

SUMMARY and FISCAL NOTE*

| Department: | Dept. Contact/Phone: | CBO Contact/Phone: |
|--------------------|-----------------------------|---------------------------|
| LEG | Karina Bull /x6-0078 | n/a |

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to employment in Seattle; establishing labor standards requirements for additional compensation for grocery employees working in Seattle; amending Sections 3.02.125 and 6.208.020 of the Seattle Municipal Code; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: To protect public health, safety, and welfare, this legislation would declare an emergency in response to COVID-19 and require grocery businesses to provide employees with hazard pay for work performed in Seattle during the civil emergency proclaimed by the Mayor on March 3, 2020. The hazard pay would compensate grocery employees for the risks of working on the frontlines of a global pandemic, improve their financial ability to access resources to stay safe and healthy, encourage them to continue their vital work, and support the welfare of the greater community that is depending on grocery employees for safe and reliable access to food.

The legislation would apply to employees covered by Seattle’s Minimum Wage Ordinance, [Seattle Municipal Code \(SMC\) Chapter 14.19](#)¹, working for employers that meet the definition of “grocery business” with 500 or more employees worldwide.

A “grocery business” would include a retail store operating in Seattle that is either:

1. Over 10,000 square feet in size and that is primarily engaged in retailing groceries for offsite consumption, including but not limited to the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned and frozen foods, dry foods, beverages, baked foods, and/or prepared foods. Other household supplies or other products shall be secondary to the primary purpose of groceries sales; or
2. Over 85,000 square feet and with 30 percent or more of its sales floor area dedicated to sale of groceries, including but not limited to the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned and frozen foods, dry foods, beverages, baked foods, and/or prepared foods.

“Grocery business” would not include convenience stores or food marts primarily engaged in retailing a limited line of goods that generally includes milk, bread, soda, and snacks.

¹ In this ordinance, “employee” means “employee” as defined under [SMC 12A.28.200](#). This is the same definition of “employee” in Seattle’s Minimum Wage Ordinance, [SMC 14.19.010](#).

Employers would provide each employee with hazard pay, on top of their other compensation, at a rate of four dollars per hour for work performed in Seattle and would be prohibited from reducing an employee’s compensation in response to hazard pay requirements.

Pursuant to the Wage Theft Ordinance, [SMC Chapter 14.20](#), employers would be required to (1) provide revised written notice of information that includes notice of hazard pay within 30 days of the effective date of the ordinance; (2) provide payment for hazard pay on the employee’s established regular pay day; and (3) provide written itemization of the hazard pay separately from payment for wages and other compensation.

Employers would also be responsible for displaying a notice of rights in the workplace within 30 days of the effective date of the ordinance, retaining records showing compliance for three years, and complying with anti-retaliation prohibitions.

The Office of Labor Standards (OLS) would implement and enforce hazard pay requirements. As with the City’s other labor standards, OLS would be required to commence any investigation within three years of the alleged violation. Aggrieved parties would also have a private right of action.

The hazard pay requirement would be in effect until the termination of the civil emergency proclaimed by the Mayor on March 3, 2020. However, the recitals state the Council’s intention to consider modifying or eliminating the hazard pay requirement after four or more months of implementation and review of the health, safety, and economic risks of frontline work during the pandemic at that time.

The rest of the legislation would be in effect three years after the termination of the civil emergency proclaimed by the Mayor on March 3, 2020 and then would automatically be repealed without subsequent action by the Council.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes **x** No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

| Project Name: | Project I.D.: | Project Location: | Start Date: | End Date: | Total Project Cost Through 2026: |
|----------------------|----------------------|--------------------------|--------------------|------------------|---|
| | | | | | |

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes **x** No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

| Appropriation change (\$): | General Fund \$ | | Other \$ | |
|--------------------------------|-------------------------|------|------------------------|------|
| | 2021 | 2022 | 2021 | 2022 |
| | | | | |
| Estimated revenue change (\$): | Revenue to General Fund | | Revenue to Other Funds | |
| | 2021 | 2022 | 2021 | 2022 |
| | | | | |
| Positions affected: | No. of Positions | | Total FTE Change | |
| | 2021 | 2022 | 2021 | 2022 |
| | | | | |

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Yes. There could be financial implications for the Office of Labor Standards (e.g., cost of conducting outreach and enforcement) and the Hearing Examiner (e.g., cost of conducting hearings on appeals from respondents and aggrieved parties).

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

There are no financial costs to the City of not implementing the legislation. However, not implementing would not compensate grocery employees for the risks they are undertaking to provide essential services during the COVID-19 emergency.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes. OLS would implement and enforce this legislation. The Hearing Examiner would conduct hearings on appeals from respondents and aggrieved parties. There also could be an undetermined number of legal referrals to the City Attorney.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged

communities? What is the Language Access plan for any communications to the public?

The City’s Race and Social Justice Initiative seeks to achieve racial equity in key areas: jobs, health, community development, education, criminal justice, housing, and the environment. This legislation would support jobs, health, as well as financial well-being, for Black, Indigenous, and People of Color (BIPOC) workers by requiring employers to provide hazard pay for the substantial risks of working on the frontlines of grocery businesses during the COVID-19 emergency. The risks of working during the pandemic are especially significant for the BIPOC community because they are overrepresented among the retail frontline workforce, more likely to earn lower incomes, and disproportionately impacted by COVID-19. Data shows that people of color are disproportionately experiencing hospitalization and dying of COVID-19.

Regarding language access, this legislation would require employers to display a written “notice of rights” in English and in the primary language(s) of the employee(s) at the workplace. OLS would be authorized to create and distribute a model “notice of rights” in English and other languages.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

N/A.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

N/A.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program’s desired goal(s).

OLS could publicly share information on outreach and enforcement efforts on their [on-line, interactive dashboard](#). The same metrics publicized for other local labor standards could apply for this legislation (e.g., number of inquiries, number of investigations, amount of remedies). OLS also could contract with community and business organizations to conduct measurable outreach and education efforts on employee rights and employer responsibilities.

List attachments/exhibits below: