

February 20, 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 in the country according to the University of California,~~
46 ~~Berkley Labor Center.~~

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 2023 hourly living wage rate for county employees and contractors with 501 or more
63 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. ~~Ordinance 17909, Section 4, as amended, and K.C.C. 3.18.010 are~~
91 ~~hereby amended to read as follows:~~

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

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

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

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

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

109 ~~----- ((F.)) E~~Sections 3 through 6 of this ordinance should constitute a new chapter in
110 K.C.C. Title 2.

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

113 A. "Commissions" means a sum of money paid to an employee upon completion
114 of a task, usually selling a certain amount of goods or services.

115 B. "Contract" means a mutually binding legal relationship or any modification
116 thereof obligating the county to pay a contractor one hundred thousand dollars or more to
117 provide professional services, technical services or services, as defined in K.C.C 2.93.030
118 to, or at the direction of, the county. "Contract" does not include: a contract between a
119 contract-awarding authority and another government or public entity; a contract that the
120 county enters into as the administrator of grants received from a third party; a contract for
121 public works; an architectural or engineering contract; or a collective bargaining
122 agreement.

123 C. "Contract-awarding authority" means the county officer, department,
124 commission, employee or board authorized to enter into or to administer contracts on
125 behalf of the county.

126 ~~((G.))~~ FD. "Contractor" means any person that enters into a contract with the
127 county, or negotiates the extension of an existing contract with the county, after October
128 27, 2014, or that is a subcontractor performing services under such a contract.

129 ~~((H.))~~ G. ~~"Division" means the finance and business operations division of the~~
130 ~~department of executive services.~~

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

133 ~~((J.))~~ I. "Employ" means to engage, suffer, or permit to work.

134 FF. "Employee" means any individual employed by an employer, whether on a
135 full-time, part-time, temporary or seasonal basis, including temporary workers,
136 contracted workers, contingent workers, and persons made available to work through a
137 temporary services, staffing, or employment agency or similar entity.

138 KG. "Employer" includes ~~King County and~~ any individual, partnership,
139 association, corporation, business trust, or any entity, person or group of persons, or a
140 successor thereof, that employs another person and includes any such an entity or person
141 acting directly or indirectly in the interest of an employer in relation to an employee.
142 More than one entity may be the "employer" if employment by one employer is not
143 completely disassociated from employment by the other employer if the economic reality
144 of the relationship between the entities and the employee or employees is that of
145 employer and employee. The economic reality of the relationship is to be determined by
146 the circumstances of the whole activity, not a mechanical weighing of relevant factors.

147 LH. "Franchise" means an agreement, express or implied, oral or written, by
148 which:

- 149 1. A person is granted the right to engage in the business of offering, selling, or
150 distributing goods or services under a marketing plan prescribed or suggested in
151 substantial part by the grantor or its affiliate;
- 152 2. The operation of the business is substantially associated with a trademark,
153 service mark, trade name, advertising, or other commercial symbol; designating, owned
154 by, or licensed by the grantor or its affiliate; and
- 155 3. The person pays, agrees to pay, or is required to pay, directly or indirectly, a
156 franchise fee. The term "franchise fee" is meant to be construed broadly to include any

157 instance in which the grantor or its affiliate derives income or profit from a person who
158 enters into a franchise agreement with the grantor.

159 MI. "Franchisee" means a person to whom a franchise is offered or granted.

160 NJ. "Franchisor" means a person who grants a franchise to another person.

161 K. "Hourly minimum wage" means the minimum wage due to an employee under
162 this chapter for each hour worked during a pay period.

163 L. "Person" means one or more individuals, partnerships, associations,
164 organizations, corporations, cooperatives, legal representatives, trustees, trustees in
165 bankruptcy, receivers, or groups or persons, limited liability companies, sole
166 proprietorships, joint adventures, estates, trusts, or other entities, groups, or combinations
167 acting as units, and the individuals constituting the groups or units.

168 M. "Subcontractor" means any person, not an employee, that enters into a
169 contract with a contractor or subcontractor, and that employs employees for that purpose,
170 to assist the contractor or subcontractor in performing a contract with the county.

171 N. "Service charge" means a separately designated amount collected by employer
172 from a customer that is for services provided by employees, or is described in such a way
173 that a customer might reasonably believe that the amounts are for such services. "Service
174 charges" include but are not limited to charges designated on receipts as a "service
175 charge," "gratuity," "delivery charge," or "portage charge."

176 O. "Tip" means a verifiable sum to be presented by a customer as a gift or
177 gratuity in recognition of some service performed for the customer by the employee
178 receiving the tip.

179 P. "Wage" means compensation due to an employee by reason of employment,

180 payable in legal tender of the United States or checks on banks convertible into cash on
181 demand at full face value.

182 NEW SECTION. SECTION 4.

183 A. Employers shall pay their employees who are covered by this chapter an
184 hourly minimum wage as specified in section 12 of this ordinance.

185 B. An employee is covered by this chapter for each hour the employee is
186 performing a measurable amount of work under a contract with the county. An employee
187 who is not covered by this chapter is still included in determining the size of the
188 employer.

189 C. For the purposes of this chapter, temporary employment agency employees
190 who perform, for an employer, a measurable amount of work under a contract with the
191 county, shall be paid no less than the hourly minimum wage required to be paid to
192 employees as specified in section 12 of this ordinance.

193 NEW SECTION. SECTION 5.

194 A contract-awarding authority shall not execute a contract with a contractor
195 unless the contract includes provisions requiring the contractor to comply with the
196 applicable provisions of this chapter and containing appropriate remedies for the breach
197 of the contracts as prescribed in section 6 of this ordinance.

198 NEW SECTION. SECTION 6.

199 The executive shall:

200 A. Adopt public and administrative rules in accordance with this chapter
201 establishing standards and procedures for effectively carrying out this chapter;

202 B. Determine when and how any notice and opportunity to cure a violation of this

203 law should be afforded;
204 C. Determine and impose appropriate sanctions or remedies, or both, and
205 procedures for administrative review, for violation of this chapter by contractors,
206 including but not limited to:
207 1. Disqualification of the contractor from bidding on or being awarded a county
208 contract for up to two years;
209 2. Remedies allowable by contract including, but not limited to, liquidated
210 damages and termination of the contract;
211 3. Remedial action after a finding of noncompliance, as specified by rule; and
212 4. Other appropriate civil remedies and sanctions allowable by law; and
213 D. Administer other requirements specified by this chapter or that are necessary
214 to implement the purposes of this chapter.

215 SECTION 7. Ordinance 17909, Section 4, as amended, and K.C.C. 3.18.010 are
216 hereby amended to read as follows:

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

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

222 ~~C. "Commissions" means a sum of money paid to an employee upon completion~~
223 ~~of a task, usually selling a certain amount of goods or services.~~

224 ~~D. "Compensation" means wages together with the money paid by an employer~~
225 ~~towards an individual employee's health benefits plan.~~

226 ~~E. "Contract" means a mutually binding legal relationship or any modification~~
227 ~~thereof obligating the county to pay a contractor one hundred thousand dollars or more to~~
228 ~~provide professional services, technical services or services, as defined in K.C.C 2.93.030~~
229 ~~to, or at the direction of, the county. "Contract" does not include: a contract between a~~
230 ~~contract awarding authority and another government or public entity; a contract that the~~
231 ~~county enters into as the administrator of grants received from a third party; a contract for~~
232 ~~public works; an architectural or engineering contract; or a collective bargaining~~
233 ~~agreement.~~

234 ~~F. "Contract awarding authority" means the county officer, department,~~
235 ~~commission, employee or board authorized to enter into or to administer contracts on~~
236 ~~behalf of the county.~~

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

240 ~~H. "Division" means the finance and business operations division of the~~
241 ~~department of executive services.~~

242 ~~I. "Director" means the manager of the finance and business operations division~~
243 ~~of the department of executive services, or the manager's designee. J.) "Employ" means~~
244 ~~to engage, suffer, or permit to work.~~

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

249 ~~((K. "Employer" includes King County and any individual, partnership,~~
250 ~~association, corporation, business trust or person or group of persons acting directly or~~
251 ~~indirectly in the interest of an employer in relation to an employee.~~

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

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

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

260 ~~((O.)) ~~L. "Health benefits plan" means a silver or higher level essential health~~~~

261 ~~benefits package, as defined in 42 U.S.C. Sec. 18022, or an equivalent plan that is~~
262 ~~designed to provide benefits that are actuarially equivalent to seventy percent of the full~~
263 ~~actuarial value of the benefits provided under the plan, whichever is greater.~~

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

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

268 ~~((O.)) PD. "Person" means ((any)) one or more individuals, partnerships,~~

269 associations, organizations, corporations, cooperatives, legal representatives, trustees,

270 trustees in bankruptcy, receivers, or groups or persons, limited liability ((company))

271 companies, sole proprietorships, ((association,)) joint adventures, estates, trusts, or other

272 ((entity)) entities, groups, or combinations acting as ((a)) units, and the individuals
273 constituting the groups or units.

274 ((P. "Piece rate" means a price paid per unit of work.

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

279 R. "Schedule 1 employer" means an employer that employs more than five
280 hundred employees in the United States, regardless of where those employees are
281 employed in the United States.

282 S. "Schedule 2 employer" means an employer that employs five hundred or fewer
283 employees in the United States, regardless of where those employees are employed in the
284 United States.

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

288 E. "Service charge" means a separately designated amount collected by employer
289 from a customer that is for services provided by employees, or is described in such a way
290 that a customer might reasonably believe that the amounts are for such services. "Service
291 charges" include but are not limited to charges designated on receipts as a "service
292 charge," "gratuity," "delivery charge," or "portage charge."

293 ~~)) Q. "Subcontractor" means any person, not an employee, that enters into a contract~~
294 ~~with a contractor or subcontractor, and that employs employees for that purpose, to assist~~

295 ~~the contractor or subcontractor in performing a contract with the county.~~
296 ~~—— R. "Service charge" means a separately designated amount collected by employer~~
297 ~~from a customer that is for services provided by employees, or is described in such a way~~
298 ~~that a customer might reasonably believe that the amounts are for such services. "Service~~
299 ~~charges" include but are not limited to charges designated on receipts as a "service~~
300 ~~charge," "gratuity," "delivery charge," or "portage charge."~~

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

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

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

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

317 ~~—— B.((1. For the purpose of determining whether an employer is a Schedule 1~~

318 ~~employer or a Schedule 2 employer, separate entities that form an integrated enterprise~~
319 ~~shall be considered a single employer under this chapter. Separate entities are considered~~
320 ~~an integrated enterprise and a single employer under this chapter if a separate entity~~
321 ~~controls the operation of another entity. The factors to consider in making this~~
322 ~~assessment include, but are not limited to:~~

- 323 ~~———— a. The degree of interrelation between the operations of multiple entities;~~
- 324 ~~———— b. The degree to which the entities share common management~~§~~;~~
- 325 ~~===== c. Centralized control of labor relations; and~~
- 326 ~~===== d. The degree of common ownership or financial control over the entities.~~

327 ~~———— 2. There shall be a presumption that separate legal entities, which may share~~
328 ~~some degree of interrelated operations and common management with one another, are~~
329 ~~considered separate employers for purposes of this section as long as: the separate legal~~
330 ~~entities operate substantially in separate physical locations from one another; and each~~
331 ~~separate legal entity has partially different ultimate ownership.~~

332 ~~———— 3. The determination of employer schedule for the current calendar year is~~
333 ~~calculated based upon the average number of employees employed per calendar week~~
334 ~~during the preceding calendar year for any and all weeks during which at least one~~
335 ~~employee worked for compensation. For an employer that did not have any employees~~
336 ~~during the previous calendar year, the employer schedule is calculated based upon the~~
337 ~~average number of employees employed per calendar week during the first ninety~~
338 ~~calendar days of the current year in which the employer engaged in business.~~

339 ~~———— C.)) For purposes of this chapter, temporary employment agency employees who~~
340 ~~perform, for an ((Schedule 1 or Schedule 2)) employer, a measurable amount of work~~

341 ~~under a contract with the county, shall be paid no less than the hourly minimum wage~~
342 ~~required to be paid to ((covered)) employees ((of the Schedule 1 or Schedule 2 employer.~~
343 ~~———— D. This chapter does not apply to the payment of wages to: individuals defined in~~
344 ~~RCW 49.46.010(3), individuals employed in the categories listed in RCW 49.46.060(1)~~
345 ~~or individuals less than eighteen years of age.~~

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

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

352 The county shall pay its employees at a rate no less than the hourly minimum
353 wage ((for Schedule 1 employers, except for short term temporary employees who are
354 employed in social service programs designed to help youth gain basic work training
355 skills)) as specified in section 9 of this ordinance12 of this ordinance. An employee is
356 covered by this chapter for each hour the employee is performing a measurable amount of
357 work as a county employee.

358 SECTION 9. The following are hereby repealed:

359 ~~———— A. Ordinance 17909, Section 5, as amended, and K.C.C. 5.3.18.020;~~

360 ~~———— B. Ordinance 17909, Section 7, and K.C.C. 3.18.040~~are hereby amended to read
361 as follows:;

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

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

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

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

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

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

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

378 ~~—— SECTION 6. The following are hereby repealed:~~

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

380 ~~BD.~~ Ordinance 17909, Section 9, and K.C.C. 3.18.060;~~and~~
381 ~~C.~~ E. Ordinance 17909, Section 10, and K.C.C. 3.18.070;
382 F. Ordinance 17909, Section 11, as amended, and K.C.C. 3.18.080; and
383 G. Ordinance 17909, Section 12, and K.C.C. 3.18.090.
384 SECTION 710. Sections 811 through ~~1316~~ of this ordinance ~~issould constitute~~ a
385 new chapter in K.C.C. Title 12.

386 NEW SECTION. SECTION 811. The definitions in this section apply
387 throughout this chapter unless the context clearly requires otherwise.

- 388 A. "Department" means the department of local services or designee.
389 B. "Director" means the director of the department of local services or designee.
390 C. "Employ" means to engage, suffer, or permit to work.

391 D. "Employee" means any individual employed by an employer, whether on a
392 full-time, part-time, temporary, or seasonal basis, including temporary workers,
393 contracted workers, contingent workers, and persons made available to work through a
394 temporary services, staffing, or employment agency or similar entity.

395 E. "Employer" means any individual, partnership, association, corporation,
396 business trust, or any entity, person~~or~~, group of persons, or a successor thereof, that
397 employs another person and includes any such entity or person acting directly or
398 indirectly in the interest of an employer in relation to an employee. More than one entity
399 may be the "employer" if employment by one employer is not completely disassociated
400 from employment by the other employer if the economic reality of the relationship
401 between the entities and the employee or employees is that of employer and employee.
402 The economic reality of the relationship is to be determined by the circumstances of the

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

404 F. "Franchise" means an agreement, express or implied, oral or written, by
405 which:

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

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

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

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

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

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

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

426 charge" includes but is not limited to a charge designated on receipts as a "service
427 charge," "gratuity," "delivery charge," or "portage charge."

428 ~~"Service charges" include but are not limited to charges designated on receipts as a~~
429 ~~"service charge," "gratuity," "delivery charge," or "portage charge."~~

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

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

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

438 NEW SECTION. SECTION 912.

439 A. All employers in unincorporated King County shall pay their employees at an
440 hourly minimum wage at a rate of not less than ~~eighteen~~twenty dollars and ~~ninety~~twenty-
441 nine cents per hour or the hourly minimum wage established by federal or state law,
442 whichever is greater. Beginning ~~on~~ January 1, ~~2024~~2025, the hourly minimum wage rate
443 shall increase annually on a percentage basis to reflect the annual rate of inflation and
444 calculated to the nearest cent on January 1 of each year thereafter. For purposes of this
445 section, "the annual rate of inflation" means one hundred percent of the annual average
446 growth rate of the U.S. Department of Labor, Bureau of Labor Statistics Seattle-Tacoma-
447 Bremerton Area Consumer Price Index for urban wage earners and clerical workers, CPI-
448 W, or a successor index, for the twelve month period ending in August, but the

449 percentage increase shall not be less than zero. Tips, gratuities, and service charges paid
450 to an employee shall be in addition to, and not count towards, the hourly minimum wage
451 rate.

452 B. All employers in unincorporated King County shall pay to its employees ~~at~~the
453 following:

454 1. All tips, and gratuities; and

455 2. All service charges except those that, under RCW 49.46.160, are itemized as
456 not being payable to the employee or employees servicing the customer.

457 C. By October 1 of each year, the director shall make available to the public on
458 the county's website, the hourly minimum wage ~~amount~~rate determined in accordance
459 with this section.

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

461 ~~1. a.~~ Beginning ~~on~~ January 1, ~~2024~~2025, employers that employ fifteen
462 employees or ~~less~~fewer and ~~has~~have an annual gross revenue less than two million
463 dollars shall pay their employees an hourly minimum wage rate as established in
464 subsection A. of this section minus three dollars. The three-dollar reduction shall
465 decrease annually by fifty cents on ~~February~~January 1 of each year thereafter until the
466 reduction is zero; and

467 2. b. Beginning ~~on~~ January 1, ~~2024~~2025, employers that employ more than
468 fifteen employees but ~~less~~fewer than five hundred employees shall pay their employees
469 an hourly minimum wage rate as established in subsection A. of this section minus two
470 dollars per hour. The two-dollar reduction shall decrease annually by one dollar on
471 ~~February~~January 1 of each year thereafter until the reduction is zero.

472 32. For the purposes of this subsection D. of this section, the following shall
473 apply:

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

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

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

483 E. All employers in unincorporated King County shall ~~annually certify~~
484 ~~compliance with this chapter to the department and~~ maintain adequate records to provide
485 proof of compliance and either have it available upon request by the department or have
486 it available for a proceeding involving an aggrieved employee bringing a civil action in a
487 court of competent jurisdiction against an employer for violating this chapter as described
488 in section 11.15 of this ordinance, or both. Adequate records shall include, but not be
489 limited to:

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

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

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

- 495 4. The number of work hours of each employee ~~for~~during the previous year;
496 5. Wages paid to each employee ~~for~~during the previous year; and
497 6. The amount of any deductions from the wages paid to each employee
498 ~~for~~during the previous year.

499 NEW SECTION. SECTION ~~1013.~~

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

- 507 1. The Self-Sufficiency Standard for Washington State, developed in
508 partnership with the University of Washington's Center for Women's Welfare and the
509 Workforce Development Council of Seattle-King County;
- 510 2. Impacts to the county labor market including, but not limited to, employment
511 rates, small business labor costs, and ability to attract new businesses to the region;
- 512 3. Impacts on the number of county residents that receive the federal
513 ~~Earn~~Earned Income Tax Credit, the Washington State Working Families Tax Credit, and
514 any other government benefits that are provided to low- and middle-income households;
515 and
- 516 4. Disproportionate impacts to Black, Indigenous, and People of Color
517 communities, if any.

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

519 1. ~~Director~~The manager of the office of performance, strategy, and budget, or ~~its~~
520 designee;

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

522 3. ~~Director~~The manager of the finance and business operations division, or ~~its~~
523 designee;

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

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

526 and

527 6. ~~Chair~~The chair of the budget and fiscal management committee, or its
528 successor, or ~~its~~-designee.

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

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

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

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

537 4. Organizations that represent employees ~~in unincorporated King County~~ and
538 employers in unincorporated King County.

539 D. The workgroup shall provide a report of its findings and a recommendation, if
540 any, to modify the hourly minimum wage rate established by this chapter. The executive

541 shall electronically file the report and any ~~legislation-proposed ordinance~~ that would
542 amend this ~~ordinancechapter~~ to implement the hourly minimum wage rate as
543 recommended by the workgroup no later than June 30 of each year with the clerk of the
544 council, who shall retain an electronic copy and provide an electronic copy to all
545 councilmembers, the council chief of staff, and the lead staff for the ~~local~~
546 ~~service~~transportation, economy and ~~land-use~~environment committee, or its successor.
547 The- 25 -xecuteve shall electronically distribute the report to all government entities in
548 the county and to relevant state and federal agencies, including, but not limited to, the
549 Washington state ~~Employment Security~~Department of Labor and Industries, or its
550 successor.

551 NEW SECTION. SECTION ~~11~~14.

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

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

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

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

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

564 and

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

567 B. For the purposes of this section, „adverse action against an employee“
568 includes, but is not be limited to actions:

569 1. ~~Actions relating~~Relating to an employee’s employment including pay, work
570 hours, responsibilities, or other material change in the terms and conditions of
571 employment;

572 2. ~~Actions relating~~Relating to an employee’s immigration or citizenship status;
573 and

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

576 NEW SECTION. SECTION 1215.

577 A. An aggrieved employee may bring a civil action in a court of competent
578 jurisdiction against an employer for violating this chapter and, upon prevailing, may be
579 awarded reasonable attorneys’ fees and costs and such legal or equitable relief as is
580 appropriate to remedy, which shall include, but not be limited to, the payment of any
581 unpaid wages plus interest due to the employee, liquidated damages, which shall include,
582 but not be limited to, up to twice the unpaid wages and any collateral damages incurred
583 by the aggrieved employee, and a penalty payable to any aggrieved employee of up to
584 five thousand dollars if the employer was in violation of this chapter. An aggrieved
585 employee shall be entitled to liquidated damages without a finding that the violation of
586 this chapter was willful and an aggrieved employee may recover both liquidated damages

587 and prejudgment interest.

588 B. Before filing a civil action against an employer for violating section 12 of this
589 ordinance, an aggrieved employee shall send a letter either by certified U.S. mail with
590 return receipt requested or by email to the employer demanding that the employer pay the
591 hourly minimum wage rate as required by section 12 of this ordinance and provide
592 payment of any unpaid wages plus interest to the aggrieved employee. An employer's
593 refusal to accept or read the letter is not a failure to send the letter. If the employer fails
594 to provide the unpaid wages plus interest within fourteen days upon receipt of the letter,
595 then the aggrieved employee may file a civil action as specified in subsection A. of this
596 section.

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

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

602 ~~_____ D. An employee may report any violations of this chapter to the department, who~~
603 ~~is hereby authorized to investigate and, if the department deems it appropriate, initiate~~
604 ~~legal or other action to remedy any violation of this chapter.~~

605 NEW SECTION. SECTION 1316.

606 ~~_____ A.~~ A. The director is authorized to enforce and implement this chapter.

607 B. The director may adopt rules and procedures, in accordance with K.C.C.
608 chapter 2.98, to implement this chapter and ensure compliance of this chapter. If the
609 director adopts appropriate rules and procedures, before giving public notice of the rules

610 and procedures as required by K.C.C. chapter 2.98, the director shall seek feedback of the
611 rules and procedures from organizations that represent employees ~~in unincorporated King~~
612 ~~County~~ and employers in unincorporated King County.

613 B. The director may negotiate an interlocal agreement with a governmental entity
614 or contract with a nonprofit organization to implement this chapter and ensure
615 compliance with this chapter.

616 C.1. If the executive determines that the implementation and enforcement of this
617 chapter by the county is cost prohibitive due to the budgetary constraints of the county's
618 general fund, the executive shall explore negotiating an interlocal agreement with a
619 governmental entity or multiple governmental entities or a contract with a nonprofit
620 organization to ensure a more cost effective implementation and enforcement of this
621 chapter. Governmental entities may include, but not be limited to, the following:

622 a. the Washington state Department of Labor and Industries;

623 b. the city of Seattle;

624 c. the city of Tukwila; and

625 d. the city of SeaTac.

626 2. If the executive is unable to negotiate an interlocal agreement or a contract to
627 support a cost effective implementation and enforcement of this chapter, or the negotiated
628 interlocal agreement or contract are cost prohibitive to the county, then the
629 responsibilities for the department and director as described in subsections A. and B. of
630 this section shall be delayed until the executive determines a cost effective approach of
631 implementing and enforcing this chapter, or the council adopts an appropriation
632 ordinance to appropriate moneys to support the implementation and enforcement of this

633 chapter, or both.

634 3. If the executive determines a cost effective approach to implementing and
635 enforcing this chapter, then the executive shall transmit a letter notifying to the council of
636 the executive's plans for implementation and enforcement. The executive shall
637 electronically file the letter with the clerk of the council, who shall retain an electronic
638 copy and provide an electronic copy to all councilmembers, the council chief of staff, and
639 the lead staff for the transportation, economy and environment committee, or its
640 successor.

641 SECTION 417. This ordinance takes effect January 1, 20252024.

642 SECTION 4518. If any provision of this ordinance ~~of~~ its application to any
643 person or circumstance is held invalid, the remainder of the ordinance or the application
644 of the provision to other persons or circumstances is not affected.”

645
646 **EFFECT prepared by A. Kim: *The striking amendment would make the following***
647 ***changes:***

- 648 ***1. [Section 12.A.] Update the hourly minimum wage rate to \$20.29 to account for***
649 ***the 2023 inflationary increase;***
- 650 ***2. [Section 12.E.] Remove the requirement for employers in unincorporated King***
651 ***County to annually certify compliance with this chapter to the Department of***
652 ***Local Services (Note: Employers would still be required to maintain records***
653 ***adequate records to provide proof of compliance and either have it available***
654 ***upon request by the department or have it available for a proceeding involving***
655 ***an aggrieved employee bringing a civil action);***

- 656 3. *[Section 13] Require the county workgroup that would evaluate the hourly*
657 *minimum wage rate to start convening on January 1, 2026 rather than January*
658 *1, 2025.*
- 659 4. *[Section 15] Remove the provision allowing an impacted individual in*
660 *unincorporated King County to report any violations of the hourly minimum*
661 *wage to the Department of Local Services;*
- 662 5. *[Section 15] Remove the requirement that the Department of Local Services*
663 *investigate and initiate legal or other action to remedy any violation of the*
664 *hourly minimum wage rate reported by an impacted individual in*
665 *unincorporated King County;*
- 666 6. *[Section 15] Before filing a civil action against an employer, require the*
667 *aggrieved employee to send a letter demanding the employer pay the required*
668 *hourly minimum wage rate and make payment of any unpaid wages including*
669 *interest. If the employer does not pay the unpaid wages including interest within*
670 *14 days, then the employee may file a civil action against the employer as*
671 *already allowed by the proposed ordinance;*
- 672 7. *[Section 16.C.] Require the executive to determine the most cost effective*
673 *approach to implementation and enforcement of the ordinance including*
674 *negotiating an interlocal agreement with Washington State Department of*
675 *Labor & Industries or other local King County jurisdictions or contracting with*
676 *a nonprofit organization;*
- 677 8. *[Section 16.C.] Allow Department of Local Services to delay implementation*
678 *and enforcement until the executive transmits a letter notifying to the council*

679 *that a cost effective approach to implementing and enforcing the ordinance was*
680 *determined, or the council appropriates moneys to support the implementation*
681 *and enforcement of the ordinance, or both;*

682 9. *[Section 17] Modify the effective date of the ordinance from January 1, 2024 to*
683 *January 1, 2025; and*

684 10. *[Various Sections] Make technical corrections including moving the hourly*
685 *minimum wage rate requirements for employees of certain county contractors*
686 *from King County Code Title 3 to Title 2. (Note: Title 3 is designated solely for*
687 *policies related to county employees. In 2014, Ordinance 17909 erroneously*
688 *included the hourly minimum wage rate requirement for certain county*
689 *contractors in Title 3 instead of Title 2. The hourly minimum wage rate*
690 *requirements for county employees would continue to remain in Title 3.)*