

**CITY OF SEATTLE**  
**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

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4 AN ORDINANCE relating to employment in Seattle; amending sections 14.16.010, 14.17.010,  
5 14.19.010 and 14.19.060 of the Seattle Municipal Code to reflect the creation of the  
6 Office of Labor Standards within the Office for Civil Rights as a centralized source for  
7 administering and enforcing all City labor standards ordinances; making technical  
8 changes; and revising provisions related to enforcement.

9 WHEREAS, the City Council adopted City Council Green Sheet 15-1-A-2 with the 2014  
10 Adopted Budget which appropriated money to the Department of Finance and  
11 Administrative Services (FAS) to support work of an advisory group convened by the  
12 Council and Mayor to assess how to gain greater compliance by businesses with labor  
13 standards; and

14 WHEREAS, the Labor Standards Advisory group met throughout 2014 and presented a number  
15 of policy options for the Mayor and Council to consider; and

16 WHEREAS, the Office for Civil Rights has successfully implemented two labor standards  
17 ordinances, paid sick and safe time and the use of criminal history in employment  
18 decisions, and has well-established procedures for rule-making, outreach, case  
19 investigation and mediation, with high settlement rates; and

20 WHEREAS, based on the consideration of the options presented by the Labor Standards  
21 Advisory Group, the Mayor proposes the Council create the Office of Labor Standards  
22 within the Office for Civil Rights; and

23 WHEREAS, the Office of Labor Standards shall be managed by a Division Director appointed  
24 by the Director of the Office for Civil Rights and subject to approval by the Mayor; and

25 WHEREAS, in June 2014, Ordinance 124490, which establishes minimum wage and minimum  
26 compensation rates for employees working in Seattle, was passed by the City Council and  
27 signed by the Mayor; and

28 WHEREAS, simultaneously, the City Council passed Resolution 31524 requesting that FAS  
work with the City Council and other appropriate City departments and stakeholders to  
strengthen implementation of local minimum wage ordinances; and

WHEREAS, administration and enforcement of the minimum wage and minimum compensation  
ordinance was originally placed at Department of Finance and Administrative Services

1 but should be part of the portfolio of the Office of Labor Standards in the Office for Civil  
2 Rights; and

3 WHEREAS, all labor standards ordinances, including paid sick and safe time (Ordinance  
4 123698), use of criminal history in employment decisions (Ordinance 124201), and  
5 minimum wage and minimum compensation rates (Ordinance 124490), should reflect the  
6 creation of the Office of Labor Standards in the Office for Civil Rights; NOW,  
7 THEREFORE,

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

9 **Section 1.** Section 14.16.010 of the Seattle Municipal Code, enacted by Ordinance  
10 123698, is amended as follows:

11 **14.16.010 Definitions**

12 For purposes of this chapter

13 ((A.)) "Adverse action" means the discharge, suspension, discipline, transfer, demotion or  
14 denial of promotion by an employer of an employee for any reason prohibited by 14.16.040.  
15

16 ((B.)) "Agency" shall mean the ((Seattle)) Office for Civil Rights and any division therein.  
17

18 ((C.)) "Business" and "engaging in business" has the same meanings as in Chapter 5.30.  
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20 ((D.)) "City" shall mean the City of Seattle.  
21

22 ((E.)) "City department" means any agency, office, board or commission of the City, or any  
23 Department employee acting on its behalf, but shall not mean a public corporation chartered  
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1 under Ordinance 103387, or its successor ordinances, or any contractor, consultant,  
2 concessionaire or lessee.

3 ((F.)) "Charging party" means the person aggrieved by an alleged violation of this chapter or  
4 the person making a charge on another person's behalf, or the Director when the Director files a  
5 charge.  
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7  
8 ((G.)) "Commission" means the Seattle Human Rights Commission.

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10 ((H.)) "Director" means the Division Director of the Office of Labor Standards within the  
11 Office for Civil Rights or the Division Director's designee.

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13 ((I.)) "Eating and/or drinking establishment" means a place where food and/or beverages are  
14 prepared and sold at retail for immediate consumption either on- or off-premise, but excludes  
15 food and beverage service sites, such as cafeterias, that are accessory to other activities and  
16 primarily serve students, patients and/or on-site employees.

17  
18 ((J.)) "Employee" shall mean any individual employed by an employer, and shall include  
19 traditional employees, temporary workers, and part-time employees. Individuals performing  
20 services under a work study agreement are not covered by this chapter. Employees are covered  
21 by this chapter if they perform their work in Seattle. An employee who performs work in Seattle  
22 on an occasional basis is covered by this chapter only if he performs more than 240 hours of  
23 work in Seattle within a calendar year. An employee who is not covered by this Chapter is still  
24 included in any determination of the size of the employer. In the event that a temporary  
25 employee is supplied by a staffing agency or similar entity, absent a contractual agreement  
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1 stating otherwise, that individual shall be deemed to be an employee of the staffing agency for all  
2 purposes of this chapter, except as provided in subsection 14.16.010.T.4.b.

3  
4 ~~((K.))~~ "Employer" shall mean, as defined in subsection 14.04.030.K, any person who has one or  
5 more employees, or the employer's designee or any person acting in the interest of such  
6 employer. Employer size shall be determined as provided in subsection 14.16.010.T. For  
7 purposes of this act, "employer" does not include any of the following:

8  
9 1. The United States government;

10  
11 2. The State of Washington, including any office, department, agency, authority,  
12 institution, association, society or other body of the state, including the legislature and the  
13 judiciary;

14  
15 3. Any county or local government other than the City.

16  
17 ~~((L.))~~ "Employment agency" or "staffing agency" means any person undertaking with or  
18 without compensation to procure opportunities to work or to procure, recruit, refer, or place  
19 individuals with an employer or in employment.

20  
21 ~~((M.))~~ "Full-time equivalent" shall mean the number of hours worked for compensation that add  
22 up to one full-time employee, based either on an eight-hour day and a five-day week or as full-  
23 time is defined, in writing or in practice, by the employer.

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25 ~~((N.))~~ "Health care professional" shall mean any person authorized by the City, any state  
26 government and/or the federal government to diagnose and treat physical or mental health  
27

1 conditions, including a doctor, nurse, emergency medical care provider, and/or a public health  
2 clinic worker, so long as that person is performing within the scope of their practice as defined  
3 by the relevant law.

4  
5 ((~~Q~~)) "Paid sick time" and/or "paid sick days" shall mean accrued hours of paid leave provided  
6 by an employer for use by an employee for an absence from work for any of the reasons  
7 specified in 14.16.030.A.1 of this chapter, for which time an employee shall be compensated at  
8 the same hourly rate and with the same benefits, including health care benefits, as the employee  
9 would have earned during the time the paid leave is taken. Employees are not entitled to  
10 compensation for lost tips or commissions and compensation shall only be required for hours that  
11 an employee is scheduled to have worked.  
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14 1. For purposes of determining eligibility for "paid sick time," "family member" shall  
15 mean, as defined in the Washington Family Care Act, RCW 49.12.265 and 49.12.903, as  
16 follows:

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18 a. "Child" means a biological, adopted, or foster child, a stepchild, a legal ward,  
19 or a child of a person standing in loco parentis who is: (a) Under eighteen years of age; or (b)  
20 eighteen years of age or older and incapable of self-care because of a mental or physical  
21 disability.

22  
23 b. "Grandparent" means a parent of a parent of an employee.

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25 c. "Parent" means a biological or adoptive parent of an employee or an individual  
26 who stood in loco parentis to an employee when the employee was a child.

1 d. "Parent-in-law" means a parent of the spouse of an employee.

2 e. "Spouse" means husband, wife or domestic partner. For purposes of this  
3 chapter, the terms spouse, marriage, marital, husband, wife, and family shall be interpreted as  
4 applying equally to city or state registered domestic partnerships or individuals in city or state  
5 registered domestic partnerships as well as to marital relationships and married persons to the  
6 extent that such interpretation does not conflict with federal law. Where necessary to implement  
7 this chapter, gender-specific terms such as husband and wife used in any statute, rule, or other  
8 law shall be construed to be gender neutral, and applicable to individuals in city or state  
9 registered domestic partnerships.  
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12 ((P.)) "Paid safe time" and/or "paid safe days" shall mean accrued hours of paid leave provided  
13 by an employer for use by an employee for an absence from work for any of the reasons  
14 specified in 14.16.030.A.2, for which time an employee shall be compensated at the same hourly  
15 rate and with the same benefits, including health care benefits, as the employee would have  
16 earned during the time the paid leave is taken.  
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19 1. For the purposes of determining eligibility for "paid safe time":

20 a. "Family or household members" shall mean, as defined in RCW 49.76.020,  
21 spouses, domestic partners, former spouses, former domestic partners, persons who have a child  
22 in common regardless of whether they have been married or have lived together at any time,  
23 adult persons related by blood or marriage, adult persons who are presently residing together or  
24 who have resided together in the past, persons sixteen years of age or older who are presently  
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1 residing together or who have resided together in the past and who have or have had a dating  
2 relationship, persons sixteen years of age or older with whom a person sixteen years of age or  
3 older has or has had a dating relationship, and persons who have a biological or legal parent-  
4 child relationship, including stepparents and stepchildren and grandparents and grandchildren.  
5

6 b. "Domestic violence" shall mean:

7  
8 1) Physical harm, bodily injury, assault, or the infliction of fear of  
9 imminent physical harm, bodily injury or assault, between family or household members;

10  
11 2) sexual assault of one family or household member by another; or

12  
13 3) stalking, as defined below in subsection 14.16.010.P.1.c, of one family  
14 or household member by another family or household member.

15 c. "Stalking" shall be defined as in RCW 9A.46.110,

16  
17 d. "Dating relationship" shall mean, as defined in RCW 49.76.020, a social  
18 relationship of a romantic nature.

19  
20 e. "Sexual assault" shall be defined as in RCW 49.76.020.

21  
22 ((Q-)) "Party" includes the person charging or making a complaint or upon whose behalf a  
23 complaint is made alleging a violation of this chapter, the person alleged or found to have  
24 committed a violation of this chapter and the Office for Civil Rights.  
25

1 ((R-)) "Person," as used in this chapter, includes one or more individuals, partnerships,  
2 associations, organizations, trade or professional associations, corporations, public corporations,  
3 cooperatives, legal representatives, trustees, trustees in bankruptcy and receivers, firm,  
4 institution, or any group of persons; it includes any owner, lessee, proprietor, manager, agent or  
5 employee, whether one or more natural persons, and further includes any department, office,  
6 agency or instrumentality of the City.  
7

8 ((S-)) "Respondent" means any person who is alleged or found to have committed a violation of  
9 this chapter.  
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11 ((T-)) "Tier One," "Tier Two," and "Tier Three" employers are defined as follows:  
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13 1. "Tier One employer" shall mean an employer that employs more than 4 and fewer than  
14 50 full-time equivalents on average per calendar week.  
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16 2. "Tier Two employer" shall mean an employer that employs at least 50 and fewer than  
17 250 full-time equivalents on average per calendar week.  
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19 3. "Tier Three employer" shall mean an employer that employs 250 or more full-time  
20 equivalents on average per calendar week.  
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22 4. The determination of employer tier for the current calendar year will be calculated  
23 based upon the average number of full-time equivalents paid for per calendar week during the  
24 preceding calendar year for any and all weeks during which at least one employee worked for  
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1 compensation. To determine the number of full-time equivalents, all compensated hours of all  
2 employees shall be counted, including:

3 a. work performed outside of the City; and

4  
5 b. compensated hours made available by part-time employment, temporary  
6 employment or through the services of a temporary services or staffing agency or similar entity.  
7

8 5. For employers that did not have any employees during the previous calendar year, the  
9 employer tier will be calculated based upon the average number of full-time equivalents paid for  
10 per calendar week during the first 90 calendar days of the current year in which the employer  
11 engaged in business.  
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13  
14 **Section 2.** Section 14.17.010 of the Seattle Municipal Code, enacted by Ordinance  
15 124201, is amended as follows:

16  
17 **14.17.010 Definitions**

18  
19 For purposes of this chapter

20 "Agency" shall mean the ((Seattle)) Office for Civil Rights and any division therein.  
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22 "Arrest record" shall mean information indicating that a person has been apprehended,  
23 detained, taken into custody, held for investigation, or restrained by a law enforcement agency or  
24 military authority due to an accusation or suspicion that the person committed a crime.  
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1 "City" shall mean the City of Seattle.

2 "Charging party" means a person who files an Agency charge claiming he was aggrieved  
3 by an alleged violation of this chapter.  
4

5 "Commission" means the Seattle Human Rights Commission.  
6

7 "Conviction Record" and "Criminal History Record Information" is meant to be  
8 consistent with RCW 10.97 and means information regarding a final criminal adjudication or  
9 other criminal disposition adverse to the subject, including a verdict of guilty, a finding of guilty,  
10 or a plea of guilty or nolo contendere. A criminal conviction record does not include any prior  
11 conviction that has been the subject of an expungement, vacation of conviction, sealing of the  
12 court file, pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on  
13 a finding of the rehabilitation of the person convicted, or a prior conviction that has been the  
14 subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence. It  
15 does include convictions for offenses for which the defendant received a deferred or suspended  
16 sentence, unless the adverse disposition has been vacated or expunged.  
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19 "Criminal background check" shall mean requesting or attempting to obtain, directly or  
20 through an agent, an individual's Conviction Record or Criminal History Record Information  
21 from the Washington State Patrol or any other source that compiles and maintains such records  
22 or information.  
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25 "Director" means the Division Director of the Office of Labor Standards within the  
26 Office for Civil Rights or the Division Director's designee.  
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2           **Section 3.** Section 14.19.010 of the Seattle Municipal Code, enacted by Ordinance  
3 124490, is amended as follows:

4  
5 **14.19.010 Definitions**

6 For the purposes of this Chapter:

7 ~~((A.))~~ "Actuarial value" means the percentage of total average costs for covered benefits that a  
8 health benefits package will cover;

9 ~~((B.))~~ "Agency" means the Office for Civil Rights and any division therein;

10 ~~((C.))~~ "Bonuses" means non-discretionary payments in addition to hourly, salary, commission,  
11 or piece-rate payments paid under an agreement between the employer and employee;

12 ~~((D.))~~ "Commissions" means a sum of money paid to an employee upon completion of a task,  
13 usually selling a certain amount of goods or services;

14 ~~((E.))~~ "Department" means the Department of Finance and Administrative Services;))

15 ~~((F.))~~ "Director" means the Division Director of the Office of Labor Standards within the  
16 Office for Civil Rights ~~((Department of Finance and Administrative Services,))~~ or the Division  
17 ~~((his or her))~~ Director's designee;

18 ~~((G.))~~ "Employ" means to permit to work;

19 ~~((H.))~~ "Employee" means "employee," as defined under Section 12A.28.200. Employee does  
20 not include individuals performing services under a work study agreement;

21 ~~((I.))~~ "Employer" means any individual, partnership, association, corporation, business trust, or  
22 any person or group of persons acting directly or indirectly in the interest of an employer in  
23 relation to an employee;

1 ((F)) "Franchise" means a written agreement by which:

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

5 2. The operation of the business is substantially associated with a trademark, service  
6 mark, trade name, advertising, or other commercial symbol; designating, owned by, or licensed  
7 by the grantor or its affiliate; and  
8

9 3. The person pays, agrees to pay, or is required to pay, directly or indirectly, a franchise  
10 fee;

11 ((J)) "Franchisee" means a person to whom a franchise is offered or granted;

12 ((K)) "Franchisor" means a person who grants a franchise to another person;

13 ((L)) "Hearing Examiner" means the official appointed by the Council and designated as the  
14 Hearing Examiner, or that person's designee (Deputy Hearing Examiner, Hearing Examiner Pro  
15 Tem, etc.);  
16

17 ((M)) "Hourly minimum compensation" means the minimum compensation due to an employee  
18 for each hour worked during a pay period;

19 ((N)) "Hourly minimum wage" means the minimum wage due to an employee for each hour  
20 worked during a pay period;

21 ((O)) "Medical benefits plan" means a silver or higher level essential health benefits package,  
22 as defined in 42 U.S.C. section 18022, or an equivalent plan that is designed to provide benefits  
23 that are actuarially equivalent to 70 percent of the full actuarial value of the benefits provided  
24 under the plan, whichever is greater;  
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1 ((P-)) "Minimum compensation" means the minimum wage in addition to tips actually received  
2 by the employee and reported to the Internal Revenue Service, and money paid by the employer  
3 towards an individual employee's medical benefits plan;

4 ((Q-)) "Minimum wage" means all wages, commissions, piece-rate, and bonuses actually  
5 received by the employee and reported to the Internal Revenue Service;

6 ((R-)) "Piece-rate" means a price paid per unit of work;

7  
8 ((S-)) "Rate of inflation" means the Consumer Price Index annual percent change for urban  
9 wage earners and clerical workers, termed CPI-W, or a successor index, for the twelve months  
10 prior to each September 1st as calculated by the United States Department of Labor;

11 ((T-)) "Schedule 1 Employer" means all employers that employ more than 500 employees in the  
12 United States, regardless of where those employees are employed in the United States, and all  
13 franchisees associated with a franchisor or a network of franchises with franchisees that employ  
14 more than 500 employees in aggregate in the United States;

15  
16 ((U-)) "Schedule 2 Employer" means all employers that employ 500 or fewer employees  
17 regardless of where those employees are employed in the United States. Schedule 2 employers  
18 do not include franchisees associated with a franchisor or a network of franchises with  
19 franchisees that employ more than 500 employees in aggregate in the United States;

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21 ((V-)) "Tips" means a verifiable sum to be presented by a customer as a gift or gratuity in  
22 recognition of some service performed for the customer by the employee receiving the tip;

23 ((W-)) "Wage" means compensation due to an employee by reason of employment, payable in  
24 legal tender of the United States or checks on banks convertible into cash on demand at full face  
25 value, subject to such deductions, charges, or allowances as may be permitted by rules of the  
26

1 Director. Commissions, piece-rate, and bonuses are included in wages. Tips and employer  
2 payments toward a medical benefits plan do not constitute wages for purposes of this Chapter.

3 **Section 4.** Section 14.19.060 of the Seattle Municipal Code, enacted by Ordinance  
4 124490, is amended as follows:

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6 **14.19.060 Enforcement**

7 A. Powers and Duties

8 1. The Agency (~~Department~~) shall investigate alleged violations of this Chapter as  
9 defined herein, and shall have such powers and duties in the performance of these functions as  
10 are defined in this Chapter and otherwise necessary and proper in the performance of the same  
11 and provided for by law.

12  
13 2. The Director is authorized and directed to promulgate rules consistent with this  
14 Chapter.

15 B. Exercise of Rights Protected; Retaliation Prohibited

16 1. It shall be a violation for an employer or any other person to interfere with,  
17 restrain, or deny the exercise of, or the attempt to exercise, any right protected under this  
18 Chapter.

19 2. It shall be a violation for an employer to discharge, threaten, harass, demote,  
20 penalize, or in any other manner discriminate or retaliate against any employee because the  
21 employee has exercised in good faith the rights protected under this Chapter. Such rights include  
22 but are not limited to the right to file an oral or written complaint with the Agency (~~Department~~  
23 )) about any employer's alleged violation of this Chapter; the right to inform his or her employer,  
24 union or similar organization, and/or legal counsel about an employer's alleged violation of this  
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1 Chapter; the right to cooperate with the Agency (~~Department~~) in its investigations of alleged  
2 violations of this Chapter; the right to oppose any policy, practice, or act that is unlawful under  
3 this Chapter; and the right to inform other employees of his or her potential rights under this  
4 Chapter.

5 3. It shall be (~~considered~~) a violation for an employer to communicate to a person  
6 filing a wage claim, directly or indirectly, explicitly or implicitly, the willingness to inform a  
7 government employee that the person is not lawfully in the United States, report or threaten to  
8 report suspected citizenship or immigration status of an employee or a family member of the  
9 employee to a federal, state, or local agency because the employee has exercised a right under  
10 this Chapter.  
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14 C. Notice, Posting, and Records

15 1. Employers shall give notice to employees in English, Spanish and any other  
16 language commonly spoken by employees at the particular workplace that they are entitled to the  
17 minimum wage and minimum compensation; that retaliation against employees who exercise  
18 their rights under this Chapter is prohibited; and that each employee has the right to file a charge  
19 (~~or bring a civil action~~) if the minimum wage or minimum compensation as defined in this  
20 Chapter is not paid or the employee is retaliated against for engaging in an activity protected  
21 under this Chapter.  
22

23 2. Employers may comply with this section by posting in a conspicuous place at any  
24 workplace or job site where any covered employee works a notice published each year by the  
25 Agency (~~Department~~) informing employees of the current minimum wage and minimum  
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1 compensation rates applicable in that particular workplace or jobsite and of their rights under this  
2 Chapter in English, Spanish and any other languages commonly spoken by employees at the  
3 particular workplace or job site.

4 3. Employers shall retain payroll records pertaining to covered employees for a  
5 period of three years documenting minimum wages and minimum compensation paid to each  
6 employee.

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8 D. Charges and Investigation

9 1. The Agency (~~Department~~) may investigate any violations of this Chapter. A  
10 charge alleging a violation of this Chapter should include a statement of the dates, places, and  
11 persons or entities responsible for such violation. A charge alleging a violation of this Chapter  
12 may also be filed by the Director on behalf of an aggrieved individual when the Director has  
13 reason to believe that a violation has occurred.

14  
15 2. Charges filed under this Chapter must be filed within ~~((3))~~ three years after the  
16 occurrence of the alleged violation. To the extent permitted by law, the (~~(The)~~) applicable  
17 statute of limitations for civil actions is tolled during the Department's investigation and any  
18 administrative enforcement proceeding under this Chapter based upon the same facts.

19  
20 3. The Director shall cause to be served or mailed by certified mail, return receipt  
21 requested, a copy of the charge on the respondent within 20 days after the filing of the charge  
22 and shall promptly make an investigation thereof.

23 4. The investigation shall be directed to ascertain the facts concerning the alleged  
24 violation of this Chapter, and shall be conducted in an objective and impartial manner.

25 5. During the investigation the Director shall consider any statement of position or  
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1 evidence with respect to the allegations of the charge which the charging party or the respondent  
2 wishes to submit. The Director shall have authority to sign and issue subpoenas requiring the  
3 attendance and testimony of witnesses, and the production of evidence including but not limited  
4 to books, records, correspondence or documents in the possession or under the control of the  
5 employer subpoenaed.

6 E. Findings of Fact and Notice of Violation.

7 ((+)) Except when there is an agreed upon settlement, t((F))he results of the  
8 investigation shall be reduced to written findings of fact, and a written determination shall be  
9 made by the Director that a violation of this Chapter has or has not occurred based on a  
10 preponderance of the evidence before the Director. The findings of fact shall be furnished  
11 promptly to the respondent and charging or aggrieved party in the form of a notice of violation or  
12 a written determination of no violation shown.

13 ~~((2. Within sixty days of a notice of violation, the Director shall confer with the~~  
14 ~~parties and determine an appropriate remedy, which shall include full payment of unpaid~~  
15 ~~wages due to the charging or aggrieved party under the terms of this Chapter. Such~~  
16 ~~remedy shall be reduced to writing in an order of the Director.))~~

17 F. Remedies

18 1. An employer who willfully violates the notice and posting requirements of this  
19 section shall be subject to a civil penalty in an amount not to exceed \$125 for the first violation  
20 and \$250 for subsequent violations.

21 2. It is unlawful for any employer to willfully resist, prevent, impede or interfere  
22 with the Director in the performance of his or her duties under this Chapter. Conduct made  
23 unlawful by this subsection 14.19.060.F.2 constitutes a violation, and any employer who  
24 commits such a violation may be punished by a civil penalty of not less than \$1,000 and not  
25 more than \$5,000.

26 3. For a first time violation of this Chapter, the Director, in addition to the remedies

1 provided in subsections 14.19.060.F.1, 14.19.060.F.2, and 14.19.060.F.4 of this Section, shall  
2 issue a warning and may assess a civil penalty of up to \$500 for improper payment of minimum  
3 wage and minimum compensation as defined in this Chapter. For subsequent violations, the  
4 Director, in addition to the remedies provided in subsections 14.19.060.F.1, 14.19.060.F.2, and  
5 14.19.060.F.4 of this Section, shall assess a civil penalty for improper payment of minimum  
6 wage and minimum compensation as defined in this Chapter. A civil penalty for a second time  
7 violation of this Chapter shall be not greater than \$1,000 per employee or an amount equal to ten  
8 percent of the total amount of unpaid wages, whichever is greater. A civil penalty for a third  
9 violation of this Chapter shall not be greater than \$5,000 per employee or an amount equal to ten  
10 percent of the total amount of unpaid wages, whichever is greater. The maximum civil penalty  
11 for a violation of this chapter shall be \$20,000 per employee.

12 4. Within sixty days of a notice of violation of this Chapter, the Director shall confer  
13 with the parties and determine an appropriate remedy, which shall include full payment of  
14 unpaid wages and accrued interest due to the charging or aggrieved party under the terms of this  
15 Chapter and any civil penalties provided in this Section. Such remedy shall be reduced to writing  
16 in an order of the Director.

17 G. Appeal Period and Failure to Respond

18 ((1.—))An employer may appeal the Director's order, including all remedies issued  
19 pursuant to subsection 14.19.060.F of this Section, by requesting a contested hearing before the  
20 Hearing Examiner in writing within 15 days of service. If an employer fails to appeal the  
21 Director's order within 15 days of service, the Director's order shall be final and enforceable.  
22 When the last day of the appeal period so computed is a Saturday, Sunday, or federal or City  
23 holiday, the period shall run until 5:00 p.m. on the next business day.

24 H. Appeal Procedure and Failure to Appear

25 1. Contested hearings shall be conducted pursuant to the procedures for hearing  
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1 contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for  
2 hearing contested cases. The Director shall have the burden of proof by a preponderance of the  
3 evidence before the Hearing Examiner. Failure to appear for a requested hearing will result in an  
4 order being entered finding that the employer cited committed the violation stated in the  
5 Director's order. For good cause shown and upon terms the Hearing Examiner deems just, the  
6 Hearing Examiner may set aside an order entered upon a failure to appear.

7           2.       In all contested cases, the Hearing Examiner shall enter an order affirming,  
8 modifying or reversing the Director's order.

9           3.       In the event an employer fails to comply with any final order issued by the  
10 Director or the Hearing Examiner, the Director shall refer the matter to the City Attorney for the  
11 filing of a civil action in superior court, the Seattle Municipal Court or any other court of  
12 competent jurisdiction to enforce such order.

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

Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2014, and signed by me in open session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Edward B. Murray, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)

## 2015 BUDGET LEGISLATION FISCAL NOTE

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
OCR	Patty Lally /233-7822	Ann Gorman/684-5292

**Legislation Title:** AN ORDINANCE relating to employment in Seattle; amending sections 14.16.010, 14.17.010, 14.19.010 and 14.19.060 of the Seattle Municipal Code to reflect the creation of the Office of Labor Standards within the Office for Civil Rights as a centralized source for administering and enforcing all City labor standards ordinances; making technical changes; and revising provisions related to enforcement.

**Summary of the Legislation:** This legislation reflects the creation of the Office of Labor Standards in the Office for Civil Rights as the centralized source for administering and enforcing all City labor standards ordinances and specifically, moves enforcement of Seattle’s minimum wage and minimum compensation ordinance from the Department of Finance and Administrative Services to the Office for Civil Rights.

**Background:** As part of the 2014 budget process, the City Council adopted Green Sheet 15-1-A-2 which appropriated \$250,000 to the Department of Finance and Administrative Services (FAS) to support work of an advisory group convened by the Council and Mayor to assess how to gain greater compliance of City labor standards by businesses. The Labor Standards Advisory Group met in 2014 and presented a range of options to the Mayor and City Council. One recommendation was to have a centralized source for labor standards enforcement. The Mayor proposes such a source with companion legislation establishing an Office of Labor Standards within the Office for Civil Rights (OCR).

In June 2014, the City Council passed and Mayor signed Ordinance 124490 setting a new minimum wage and minimum compensation for work performed in the City of Seattle beginning in 2015. A companion piece of legislation, Resolution 31524, requested that FAS work with City Council and other appropriate City departments and stakeholders to strengthen implementation of local minimum wage ordinances.

OCR has successfully implemented two labor standards ordinances, paid sick and safe time and the use of criminal history in employment decisions, and has well-established procedures for rule-making, outreach, case investigation and mediation. It is appropriate that enforcement of the minimum wage ordinance be part of the OCR/OLS portfolio.

  X   **This legislation does not have any financial implications.**

**Summary of Changes to Revenue Generated Specifically from this Legislation:**

	Revenue Source	2015 Proposed	2016 Proposed
<b>Total Fees and Charges Resulting From Passage of This Ordinance</b>			

(If new revenue is for a partial year, provide estimate for full year in the notes section below.)

Revenue Change Notes:

**Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:**

Fund Name and Number	Revenue Source	Total 2015 Revenue	Total 2016 Revenue
<b>TOTAL</b>			

Total Revenue Notes:

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
No.
- b) **What is the financial cost of not implementing the legislation?**  
None.
- c) **Does this legislation affect any departments besides the originating department?**  
Finance and Administrative Services
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
None identified.
- e) **Is a public hearing required for this legislation?**  
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.

**g) Does this legislation affect a piece of property?**

No.

**h) Other Issues:**

None.

**List attachments to the fiscal note below:**

None.