker or other person who claims an injury as a result of an alleged
9 violation of this Chapter 8.37 may appeal the Determination of No Violation, pursuant to
10 Director's Rules.

11 B. A respondent may appeal the Director's Order, including all remedies issued pursuant
12 to Section 8.37.170, by requesting a contested hearing before the Hearing Examiner in writing
13 within 15 days of service of the Director's Order. If a respondent fails to appeal the Director's
14 Order within 15 days of service, the Director's Order shall be final. If the last day of the appeal
15 period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run
16 until 5 p.m. on the next business day.

17 **8.37.190 Appeal procedure and failure to appear**

18 A. Contested hearings shall be conducted pursuant to the procedures for hearing
19 contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for
20 hearing contested cases. The hearing shall be conducted de novo and the Director shall have the
21 burden of proving by a preponderance of the evidence that the violation or violations occurred.
22 Upon establishing such proof, the remedies and penalties imposed by the Director shall be
23 upheld unless it is shown that the Director abused discretion. Failure to appear for a contested

1 hearing shall result in an order being entered finding that the respondent committed the violation
2 stated in the Director's Order. For good cause shown and upon terms the Hearing Examiner
3 deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

4 B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying,
5 or reversing the Director's Order, consistent with Ordinance 126068.

6 **8.37.200 Appeal from Hearing Examiner order**

7 A. The respondent may obtain judicial review of the decision of the Hearing Examiner by
8 applying for a Writ of Review in the King County Superior Court within 30 days from the date
9 of the decision in accordance with the procedure set forth in chapter 7.16 RCW, other applicable
10 law, and court rules.

11 B. The decision of the Hearing Examiner shall be final and conclusive unless review is
12 sought in compliance with this Section 8.37.200.

13 **8.37.210 Failure to comply with final order**

14 A. If a respondent fails to comply within 30 days of service of any settlement agreement
15 with the Agency, or with any final order issued by the Director or the Hearing Examiner for which
16 all appeal rights have been exhausted, the Agency may pursue, but is not limited to, the following
17 measures to secure compliance:

18 1. The Director may require the respondent to post or distribute public notice of
19 the respondent's failure to comply in a form and manner determined by the Agency.

20 2. The Director may refer the matter to a collection agency. The cost to the City
21 for the collection services will be assessed as costs, at the rate agreed to between the City and the
22 collection agency, and added to the amounts due.

1 3. The Director may refer the matter to the City Attorney for the filing of a civil
2 action in King County Superior Court, the Seattle Municipal Court, or any other court of
3 competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the
4 Director may seek to enforce a Director's Order or a final order of the Hearing Examiner under
5 Section 8.37.190.

6 4. The Director may request that the City's Department of Finance and
7 Administrative Services deny, suspend, refuse to renew, or revoke any business license held or
8 requested by the network company or person until such time as the network company complies
9 with the remedy as defined in the settlement agreement or final order. The City's Department of
10 Finance and Administrative Services shall have the authority to deny, refuse to renew, or revoke
11 any business license in accordance with this subsection 8.37.210.A.4.

12 B. No respondent that is the subject of a final order issued under this Chapter 8.37 shall
13 quit business, sell out, exchange, convey, or otherwise dispose of the respondent's business or
14 stock of goods without first notifying the Agency and without first notifying the respondent's
15 successor of the amounts owed under the final order at least three business days before such
16 transaction. At the time the respondent quits business, or sells out, exchanges, or otherwise
17 disposes of the respondent's business or stock of goods, the full amount of the remedy, as
18 defined in a final order issued by the Director or the Hearing Examiner, shall become
19 immediately due and payable. If the amount due under the final order is not paid by respondent
20 within ten days from the date of such sale, exchange, conveyance, or disposal, the successor shall
21 become liable for the payment of the amount due; provided, that the successor has actual
22 knowledge of the order and the amounts due or has prompt, reasonable, and effective means of
23 accessing and verifying the fact and amount of the order and the amounts due. The successor

1 shall withhold from the purchase price a sum sufficient to pay the amount of the full remedy.
2 When the successor makes such payment, that payment shall be deemed a payment upon the
3 purchase price in the amount paid, and if such payment is greater in amount than the purchase
4 price the amount of the difference shall become a debt due such successor from the network
5 company.

6 **8.37.220 Debt owed The City of Seattle**

7 A. All monetary amounts due under the Director's Order shall be a debt owed to the City
8 and may be collected in the same manner as any other debt in like amount, which remedy shall
9 be in addition to all other existing remedies; provided, that amounts collected by the City for
10 unpaid compensation, liquidated damages, penalties payable to aggrieved parties, or front pay
11 shall be held in trust by the City for the aggrieved party and, once collected by the City, shall be
12 paid by the City to the aggrieved party.

13 B. If a respondent fails to appeal a Director's Order to the Hearing Examiner within the
14 time period set forth in subsection 8.37.180.B, the Director's Order shall be final, and the
15 Director may petition the Seattle Municipal Court, or any court of competent jurisdiction, to
16 enforce the Director's Order by entering judgment in favor of the City finding that the
17 respondent has failed to exhaust its administrative remedies and that all amounts and relief
18 contained in the order are due. The Director's Order shall constitute prima facie evidence that a
19 violation occurred and shall be admissible without further evidentiary foundation. Any
20 certifications or declarations authorized under RCW 5.50.050 containing evidence that the
21 respondent has failed to comply with the order or any parts thereof, and is therefore in default, or
22 that the respondent has failed to appeal the Director's Order to the Hearing Examiner within the
23 time period set forth in subsection 8.37.180.B, and therefore has failed to exhaust the

1 respondent's administrative remedies, shall also be admissible without further evidentiary
2 foundation.

3 C. If a respondent fails to obtain judicial review of an order of the Hearing Examiner
4 within the time period set forth in subsection 8.37.200.A, the order of the Hearing Examiner
5 shall be final, and the Director may petition the Seattle Municipal Court to enforce the Director's
6 Order by entering judgment in favor of the City for all amounts and relief due under the order of
7 the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence
8 that the violations contained therein occurred and shall be admissible without further evidentiary
9 foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing
10 evidence that the respondent has failed to comply with the order or any parts thereof, and is
11 therefore in default, or that the respondent has failed to avail itself of judicial review in
12 accordance with subsection 8.37.200.A, shall also be admissible without further evidentiary
13 foundation.

14 D. In considering matters brought under subsections 8.37.220.B and 8.37.220.C, the
15 Seattle Municipal Court may include within its judgment all terms, conditions, and remedies
16 contained in the Director's Order or the order of the Hearing Examiner, whichever is applicable,
17 that are consistent with the provisions of this Chapter 8.37.

18 **8.37.230 Private right of action**

19 A. Any person or class of persons that suffers an injury as a result of a violation of this
20 Chapter 8.37, or is the subject of prohibited retaliation under Section 8.37.120, may bring a civil
21 action in a court of competent jurisdiction against the network company or other person violating
22 this Chapter 8.37 and, upon prevailing, may be awarded reasonable attorney fees and costs and
23 such legal or equitable relief as may be appropriate to remedy the violation including, without

1 limitation: the payment of any unpaid compensation plus interest due to the person and
2 liquidated damages in an additional amount of up to twice the unpaid compensation; and a
3 penalty payable to any aggrieved party of up to \$5,755.31 if the aggrieved party was subject to
4 prohibited retaliation. Interest shall accrue from the date the unpaid compensation was first due
5 at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

6 B. For purposes of this Section 8.37.230, “person” includes any entity a member of which
7 has suffered an injury or retaliation, or any other individual or entity acting on behalf of an
8 aggrieved party that has suffered an injury or retaliation.

9 C. For purposes of determining membership within a class of persons entitled to bring an
10 action under this Section 8.37.230, two or more app-based workers are similarly situated if they:

11 1. Performed services in Seattle for the same network company or network
12 companies, whether concurrently or otherwise, at some point during the applicable statute of
13 limitations period,

14 2. Allege one or more violations that raise similar questions as to liability, and

15 3. Seek similar forms of relief.

16 D. For purposes of subsection 8.37.230.C, app-based workers shall not be considered
17 dissimilar solely because:

18 1. The app-based workers’ claims seek damages that differ in amount, or

19 2. The job titles of or other means of classifying the app-based workers differ in
20 ways that are unrelated to their claims.

21 E. An order issued by the court may include a requirement for a network company to
22 submit a compliance report to the court and to the Agency.

23 **8.37.233 Waiver**

1 Any waiver by an individual of any provisions of this Chapter 8.37 shall be deemed contrary to
2 public policy and shall be void and unenforceable.

3 **8.37.235 Encouragement of more generous policies**

4 A. Nothing in this Chapter 8.37 shall be construed to discourage or prohibit a network
5 company from the adoption or retention of minimum labor and compensation standards more
6 generous than the one required by this Chapter 8.37.

7 B. Nothing in this Chapter 8.37 shall be construed as diminishing the obligation of the
8 network company to comply with any contract, or other agreement providing more generous
9 minimum labor and compensation standards to an app-based worker than required by this
10 Chapter 8.37.

11 **8.37.240 Other legal requirements—Effect on other laws**

12 A. The provisions of this Chapter 8.37:

13 1. Supplement and do not diminish or replace any other basis of liability or
14 requirement established by statute or common law;

15 2. Shall not be construed to preempt, limit, or otherwise affect the applicability of
16 any other law, regulation, requirement, policy, or standard for minimum labor and compensation
17 requirements, or which extends other protections to app-based workers; and

18 3. Shall not be interpreted or applied so as to create any power or duty in conflict
19 with federal or state law.

20 B. This Chapter 8.37 shall not be construed to preclude any person aggrieved from
21 seeking judicial review of any final administrative decision or order made under this Chapter
22 8.37 affecting such person. Nothing in this Section 8.37.240 shall be construed as restricting an

1 app-based worker’s right to pursue any other remedies at law or equity for violation of the
2 contractor’s rights.

3 C. A network company’s failure to comply with the provisions of this Chapter 8.37 shall
4 not render any contract between the network company and an app-based worker void or
5 voidable.

6 D. No provision of this Chapter 8.37 shall be construed as providing a determination
7 about the legal classification of any individual as an employee or independent contractor.

8 **8.37.250 Severability**

9 The provisions of this Chapter 8.37 are declared to be separate and severable. If any clause,
10 sentence, paragraph, subdivision, section, subsection, or portion of this Chapter 8.37, or the
11 application thereof to any network company, app-based worker, person, or circumstance, is held
12 to be invalid, it shall not affect the validity of the remainder of this Chapter 8.37, or the validity
13 of its application to other persons or circumstances.

14 Section 4. Section 3.02.125 of the Seattle Municipal Code, last amended by Ordinance
15 126283, is amended as follows:

16 **3.02.125 Hearing Examiner filing fees**

17 A. The filing fee for a case before the City Hearing Examiner is \$85, with the following
18 exceptions:

Basis for Case	Fee in dollars
* * *	
All_Gender Restroom Notice of Violation (Section 14.07.040)	No fee
App-Based Worker Minimum Payment Ordinance (Chapter 8.37)	No fee
Cable Communications (Chapter 21.60)	No fee
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19 * * *

1 Section 5. Section 3.15.000 of the Seattle Municipal Code, last amended by Ordinance
2 126189, is amended as follows:

3 **3.15.000 Office of Labor Standards created—Functions**

4 There is created within the Executive Department an Office of Labor Standards, under the
5 direction of the Mayor. The mission of the Office of Labor Standards is to advance labor
6 standards through thoughtful community and business engagement, strategic enforcement, and
7 innovative policy development, with a commitment to race and social justice. The Office of
8 Labor Standards seeks to promote greater economic opportunity and further the health, safety,
9 and welfare of employees; support employers in their implementation of labor standards
10 requirements; and end barriers to workplace equity for women, communities of color,
11 immigrants and refugees, and other vulnerable workers.

12 The functions of the Office of Labor Standards are as follows:

13 A. Promoting labor standards through outreach, education, technical assistance, and
14 training for employees and employers;

15 B. Collecting and analyzing data on labor standards enforcement;

16 C. Partnering with community, businesses, and workers for stakeholder input and
17 collaboration;

18 D. Developing innovative labor standards policy;

19 E. Administering and enforcing labor standards (Title 8), City of Seattle ordinances
20 relating to paid sick and safe time (Chapter 14.16), use of criminal history in employment
21 decisions (Chapter 14.17), minimum wage and minimum compensation (Chapter 14.19), wage
22 and tip compensation requirements (Chapter 14.20), secure scheduling (Chapter 14.22), domestic
23 workers (Chapter 14.23), hotel employees safety protections (Chapter 14.26), protecting hotel

1 employees from injury (Chapter 14.27), improving access to medical care for hotel employees
2 (Chapter 14.28), hotel employees job retention (Chapter 14.29), commuter benefits (Chapter
3 14.30), transportation network company driver deactivation protections (Chapter 14.32),
4 transportation network company driver minimum compensation (Chapter 14.33), and other labor
5 standards ordinances that may be enacted in the future.

6 Section 6. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last
7 amended by Ordinance 126274, is amended as follows:

8 **6.208.020 Denial, revocation of, or refusal to renew business license**

9 A. In addition to any other powers and authority provided under this Title 6, the Director,
10 or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any
11 business license issued under the provisions of this Chapter 6.208. The Director, or the
12 Director's designee, shall notify such applicant or licensee in writing by mail of the denial,
13 revocation of, or refusal to renew the license and on what grounds such a decision was based.
14 The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208
15 on one or more of the following grounds:

- 16 1. The license was procured by fraud or false representation of fact.
- 17 2. The licensee has failed to comply with any provisions of this Chapter 6.208.
- 18 3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35,
19 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, or 5.52.
- 20 4. The licensee is in default in any payment of any license fee or tax under Title 5
21 or Title 6.
- 22 5. The property at which the business is located has been determined by a court to
23 be a chronic nuisance property as provided in Chapter 10.09.

1 6. The applicant or licensee has been convicted of theft under subsection
2 12A.08.060.A.4 within the last ten years.

3 7. The applicant or licensee is a person subject within the last ten years to a court
4 order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29
5 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of
6 either:

7 a. The expiration of the time for filing an appeal from the final judgment
8 order under the court rules in effect at the time of the final judgment order; or

9 b. If a timely appeal is made, the date of the final resolution of that appeal
10 and any subsequent appeals resulting in final judicial affirmation of the findings of violations of
11 chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

12 8. The applicant or licensee is a person subject within the last ten years to a final
13 and binding citation and notice of assessment from the Washington Department of Labor and
14 Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and
15 penalties assessed therewith were not satisfied within 30 days of the date the citation became
16 final and binding.

17 9. Pursuant to relevant provisions in Title 8, subsections 14.16.100.A.4,
18 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, 14.23.115.A.4, 14.26.210.A.4,
19 14.27.210.A.4, 14.28.210.A.4, 14.30.180.A.4, and 14.33.210.A.4, subsection 100.240.A.4 of
20 Ordinance 126091, subsection 100.240.A.4 of Ordinance 126094, and subsection 100.240.A.4 of
21 Ordinance 126274, the applicant or licensee has failed to comply, within 30 days of service of
22 any settlement agreement, with any final order issued by the Director of the Office of Labor
23 Standards, or any final order issued by the Hearing Examiner under Title 8, Chapters 14.16,

1 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, and 14.33, Ordinance
2 126091, Ordinance 126094, and Ordinance 126274 for which all appeal rights have been
3 exhausted, and the Director of the Office of Labor Standards has requested that the Director
4 deny, refuse to renew, or revoke any business license held or requested by the applicant or
5 licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the
6 violation(s) under Title 8, Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28,
7 14.29, 14.30, and 14.33, Ordinance 126091, Ordinance 126094, and Ordinance 126274 are
8 remedied.

9 10. The business is one that requires an additional license under this Title 6 and
10 the business does not hold that license.

11 11. The business has been determined under a separate enforcement process to be
12 operating in violation of law.

13 Section 7. The City Council requests that the Office of Labor Standards report back to
14 Council if it has information indicating that network companies are modifying their business
15 operations after the effective date of this ordinance in order to be classified as a “marketplace
16 network company” and, if significant changes occur, submit to the Public Safety and Human
17 Services Committee, or the Council committee with oversight of the Office of Labor Standards
18 and/or app-based workers, the following:

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

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

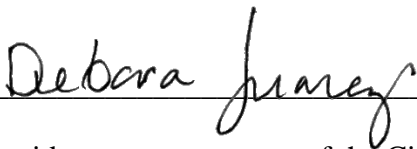
1 Section 8. The City Council intends to consider regulations for minimum payment,
2 transparency, and flexibility for marketplace network companies no later than August 1, 2023.

3 Section 9. Section 3 of this ordinance shall take effect 18 months after the effective date
4 of this ordinance.


5 Section 10. This ordinance shall take effect and be in force 30 days after its approval by
6 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
7 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

8


1 Passed by the City Council the 31st day of May, 2022,
2 and signed by me in open session in authentication of its passage this 31st day of
3 May, 2022.

4 
5 President _____ of the City Council

6 Approved / returned unsigned / vetoed this 13th day of June, 2022.

7 
8 Bruce A. Harrell, Mayor

9 Filed by me this 13th day of June, 2022.

10 
11 Monica Martinez Simmons, City Clerk

12 (Seal)