

March 19, 2024

S2

Enforcement, implementation,
and effective date

[A. Kim]

Sponsor: Zahilay

Proposed No.: 2023-0310

1 **STRIKING AMENDMENT TO PROPOSED ORDINANCE 2023-0310, VERSION**

2 **1**

3 On page 1, beginning on line 13, strike everything through page 22, line 467, and insert:

4 "BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

5 **SECTION 1. Findings:**

6 A. In 2016, state of Washington voters passed Initiative 1433 to increase the
7 state's hourly minimum wage rate and have it annually adjusted for inflation. Initiative
8 1433 also required state of Washington employers to provide paid sick leave to
9 employees. The ~~2023~~2024 hourly minimum wage rate for Washington state is
10 ~~\$15.74~~16.28 per hour.

11 B. According to the ~~2022~~2023 National Low Income Housing Coalition's Out of
12 Reach data, an employee making Washington's minimum wage would have to work 103
13 hours each week to afford a modest one-bedroom rental home at fair market rent in King
14 County.

15 C. According to The Self-Sufficiency Standard for Washington State, developed
16 in partnership with the University of Washington's Center for Women's Welfare and the
17 Workforce Development Council of Seattle-King County, the state's minimum wage is
18 insufficient to meet the basic needs of working families in King County. In 2023, for a

19 dual-income household of two working adults and two school-aged children living in
20 King County and earning the state's minimum wage, the family would fall short on
21 average \$36,442 to meet the basic needs of the ~~houseold~~household. In other words, both
22 working adults would need to have a minimum wage of \$24.50 per hour to meet the basic
23 needs of the ~~houseold~~household.

24 D. In King County, falling short to meet the basic needs of the household
25 disproportionately impacts Black, Indigenous, and People of Color, which are also known
26 as BIPOC, communities. According to 2021 census data, in King County, 23 percent of
27 households earn less than the state's minimum wage, however, for Black households this
28 increases to 46 percent; for ~~Indegenous~~Indigenous households it is 42 percent; and for
29 Latinx households it is 32 percent. Moreover, the median household income for King
30 County is \$110,586, which is 109 percent of the Self-Sufficiency Standard for a dual-
31 income household of two working adults and two school-aged children, however, for
32 Black households it is \$57,437, which is 56 percent of the Self-Sufficiency Standard; and
33 for Latinx households it is \$74,357, which is 73 percent of the Self-Sufficiency Standard.

34 E. RCW 49.46.120, codified by Initiative 1433, declares that the state's minimum
35 standards for wages, paid sick leave, and working conditions are supplementary to local
36 law or ordinance which may be more favorable to employees and therefore the more
37 favorable minimum standards shall be in full force and effect and enforced.

38 F. In 2013, before Initiative 1433 was adopted by the state of Washington, voters
39 from the ~~City~~city of SeaTac, approved local Proposition 1 that established ~~aan~~ an hourly
40 minimum wage rate of \$15.00 per hour and other benefits and rights for employees in the
41 hospitality and transportation industries, including those that were employed in the

42 Seattle-Tacoma International Airport. The city of SeaTac was one of the first local
43 jurisdictions in the country to increase the hourly minimum wage rate. The city of
44 SeaTac's 20232024 hourly minimum wage rate is \$19.~~06~~71 per hour, ~~currently the~~
45 ~~highest minimum wage rate for employees~~ in the ~~country according to the University of~~
46 ~~California, Berkley Labor Center~~hospitality and transportation industries.

47 G. In 2014, the city of Seattle enacted Ordinance 124490 to increase the hourly
48 minimum wage rate and minimum compensation rates for employees performing work in
49 the city. The city of Seattle's 20232024 hourly minimum wage rate for employers with
50 501 or more employees is \$~~18.69~~19.97 per hour.

51 H. On May 19, 2014, the council adopted Motion 14131 to affirm that it is
52 county policy that a living wage should be paid to county employees and to the
53 employees of persons, businesses, organizations, and other entities that receive
54 procurement contracts, tax exemptions or credits, or other financial benefits from the
55 county. Subsequently, on October 6, 2014, the county enacted Ordinance 17909 to
56 require that a living wage be paid to county employees and to the employees of certain
57 county contractors. To avoid conflicts for county employees who work in the city of
58 Seattle and reduce the administrative burden on county contractors, the ordinance
59 followed the city of Seattle's minimum wage ordinance by setting variable living wage
60 rates based on the size ~~(, which is the~~ number of employees~~),~~ of the contractor, and
61 whether health benefits were provided to employees by the contractor. The county's
62 20232024 hourly living wage rate for county employees and contractors with 501 or
63 more employees is \$~~18.69~~19.97 per hour.

64 I. In 2022, voters from the city of Tukwila, approved local Initiative Measure 1

65 that established a minimum wage equal to the minimum wage rate in the city of SeaTac
66 for employees performing work in the city. ~~As a result~~However, the city of Tukwila's
67 ~~2023~~2024 minimum wage rate is ~~also \$19.06~~\$20.29 per hour, ~~currently~~due to the varied
68 approach on calculating the annual inflation rate. Currently, the city of Tukwila has the
69 highest minimum wage rate in the country according to the University of California,
70 Berkley Labor Center.

71 J. According to the department of local service's 2022 Business Survey, an online
72 survey for the unincorporated King County business community, sixty-seven percent of
73 the respondents supported an increase in the hourly minimum wage rate, with many
74 respondents saying they already paid employees above the hourly minimum wage rate or
75 that the owner was the only employee and therefore the business would not be affected
76 by ~~aan~~ hourly minimum wage rate increase.

77 K. Some employers, particularly small businesses and nonprofit organizations,
78 may have initial difficulty accommodating the increased costs due to the increased hourly
79 minimum wage rate and a gradual phase-in approach may be beneficial.

80 L. K.C.C. 2.10.210.B. defines the county's fourteen determinants of equity as the
81 social, economic, geographic, political, and physical environment conditions in which
82 people in our county are born, grow, live, work, and age that lead to the creation of a fair
83 and just society. Access to the determinants of equity is necessary to have equity for all
84 people and inequities are created when barriers exist that prevent individuals and
85 communities from accessing these conditions and reaching their full potential. Access to
86 jobs that have the ability to make sufficient income for the purchase of basic necessities
87 to support themselves and their families is one of the fourteen county determinants. The

88 council finds that it is necessary for the county to enact policies to ensure the well-being
89 of all residents by ensuring their access to the determinants of equity.

90 SECTION 2. Sections 3 through 6 of this ordinance should constitute a new
91 chapter in K.C.C. Title 2.

92 NEW SECTION. SECTION 3. The definitions in this section apply throughout
93 this chapter unless the context clearly requires otherwise.

94 A. "Contract" means a mutually binding legal relationship or any modification
95 thereof obligating the county to pay a contractor one hundred thousand dollars or more to
96 provide professional services, technical services, or services, as defined in K.C.C
97 2.93.030 to, or at the direction of, the county. "Contract" does not include: a contract
98 between a contract-awarding authority and another government or public entity; a
99 contract that the county enters into as the administrator of grants received from a third
100 party; a contract for public works; an architectural or engineering contract; or a collective
101 bargaining agreement.

102 B. "Contract-awarding authority" means the county officer, department,
103 commission, employee, or board authorized to enter into or to administer contracts on
104 behalf of the county.

105 C. "Contractor" means any person that enters into a contract with the county, or
106 negotiates the extension of an existing contract with the county, after October 27, 2014,
107 or that is a subcontractor performing services under such a contract.

108 D. "Employ" means to engage, suffer, or permit to work.

109 E. "Employee" means any individual employed by an employer, whether on a
110 full-time, part-time, temporary, or seasonal basis, including temporary workers,

111 contracted workers, contingent workers, and persons made available to work through a
112 temporary services, staffing, or employment agency or similar entity.

113 F. "Employer" includes any individual, partnership, association, corporation,
114 business trust, or any entity, person or group of persons, or a successor thereof, that
115 employs another person and includes any such an entity or person acting directly or
116 indirectly in the interest of an employer in relation to an employee. More than one entity
117 may be the "employer" if employment by one employer is not completely disassociated
118 from employment by the other employer if the economic reality of the relationship
119 between the entities and the employee or employees is that of employer and employee.
120 The economic reality of the relationship is to be determined by the circumstances of the
121 whole activity, not a mechanical weighing of relevant factors.

122 G. "Hourly minimum wage" means the minimum wage due to an employee under
123 this chapter for each hour worked during a pay period.

124 H. "Person" means one or more individuals, partnerships, associations,
125 organizations, corporations, cooperatives, legal representatives, trustees, trustees in
126 bankruptcy, receivers, or groups or persons, limited liability companies, sole
127 proprietorships, joint adventures, estates, trusts, or other entities, groups, or combinations
128 acting as units, and the individuals constituting the groups or units.

129 I. "Wage" means compensation due to an employee by reason of employment,
130 payable in legal tender of the United States or checks on banks convertible into cash on
131 demand at full face value.

132 NEW SECTION. SECTION 4.

133 A. A contractor shall pay their employees an hourly minimum wage rate of not

134 less than twenty dollars and twenty-nine cents per hour or the hourly minimum wage rate
135 established by federal or state law, whichever is greater. Beginning January 1, 2025, the
136 hourly minimum wage rate shall increase annually on a percentage basis to reflect the
137 annual rate of inflation and calculated to the nearest cent on January 1 of each year
138 thereafter. For purposes of this section, "the annual rate of inflation" means one hundred
139 percent of the annual average growth rate of the U.S. Department of Labor, Bureau of
140 Labor Statistics Seattle-Tacoma-Bremerton Area Consumer Price Index for urban wage
141 earners and clerical workers, CPI-W, or a successor index, for the twelve month period
142 ending in August, but the percentage increase shall not be less than zero.

143 B. An employee is covered by this chapter for each hour the employee is
144 performing a measurable amount of work under a contract with the county.

145 C. For the purposes of this chapter, temporary employment agency employees
146 who perform, for an employer, a measurable amount of work under a contract with the
147 county, shall be paid no less than the hourly minimum wage rate required to be paid to
148 employees as specified in subsection A. of this section.

149 D. A contract-awarding authority shall not execute a contract with a contractor
150 unless the contract includes provisions requiring the contractor to comply with the hourly
151 minimum wage rate as specified in subsection A. of this section and containing
152 appropriate remedies for the breach of the contracts as prescribed in section 5 of this
153 ordinance.

154 NEW SECTION. SECTION 5.

155 The executive shall:

156 A. Adopt public and administrative rules in accordance with this chapter

157 establishing standards and procedures for effectively carrying out this chapter;

158 B. Determine when and how any notice and opportunity to cure a violation of this
159 law should be afforded;

160 C. Determine and impose appropriate sanctions or remedies, or both, and
161 procedures for administrative review, for violation of this chapter by contractors,
162 including but not limited to:

163 1. Disqualification of the contractor from bidding on or being awarded a county
164 contract for up to two years;

165 2. Remedies allowable by contract including, but not limited to, liquidated
166 damages and termination of the contract;

167 3. Remedial action after a finding of noncompliance, as specified by rule; and

168 4. Other appropriate civil remedies and sanctions allowable by law; and

169 D. Administer other requirements specified by this chapter or that are necessary
170 to implement the purposes of this chapter.

171 SECTION 6. Ordinance 17909, Section 4, as amended, and K.C.C. 3.18.010 are
172 hereby amended to read as follows:

173 A. (~~"Actuarial value" means the percentage of total average costs for covered~~
174 ~~benefits that a health benefits package will cover.~~

175 ~~B.))~~ B. "Bonuses" means non-discretionary payments in addition to hourly, salary,
176 commission or piece-rate payments paid under an agreement between an employer and
177 employee.

178 ~~((C.))~~ B. "Commissions" means a sum of money paid to an employee upon
179 completion of a task, usually selling a certain amount of goods or services.

180 ~~((D.)) C.~~ "Compensation" means wages together with the money paid by an
181 employer towards an individual employee's health benefits plan.

182 ~~((E.)) D.~~ "Contract" means a mutually binding legal relationship or any
183 modification thereof obligating the county to pay a contractor one hundred thousand
184 dollars or more to provide professional services, technical services or services, as defined
185 in K.C.C 2.93.030 to, or at the direction of, the county. "Contract" does not include: a
186 contract between a contract-awarding authority and another government or public entity;
187 a contract that the county enters into as the administrator of grants received from a third
188 party; a contract for public works; an architectural or engineering contract; or a collective
189 bargaining agreement.

190 ~~((F.)) E.~~ "Contract-awarding authority" means the county officer, department,
191 commission, employee or board authorized to enter into or to administer contracts on
192 behalf of the county.

193 ~~((G.)) F.~~ "Contractor" means any person that enters into a contract with the
194 county, or negotiates the extension of an existing contract with the county, after October
195 27, 2014, or that is a subcontractor performing services under such a contract.

196 ~~((~~ G. "Contractor" means any person that enters into a contract with the
197 county, or negotiates the extension of an existing contract with the county, after October
198 27, 2014, or that is a subcontractor performing services under such a contract.

199 ~~H.)) G.~~ "Division" means the finance and business operations division of the
200 department of executive services.

201 ~~((I.)) H.~~ "Director" means the manager of the finance and business operations
202 division of the department of executive services, or the manager's designee. ~~J.))~~

203 "Employ" means to engage, suffer, or permit to work.

204 I. "Employ" means to engage, suffer, or permit to work.

205 ~~JB.~~ "Employee" means any individual employed by an employer, whether on a
206 full-time, part-time, temporary or seasonal basis, including temporary workers,
207 contracted workers, contingent workers, and persons made available to work through a
208 temporary services, staffing, or employment agency or similar entity.

209 ~~K. "Employer" includes King County and any individual, partnership,~~
210 ~~association, corporation, business trust, or any entity, person or group of persons, or a~~
211 ~~successor thereof, that employs another person and includes any such an entity or person~~
212 ~~acting directly or indirectly in the interest of an employer in relation to an employee.~~
213 ~~More than one entity may be the "employer" if employment by one employer is not~~
214 ~~completely disassociated from employment by the other employer if the economic reality~~
215 ~~of the relationship between the entities and the employee or employees is that of~~
216 ~~employer and employee. The economic reality of the relationship is to be determined by~~
217 ~~the circumstances of the whole activity, not a mechanical weighing of relevant factors.~~

218 ~~L. "Franchise" means an agreement, express((K. "Employer" includes King~~
219 ~~County and any individual, partnership, association, corporation, business trust or~~
220 ~~implied, oral or written, by which:~~

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

224 ~~2. The operation of the business is substantially associated with a trademark,~~
225 ~~service mark, trade name, advertising, or other commercial symbol; designating, owned~~

226 ~~by, or licensed by the grantor or its affiliate; and~~
227 ~~persons acting~~ ~~3. The person pays, agrees to pay, or is required to pay, directly or~~
228 ~~indirectly, a franchise fee. The term "franchise fee" is meant to be construed broadly to~~
229 ~~include any instance in which the grantor or its affiliate derives income or profit from a~~
230 ~~person who enters into a franchise agreement with the grantor in the interest of an~~
231 ~~employer in relation to an employee.~~

232 ~~—— M. "Franchisee" means a person to whom a franchise is offered or granted.~~

233 ~~—— N. "Franchisor" means a person who grants a franchise to another person.~~

234 ~~—— ((L. L. "Health benefits plan" means a silver or higher level essential health~~
235 ~~benefits package, as defined in 42 U.S.C. Sec. 18022, or an equivalent plan that is~~
236 ~~designed to provide benefits that are actuarially equivalent to seventy percent of the full~~
237 ~~actuarial value of the benefits provided under the plan, whichever is greater.~~

238 M. "Hourly minimum compensation" means the minimum compensation due to
239 an employee under this chapter for each hour worked during a pay period.

240 N.) ~~O.C.~~ "Hourly minimum wage" means the minimum wage due to an
241 employee under this chapter for each hour worked during a pay period.

242 ~~—— ((O.)) D. "Hourly minimum wage" means the minimum wage due to an employee~~
243 ~~under this chapter for each hour worked during a pay period.~~

244 ~~—— ((O.)) P.~~ "Person" means ~~((any))~~ one or more individuals, partnerships,
245 associations, organizations, corporations, cooperatives, legal representatives, trustees,
246 trustees in bankruptcy, receivers, or groups or persons, limited liability ((company))
247 companies, sole proprietorships, ((association,)) joint adventures, estates, trusts, or other
248 ~~((entity))~~ entities, groups, or combinations acting as ~~((a))~~ units, and the individuals

249 constituting the groups or units.

250 ~~((P. "Piece-rate" means a price paid per unit of work.~~

251 ~~Q. "Rate of inflation" means one hundred percent of the annual average growth~~
252 ~~rate of the bi-monthly Seattle-Tacoma-Bremerton Area Consumer Price Index for urban~~
253 ~~wage earners and clerical workers, termed CPI-W, for the twelve month period ending in~~
254 ~~August, provided that the percentage increase shall not be less than zero.~~

255 ~~R. "Schedule 1 employer" means an employer that employs more than five~~
256 ~~hundred employees in the United States, regardless of where those employees are~~
257 ~~employed in the United States.~~

258 ~~S. "Schedule 2 employer" means an employer that employs five hundred or fewer~~
259 ~~employees in the United States, regardless of where those employees are employed in the~~
260 ~~United States.~~

261 ~~T.)) Q. "Subcontractor" means any person, not an employee, that enters into a~~
262 ~~contract with a contractor or subcontractor, and that employs employees for that purpose,~~
263 ~~to assist the contractor or subcontractor in performing a contract with the county.))~~

264 ~~———— R. "Service charge" means a separately designated amount collected by employer~~
265 ~~from a customer that is for services provided by employees, or is described in such a way~~
266 ~~that a customer might reasonably believe that the amounts are for such services. "Service~~
267 ~~charges" include but are not limited to charges designated on receipts as a "service~~
268 ~~charge," "gratuity," "delivery charge," or "portage charge."~~

269 ~~———— S. "Tip" means a verifiable sum to be presented by a customer as a gift or~~
270 ~~gratuity in recognition of some service performed for the customer by the employee~~
271 ~~receiving the tip.~~

272 ~~((U.)) FE.~~ "Wage" means compensation due to an employee by reason of
273 employment, payable in legal tender of the United States or checks on banks convertible
274 into cash on demand at full face value ~~((, subject to such deductions, charges or~~
275 ~~allowances as may be permitted by rules of the director. "Wages" include commissions,~~
276 ~~piece-rate compensation and bonuses, all of which shall be counted as wages in the work-~~
277 ~~week in which they were earned. An employer payment toward a health benefits plan~~
278 ~~does not constitute a "wage.")).~~

279 ~~SECTION 3. Ordinance 17909, Section 5, as amended, and K.C.C. 3.18.020 are~~
280 ~~hereby amended to read as follows:~~

281 ~~——— A. An employee is covered by this chapter for each hour the employee is~~
282 ~~performing a measurable amount of work as a county employee or under a contract with~~
283 ~~the county. An employee who is not covered by this chapter is still included in~~
284 ~~determining the size of the employer.~~

285 ~~——— B. ((1. For the purpose of determining whether an employer is a Schedule 1~~
286 ~~employer or a Schedule 2 employer, separate entities that form an integrated enterprise~~
287 ~~shall be considered a single employer under this chapter. Separate entities are considered~~
288 ~~an integrated enterprise and a single employer under this chapter if a separate entity~~
289 ~~controls the operation of another entity. The factors to consider in making this~~
290 ~~assessment include, but are not limited to:~~

291 ~~——— a. The degree of interrelation between the operations of multiple entities;~~

292 ~~——— b. The degree to which the entities share common management;~~

293 ~~——— c. Centralized control of labor relations; and~~

294 ~~——— d. The degree of common ownership or financial control over the entities.~~

295 ~~1. There shall be a presumption that separate legal entities, which may share~~
296 ~~some degree of interrelated operations and common management with one another, are~~
297 ~~considered separate employers for purposes of this section as long as: the separate legal~~
298 ~~entities operate substantially in separate physical locations from one another; and each~~
299 ~~separate legal entity has partially different ultimate ownership.~~

300 ~~2. The determination of employer schedule for the current calendar year is~~
301 ~~calculated based upon the average number of employees employed per calendar week~~
302 ~~during the preceding calendar year for any and all weeks during which at least one~~
303 ~~employee worked for compensation. For an employer that did not have any employees~~
304 ~~during the previous calendar year, the employer schedule is calculated based upon the~~
305 ~~average number of employees employed per calendar week during the first ninety~~
306 ~~calendar days of the current year in which the employer engaged in business.~~

307 ~~C.) For purposes of this chapter, temporary employment agency employees who~~
308 ~~perform, for an ((Schedule 1 or Schedule 2)) employer, a measurable amount of work~~
309 ~~under a contract with the county, shall be paid no less than the hourly minimum wage~~
310 ~~required to be paid to ((covered)) employees ((of the Schedule 1 or Schedule 2 employer.~~

311 ~~D. This chapter does not apply to the payment of wages to: individuals defined in~~
312 ~~RCW 49.46.010(3), individuals employed in the categories listed in RCW 49.46.060(1)~~
313 ~~or individuals less than eighteen years of age.~~

314 ~~E. The county's human resources director shall establish by rule the minimum~~
315 ~~wage for employees under the age of eighteen years, but any percentage of the hourly rate~~
316 ~~established by rule shall not be lower than the percentage applicable under state statutes~~
317 ~~and regulations)) as specified in section 9 of this ordinance.~~

318 ~~SECTION 4.~~ Ordinance 17909, Section 6, as amended, and K.C.C. 3.18.030 are
319 hereby amended to read as follows:

320 The county shall pay its employees ~~((at a rate no less than the))~~ an hourly
321 minimum wage ~~((for Schedule 1 employers, except for short term temporary employees
322 who are employed in social service programs designed to help youth gain basic work
323 training skills))~~ as specified in section 9 of this ordinance rate of not less than twenty
324 dollars and twenty-nine cents per hour or the hourly minimum wage rate established by
325 federal or state law, whichever is greater. Beginning January 1, 2025, the hourly
326 minimum wage rate shall increase annually on a percentage basis to reflect the annual
327 rate of inflation and calculated to the nearest cent on January 1 of each year thereafter.
328 For purposes of this section, "the annual rate of inflation" means one hundred percent of
329 the annual average growth rate of the U.S. Department of Labor, Bureau of Labor
330 Statistics Seattle-Tacoma-Bremerton Area Consumer Price Index for urban wage earners
331 and clerical workers, CPI-W, or a successor index, for the twelve month period ending in
332 August, but the percentage increase shall not be less than zero. An employee is covered
333 by this chapter for each hour the employee is performing a measurable amount of work as
334 a county employee.

335 SECTION 8. The following are hereby repealed:

336 A. ~~5.~~ Ordinance 17909, Section 5, as amended, and K.C.C. 3.18.020;

337 B. Ordinance 17909, Section 7, and K.C.C. 3.18.040 ~~are hereby amended to read~~
338 ~~as follows:~~

339 ~~((A.1. Except as otherwise provided in subsection B. of this section, beginning~~
340 ~~April 1, 2015, and ending January 1, 2016, Schedule 1 e))~~ Employers shall pay their

341 ~~employees who are covered by this chapter an hourly minimum wage ((of at least eleven~~
342 ~~dollars)) as specified in section 9 of this ordinance. ((Except as otherwise provided in~~
343 ~~subsection B. of this section, beginning January 1 of each year thereafter, Schedule 1~~
344 ~~employers shall pay covered employees an hourly minimum wage as follows:~~

Year	Hourly Minimum Wage
2016	\$13.00
2017	\$15.00

345 ~~2. Beginning January 1, 2018, the hourly minimum wage paid by a Schedule 1~~
346 ~~employer to covered employees shall be increased annually on a percentage basis to~~
347 ~~reflect the rate of inflation and calculated to the nearest cent on January 1 of each year~~
348 ~~thereafter.~~

349 ~~—— B.1. Beginning January 1, 2016, and ending January 1, 2019, Schedule 1~~
350 ~~employers that pay toward a covered employee's health benefits plan shall pay the~~
351 ~~employee no less than an hourly minimum wage as follows:~~

Year	Hourly Minimum Wage
2016	\$12.50
2017	\$13.50
2018	\$15.00

352 ~~C. 2. Beginning January 1, 2019, payment by the employer of health~~
353 ~~benefits for employees shall no longer affect the hourly minimum wage paid by a~~
354 ~~Schedule 1 employer.))~~

355 ~~SECTION 6. The following are hereby repealed:~~

356 ~~A. Ordinance 17909, Section 8, and K.C.C. 3.18.050;~~

357 ~~BD.~~ Ordinance 17909, Section 9, and K.C.C. 3.18.060;~~and~~
358 ~~C.~~ E. Ordinance 17909, Section 10, and K.C.C. 3.18.070;
359 F. Ordinance 17909, Section 11, as amended, and K.C.C. 3.18.080; and
360 G. Ordinance 17909, Section 12, and K.C.C. 3.18.090.
361 SECTION 79. Sections 810 through ~~1315~~ of this ordinance ~~is~~should constitute a
362 new chapter in K.C.C. Title 12.

363 NEW SECTION. SECTION 810. The definitions in this section apply
364 throughout this chapter unless the context clearly requires otherwise.

- 365 A. "Department" means the department of local services or designee.
366 B. "Director" means the director of the department of local services or designee.
367 C. "Employ" means to engage, suffer, or permit to work.
368 D. "Employee" means any individual employed by an employer, whether on a
369 full-time, part-time, temporary, or seasonal basis, including temporary workers,
370 contracted workers, contingent workers, and persons made available to work through a
371 temporary services, staffing, or employment agency or similar entity.
372 E. "Employer" means any individual, partnership, association, corporation,
373 business trust, or any entity, ~~person or~~ group of persons, or a successor thereof, that
374 employs another person and includes any such entity or person acting directly or
375 indirectly in the interest of an employer in relation to an employee. More than one entity
376 may be the "employer" if employment by one employer is not completely disassociated
377 from employment by the other employer if the economic reality of the relationship
378 between the entities and the employee or employees is that of employer and employee.
379 The economic reality of the relationship is to be determined by the circumstances of the

380 whole activity, not a mechanical weighing of relevant factors.

381 F. "Franchise" means an agreement, express or implied, oral or written, by

382 which:

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

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

389 3. The person pays, agrees to pay, or is required to pay, directly or indirectly, a
390 franchise fee. "Franchise fee" is meant to be construed broadly to include any instance in
391 which the grantor or its affiliate derives income or profit from a person who enters into a
392 franchise agreement with the grantor.

393 G. "Franchisee" means a person to whom a franchise is offered or granted.

394 H. "Franchisor" means a person who grants a franchise to another person.

395 I. "Person" includes one or more individuals, partnerships, associations,
396 organizations, corporations, cooperatives, legal representatives, trustees, trustees in
397 bankruptcy, receivers, or groups of persons, limited liability companies, sole
398 proprietorships, joint adventures, estates, trusts, or other entities, groups, or combinations
399 acting as units, and the individuals constituting the groups or units.

400 J. "Service charge" means a separately designated amount collected by employer
401 from a customer that is for services provided by employees, or is described in such a way
402 that a customer might reasonably believe that the amounts are for such services. "Service

403 ~~charges" include~~charge" includes but ~~are~~is not limited to ~~charges~~a charge designated on
404 receipts as a "service charge," "gratuity," "delivery charge," or "portage charge."

405 K. "Tip" means a verifiable sum to be presented by a customer as a gift or
406 gratuity in recognition of some service performed for the customer by the employee
407 receiving the tip.

408 L. "Unincorporated King County" means those areas outside any city or town and
409 under King County's jurisdiction.

410 M. "Wage" means compensation due to an employee by reason of employment,
411 payable in legal tender of the United States or checks on banks convertible into cash on
412 demand at full face value.

413 NEW SECTION. SECTION 911.

414 A. All employers in unincorporated King County shall pay their employees ~~at~~an
415 hourly minimum wage ~~at a~~rate of not less than ~~eighteen~~twenty dollars and ~~ninety~~twenty-
416 nine cents per hour or the hourly minimum wage rate established by federal or state law,
417 whichever is greater. Beginning ~~on~~January 1, 2024~~2025~~, the hourly minimum wage rate
418 shall increase annually on a percentage basis to reflect the annual rate of inflation and
419 calculated to the nearest cent on January 1 of each year thereafter. For purposes of this
420 section, "the annual rate of inflation" means one hundred percent of the annual average
421 growth rate of the U.S. Department of Labor, Bureau of Labor Statistics Seattle-Tacoma-
422 Bremerton Area Consumer Price Index for urban wage earners and clerical workers, CPI-
423 W, or a successor index, for the twelve month period ending in August, but the
424 percentage increase shall not be less than zero. Tips, gratuities, and service charges paid
425 to an employee shall be in addition to, and not count towards, the hourly minimum wage

426 rate.

427 B. All employers in unincorporated King County shall pay to its employees ~~at~~the

428 following:

429 1. All tips, and gratuities; and

430 2. All service charges except those that, under RCW 49.46.160, are itemized as

431 not being payable to the employee or employees servicing the customer.

432 C. By October 1 of each year, the director shall make available to the public on

433 the county's website, the hourly minimum wage ~~amount~~rate determined in accordance

434 with this section.

435 D.1. The following are exceptions to subsection A. of this section:

436 ~~1. a.~~ Beginning ~~on~~ January 1, ~~2024~~2025, employers that employ fifteen

437 employees or ~~less~~fewer and ~~has~~have an annual gross revenue less than two million

438 dollars shall pay their employees an hourly minimum wage rate as established in

439 subsection A. of this section minus three dollars. The three-dollar reduction shall

440 decrease annually by fifty cents on ~~February~~January 1 of each year thereafter until the

441 reduction is zero; and

442 2. b. Beginning ~~on~~ January 1, ~~2024~~2025, employers that employ more than

443 fifteen employees but ~~less~~fewer than five hundred employees shall pay their employees

444 an hourly minimum wage rate as established in subsection A. of this section minus two

445 dollars per hour. The two-dollar reduction shall decrease annually by one dollar on

446 ~~February~~January 1 of each year thereafter until the reduction is zero.

447 3. 2. For the purposes of this subsection D. of this section, the following shall

448 apply:

449 a. The employers that are subject to the exceptions in this subsection D. of this
450 section shall not include franchisees associated with a franchisor or a network of
451 franchises with franchisees that employ more than fifteen employees in aggregate,
452 regardless of the geographic location of the franchises;

453 b. "Gross revenue" means the total revenue generated by the employer
454 regardless of geographic location; and

455 c. The number of employees shall be calculated by determining the average
456 number of employees employed by the employer during the last twelve months regardless
457 of the location of employment of each employee.

458 E. All employers in unincorporated King County shall ~~annually certify~~
459 ~~compliance with this chapter to the department and~~ maintain adequate records to provide
460 proof of compliance and either have it available upon request by the department or have
461 it available for a proceeding involving an aggrieved employee bringing a civil action in a
462 court of competent jurisdiction against an employer for violating this chapter as described
463 in section ~~11~~14 of this ordinance, or both. Adequate records shall include, but not be
464 limited to:

465 1. The number of employees employed by the employer ~~for~~during the previous
466 year;

467 2. The number of employees paid the minimum wage as required by subsection
468 A. of this ~~Section for~~section during the previous year;

469 3. Wages paid by the employer to all employees ~~for~~during the previous year;

470 4. The number of work hours of each employee ~~for~~during the previous year;

471 5. Wages paid to each employee ~~for~~during the previous year; and

472 6. The amount of any deductions from the wages paid to each employee
473 ~~for~~during the previous year.

474 NEW SECTION. SECTION 4012.

475 A. Beginning January 1, ~~2025~~2026, the ~~director~~manager of the office of
476 performance, strategy, and budget, or its designee, shall annually convene a workgroup
477 to: evaluate whether the current hourly minimum wage rate as established by this chapter
478 is sufficient to meet the basic needs of working ~~families~~households in King County; and
479 analyze the current hourly minimum ~~wage's~~wage rate's impact to the region's economy.
480 ~~In its~~The workgroup's evaluation and analysis, ~~the workgroup~~ shall include, but not be
481 limited to, the following considerations:

- 482 1. The Self-Sufficiency Standard for Washington State, developed in
483 partnership with the University of Washington's Center for Women's Welfare and the
484 Workforce Development Council of Seattle-King County;
- 485 2. Impacts to the county labor market including, but not limited to, employment
486 rates, small business labor costs, and ability to attract new businesses to the region;
- 487 3. Impacts on the number of county residents that receive the federal
488 ~~Earn~~Earned Income Tax Credit, the Washington State Working Families Tax Credit, and
489 any other government benefits that are provided to low- and middle-income households;
490 and
- 491 4. Disproportionate impacts to Black, Indigenous, and People of Color
492 communities, if any.

493 B. Workgroup membership shall include, but not be limited to, the following:

- 494 1. ~~Director~~The manager of the office of performance, strategy, and budget, or ~~its~~

495 designee;

496 2. ~~County's~~The county's chief economist, or ~~its~~-designee;

497 3. ~~Director~~The manager of the finance and business operations division, or ~~its~~

498 designee;

499 4. ~~Director~~The director of the department of local services, or ~~its~~-designee;

500 5. ~~Director~~The director of the department of human resources, or ~~its~~-designee;

501 and

502 6. ~~Chair~~The chair of the budget and fiscal management committee, or its

503 successor, or ~~its~~-designee.

504 C. The workgroup shall seek input from the community on its evaluation and
505 analysis work as described in subsection A. of this section. The community shall include,
506 but not be limited to, the following:

507 1. Economists and wage experts from accredited colleges and universities in the
508 state of Washington;

509 2. Representatives from the King County Coalition of Unions;

510 3. Employers that contract with the county or have showed interest in
511 contracting with the county; and

512 4. Organizations that represent employees ~~in unincorporated King County~~ and
513 employers in unincorporated King County.

514 D. ~~The~~On behalf of the workgroup, the executive shall ~~provide~~transmit a report
515 of its findings and a recommendation, if any, to modify the hourly minimum wage rate
516 established by this chapter. The executive shall electronically file the report and any
517 ~~legislation~~proposed ordinance that would amend this ~~ordinance~~chapter and any other

518 chapters related to the hourly minimum wage rate of county employees and county
519 contractors to implement the hourly minimum wage rate as recommended by the
520 workgroup no later than June 30 of each year with the clerk of the council, who shall
521 retain an electronic copy and provide an electronic copy to all councilmembers, the
522 council chief of staff, and the lead staff for the ~~local services and land use~~transportation,
523 economy, and environment committee, or its successor. The executive shall
524 electronically distribute the report to all government entities in the county and to relevant
525 state and federal agencies, including, but not limited to, the Washington state
526 ~~Employment Security~~ Department of Labor and Industries, or its successor.

527 NEW SECTION. SECTION 4413.

528 A. An employer shall not interfere with, restrain, or deny the exercise of, or the
529 attempt to exercise, any right protected under this chapter by an employee. Also, an
530 employer shall not take any adverse action against an employee or to discriminate against
531 an employee because the employee has exercised in good faith the rights under this
532 chapter. The rights shall include, but are not limited to, the right to:

533 1. ~~Right to file~~File a complaint with any entity or agency about an employer's
534 alleged violation of this chapter;

535 2. ~~Right to inform~~Inform the person's employer, union, or similar organization,
536 the person's legal counsel, or any other person about an alleged violation of this chapter;

537 3. ~~Right to cooperate~~Cooperate in any investigation of alleged violations of this
538 chapter;

539 4. ~~Right to testify~~Testify in a proceeding related to violations of this chapter;

540 and

541 5. ~~Right to inform~~Inform other employees of the rights protected under this
542 chapter.

543 B. For the purposes of this section, "adverse action against an employee"
544 includes, but is not be limited to actions:

545 1. ~~Actions relating~~Relating to an employee's employment including pay, work
546 hours, responsibilities, or other material change in the terms and conditions of
547 employment;

548 2. ~~Actions relating~~Relating to an employee's immigration or citizenship status;
549 and

550 3. ~~Actions dissuading~~Dissuading an employee from exercising any right
551 afforded by this chapter.

552 NEW SECTION. SECTION 1214.

553 A. An aggrieved employee may bring a civil action in a court of competent
554 jurisdiction against an employer for violating this chapter and, upon prevailing, may be
555 awarded reasonable attorneys' fees and costs and such legal or equitable relief as is
556 appropriate to remedy, which shall include, but not be limited to, the payment of any
557 unpaid wages plus interest, as specified in subsection D. of this section, due to the
558 employee; and liquidated damages, which shall include, but not be limited to, up to twice
559 the unpaid wages ~~and any collateral damages incurred by the aggrieved employee, and a~~
560 ~~penalty payable to any aggrieved employee of up to five thousand dollars if the employer~~
561 ~~was in violation of this chapter~~. An aggrieved employee shall be entitled to liquidated
562 damages without a finding that the violation of this chapter was willful and an aggrieved
563 employee may recover both liquidated damages and prejudgment interest. If the court

564 finds that an employer's violation of this chapter was willful then a penalty shall be
565 payable to any aggrieved employee of up to five thousand dollars.

566 ~~_____B.~~ B. Before filing a civil action against an employer for violating section 11
567 of this ordinance, an aggrieved employee or the employee's representative shall give
568 notice by certified U.S. mail with return receipt requested or by a comparable method to
569 the employer demanding that the employer pay the hourly minimum wage rate as
570 required by section 11 of this ordinance and provide payment of any unpaid wages plus
571 interest, as specified in subsection D. of this section, to the aggrieved employee. An
572 employer's refusal to accept or read the letter is not a failure to send the letter. If the
573 employer fails to pay the unpaid wages plus interest within fourteen days of the return
574 receipt date of the notice, then the aggrieved employee may file a civil action as specified
575 in subsection A. of this section.

576 ~~_____C.~~ C. For the purposes of this section, an aggrieved employee means an employee
577 who claims to have been injured by an employer's violation of this chapter.

578 ~~_____D.~~ D. For the purposes of this section, interest shall be twelve percent per
579 ~~annum~~year or the maximum rate permitted under RCW 19.52.020, whichever is higher,
580 and accrue from the date the unpaid wages were first due.

581 ~~_____D. An employee may report any violations of this chapter to the department, who~~
582 ~~is hereby authorized to investigate and, if the department deems it appropriate, initiate~~
583 ~~legal or other action to remedy any violation of this chapter.~~

584 NEW SECTION. SECTION 1315.

585 ~~_____A.~~ A. The director is authorized to enforce and implement this chapter.

586 ~~_____B.~~ B. The director may adopt rules and procedures, in accordance with K.C.C.

587 chapter 2.98, to implement this chapter and ensure compliance of this chapter. If the
588 director adopts appropriate rules and procedures, before giving public notice of the rules
589 and procedures as required by K.C.C. chapter 2.98, the director shall seek feedback of the
590 rules and procedures from organizations that represent employees ~~in unincorporated King~~
591 ~~County~~ and employers in unincorporated King County.

592 ~~_____ B. The director may negotiate an interlocal agreement with a governmental entity~~
593 ~~or contract with a nonprofit organization to implement this chapter and ensure~~
594 ~~compliance with this chapter.~~

595 ~~_____ C.1. If the executive determines that the enforcement and implementation of this~~
596 ~~chapter by the county is cost prohibitive due to the budgetary constraints of the county's~~
597 ~~general fund, the executive is requested to explore other enforcement and implementation~~
598 ~~methods. As part of this effort, the executive shall also explore methods to support~~
599 ~~aggrieved employees who may be reluctant to bring a civil action.~~

600 ~~_____ 2. If the executive determines a cost effective approach to implementing and~~
601 ~~enforcing this chapter, other than what is required by subsections A. and B. of this~~
602 ~~section, then the executive shall transmit a letter notifying to the council of the~~
603 ~~executive's plans for implementation and enforcement. The executive shall electronically~~
604 ~~file the letter with the clerk of the council, who shall retain an electronic copy and~~
605 ~~provide an electronic copy to all councilmembers, the council chief of staff, and the lead~~
606 ~~staff for the transportation, economy, and environment committee, or its successor.~~

607 ~~SECTION 14. This 16.~~

608 ~~_____ A. The executive is requested to consult with the community to evaluate the~~
609 ~~hourly minimum wage rate as required by this ordinance on the agricultural sector in~~

610 unincorporated King County. The community should include, but not be limited to, the
611 following:

- 612 1. King County agriculture commission representatives;
613 2. Either individuals or organizations, or both, that represent agricultural sector
614 employees in unincorporated King County; and
615 3. ~~takes~~The chair of the local services and land use committee, or designee.

616 B. The executive should transmit a letter with findings and recommendations, if
617 any, to address any impacts on the agricultural sector as a result of this ordinance. The
618 executive shall electronically file any such a letter and any proposed ordinance to
619 implement the recommendations no later than September 30, 2024, with the clerk of the
620 council, who shall retain an electronic copy and provide an electronic copy to all
621 councilmembers, the council chief of staff, and the lead staff for the transportation,
622 economy, and environment committee, or its successor.

623 SECTION 17. Sections 1 through 15 of this ordinance take effect January 1,
624 2024~~2025~~.

625 SECTION ~~15~~18. If any provision of this ordinance ~~of~~for its application to any
626 person or circumstance is held invalid, the remainder of the ordinance or the application
627 of the provision to other persons or circumstances is not affected."

628

629 **EFFECT prepared by A. Kim: *The striking amendment would make the following***
630 ***changes:***

- 631 ***1. [Section 11.A.] Update the hourly minimum wage rate to \$20.29 to account for***
632 ***the 2023 inflationary increase;***

- 633 2. *[Section 11.E.] Remove the requirement for employers in unincorporated King*
634 *County to annually certify compliance with this chapter to the Department of*
635 *Local Services (Note: Employers would still be required to maintain records*
636 *adequate records to provide proof of compliance and either have it available*
637 *upon request by the department or have it available for a proceeding involving*
638 *an aggrieved employee bringing a civil action);*
- 639 3. *[Section 12] Require the county workgroup that would evaluate the hourly*
640 *minimum wage rate to start convening on January 1, 2026, rather than*
641 *January 1, 2025.*
- 642 4. *[Section 14] Remove the provision allowing an impacted individual in*
643 *unincorporated King County to report any violations of the hourly minimum*
644 *wage to the Department of Local Services;*
- 645 5. *[Section 14] Remove the requirement that the Department of Local Services*
646 *investigate and initiate legal or other action to remedy any violation of the*
647 *hourly minimum wage rate reported by an impacted individual in*
648 *unincorporated King County;*
- 649 6. *[Section 14] Remove “collateral damages” from the list of remedies for private*
650 *right of action and specify that the penalty of up to \$5,000 shall be payable to*
651 *any aggrieved employee if the court finds that an employer's violation of this*
652 *chapter was willful.*
- 653 7. *[Section 14] Before filing a civil action against an employer, require the*
654 *aggrieved employee or the employer’s representative to give notice demanding*
655 *the employer pay the required hourly minimum wage rate and make payment of*

656 *any unpaid wages including interest. If the employer does not pay the unpaid*
657 *wages including interest within 14 days, then the employee may file a civil*
658 *action against the employer as already allowed by the proposed ordinance;*

659 **8. [Section 15.C.]** *If the executive determines that the implementation and*
660 *enforcement of this chapter by the county is cost prohibitive due to the*
661 *budgetary constraints of the county's general fund, then the executive is*
662 *requested to explore other enforcement and implementation methods.*

663 *a. As part of this effort, the executive shall also explore methods to support*
664 *aggrieved employees who may be reluctant to bring a civil action.*

665 *b. If the executive determines an alternative implementation and*
666 *enforcement of this chapter other than what is required by the ordinance*
667 *then the executive shall transmit a letter notifying to the council of the*
668 *executive's plans for implementation and enforcement.*

669 **9. [Section 16]** *Request the executive to consult with the community to evaluate*
670 *the hourly minimum wage rate on the agricultural sector in unincorporated*
671 *King County. The executive should transmit a letter with findings and*
672 *recommendations, if any, and any proposed ordinance to implement the*
673 *recommendations by September 30, 2024.*

674 **10. [Section 17]** *Modify the effective date of sections 1 through 15 of the*
675 *ordinance from January 1, 2024, to January 1, 2025; and*

676 **11. [Various Sections]** *Make technical corrections including the following:*

677 *a. Moving the hourly minimum wage rate requirements for employees of*
678 *certain county contractors from King County Code Title 3 to Title 2*

679 *(Note: Title 3 is designated solely for policies related to county*
680 *employees. In 2014, Ordinance 17909 erroneously included the hourly*
681 *minimum wage rate requirement for certain county contractors in Title*
682 *3 instead of Title 2. The hourly minimum wage rate requirements for*
683 *county employees would continue to remain in Title 3.); and*
684 *b. Adding clarification that the hourly minimum wage rate exceptions*
685 *provided for unincorporated King County employers does not apply to*
686 *certain county contractors.*