## SENATE BILL 6007

State of Washington 68th Legislature 2024 Regular Session

**By** Senators Conway, Keiser, Hasegawa, Dhingra, Randall, Saldaña, Liias, Hunt, Nguyen, Kuderer, and Van De Wege

Prefiled 01/05/24.

AN ACT Relating to employment standards for grocery workers; reenacting and amending RCW 49.48.082; adding a new chapter to Title RCW; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> Sec. 1. (1) Supermarkets and other grocery 6 retailers are the primary points of distribution for food and other 7 daily necessities for the residents of Washington and are therefore 8 essential to the vitality of every Washington community.

9 (2) The state has a compelling interest in ensuring the welfare 10 of the residents of its communities through the maintenance of health 11 and safety standards in grocery establishments.

12 (3) Experienced grocery retail workers with knowledge of proper 13 sanitation procedures, health regulations and laws, and an 14 experience-based understanding of the clientele and communities in 15 which the retailer is located are essential in furthering this 16 interest and the state's investments in health and safety.

(4) A transitional retention period for grocery retail workers upon change of ownership, control, or operation of grocery stores ensures stability throughout the state for these vital workers, which, in turn, results in preservation of health and safety standards. 1 <u>NEW SECTION.</u> Sec. 2. The definitions in this section apply 2 throughout this chapter unless the context clearly requires 3 otherwise.

(1) "Change in control" means any sale, purchase, assignment, 4 acquisition, transfer, contribution, or other disposition of all or 5 6 substantially all of the assets, cash on hand, or a controlling interest, including by consolidation, merger, or reorganization, of 7 or by the incumbent grocery employer or any person who controls the 8 incumbent grocery employer or any grocery establishment under the 9 operation or control of either the incumbent grocery employer or any 10 11 person who controls the incumbent grocery employer.

12 (2) "Department" means the department of labor and industries.

13 (3) "Director" means the director of the department of labor and 14 industries, or the director's designated representative.

15 (4) "Eligible grocery worker" means any individual whose primary 16 place of employment is at the grocery establishment subject to a 17 change in control, and who has worked for the incumbent grocery 18 employer for at least six months prior to the execution of the 19 transfer document. "Eligible grocery worker" does not include a 20 managerial, supervisory, or confidential employee.

(5) "Employment commencement date" means the date on which an eligible grocery worker retained by the successor grocery employer pursuant to this chapter commences work for the successor grocery employer in exchange for benefits and compensation under the terms and conditions established by the successor grocery employer and as required by law.

(6) (a) "Grocery establishment" means a retail store in this state that is over 15,000 square feet in size and that sells primarily household foodstuffs for off-site consumption, including the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods, or prepared foods. Other household supplies or other products must be secondary to the primary purpose of food sales.

34 (b) A distribution center owned and operated by a grocery 35 establishment and used primarily to distribute goods to or from its 36 owned stores is considered a grocery establishment, regardless of its 37 square footage.

38 (c) A grocery establishment does not include a retail store that 39 has ceased operations for 12 months or more.

1 (7) "Incumbent grocery employer" means the person that owns, 2 controls, or operates the grocery establishment at the time of the 3 change in control.

4 (8) "Job classification" means a system for categorizing certain
5 duties into certain jobs.

6 (9) "Person" means an individual, corporation, partnership, 7 limited partnership, limited liability partnership, limited liability 8 company, business trust, estate, trust, association, joint venture, 9 agency, instrumentality, or any other legal or commercial entity, 10 whether domestic or foreign.

(10) "Successor grocery employer" means the person that owns, controls, or operates the grocery establishment after the change in control. A successor grocery employer may be the same entity as an incumbent employer when a change in control occurs, but the covered employer remains the same.

16 (11) "Transfer document" means the purchase agreement or other 17 document effecting the change in control.

NEW SECTION. Sec. 3. (1)(a) The incumbent grocery employer must, within 15 days after the execution of the transfer document, provide to the successor grocery employer and any collective bargaining representative the name, address, date of hire, employment occupation classification, and, if known, the cellular telephone number and email address of each eligible grocery worker.

(b) If the incumbent grocery employer does not provide the information specified in (a) of this subsection within 15 days, the successor grocery employer may obtain the information from a collective bargaining representative.

28 (2) The successor grocery employer must maintain a preferential hiring list of eligible grocery workers identified by the incumbent 29 30 grocery employer or collective bargaining representative pursuant to subsection (1) of this section and must hire from that list for a 31 period beginning upon the execution of the transfer document and 32 continuing for 180 days after the grocery establishment is fully 33 operational and open to the public under the successor grocery 34 35 employer.

36 (3) If the successor grocery employer extends an offer of 37 employment to an eligible grocery worker pursuant to this chapter, 38 the successor grocery employer must retain written verification of 39 that offer for at least three years after the date of the offer. The

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verification must include the name, address, date of hire, and
 employment occupation classification of each eligible grocery worker.

<u>NEW SECTION.</u> Sec. 4. (1) A successor grocery employer must retain each eligible grocery worker hired pursuant to this chapter for at least 180 days after the eligible grocery worker's employment commencement date. During this 180-day transition employment period, eligible grocery workers must be employed under the terms and conditions established by the successor grocery employer and pursuant to the terms of a relevant collective bargaining agreement, if any.

10 (2) If, within the period established in section 3(2) of this act, the successor grocery employer determines that it requires fewer 11 eligible grocery workers than were required by the incumbent grocery 12 employer, the successor grocery employer must retain eligible grocery 13 workers by seniority within each job classification to the extent 14 15 that comparable job classifications exist or pursuant to the terms of a relevant collective bargaining agreement, if any. Nonclassified 16 17 eligible grocery workers must be retained by seniority and according 18 to experience, or pursuant to the terms of a relevant collective bargaining agreement, if any. 19

20 (3) During the 180-day transition employment period, the 21 successor grocery employer may not discharge without cause an 22 eligible grocery worker retained pursuant to this chapter.

(4) At the end of the 180-day transition employment period, the 23 24 successor grocery employer must make a written performance evaluation 25 for each eligible grocery worker retained pursuant to this chapter. If the eligible grocery worker's performance during the 180-day 26 27 transition employment period is satisfactory, the successor grocery employer must consider offering the eligible grocery worker continued 28 employment under the terms and conditions established by the 29 successor grocery employer and as required by law. The successor 30 31 grocery employer must retain a record of the written performance 32 evaluation for at least three years.

33 <u>NEW SECTION.</u> Sec. 5. (1) This section only applies to a 34 successor grocery employer that, after a change in control, will own, 35 control, or operate 20 or more grocery establishments.

36 (2) Notwithstanding other provisions of this chapter, if a
 37 successor grocery employer does not hire an eligible grocery worker
 38 following a change in control or does not retain an eligible grocery

worker for at least 180 days following the change in control or the 1 eligible grocery worker's employment commencement date, whichever is 2 later, the successor grocery company must, unless the eligible 3 grocery worker has quit or has been discharged for cause, provide the 4 eligible grocery employee a dislocated grocery worker allowance equal 5 6 to one week of pay for each full year of employment with the 7 incumbent grocery employer. The rate of the dislocated grocery worker allowance will be the average regular rate of compensation received 8 during the eligible grocery worker's last three years of employment 9 with the incumbent grocery employer or the final regular rate of 10 11 compensation paid to the eligible grocery worker, whichever is 12 higher.

13 (3) The successor grocery employer must provide the greater of 14 the dislocated grocery worker allowance required pursuant to:

15 (a) Subsection (2) of this section; or

16 (b) The terms of a relevant collective bargaining agreement, if 17 any.

NEW SECTION. Sec. 6. (1) The incumbent grocery employer must post public notice of the change in control at the location of the affected grocery establishment within five business days following the execution of the transfer document. Notice must remain posted during any closure of the grocery establishment and until the grocery establishment is fully operational and open to the public under the successor grocery employer.

25 (2) Notice must include, but is not limited to:

26 (a) The name of the incumbent grocery employer and its contact 27 information;

28 (b) The name of the successor grocery employer and its contact 29 information; and

30 (c) The effective date of the change in control.

31 (3) Notice must be posted in a conspicuous place at the grocery 32 establishment in a manner to be readily viewed by eligible grocery 33 workers and other employees, customers, and members of the public.

NEW SECTION. Sec. 7. (1) An employer must not refuse to employ, terminate, reduce the compensation of, or otherwise take adverse action against any employee for seeking to enforce the employee's rights under this chapter, including participating in proceedings,

opposing any practice prescribed by this chapter, or otherwise
 asserting rights under this chapter.

3 (2) This section applies to an employee who mistakenly, but in 4 good faith, alleges noncompliance with this chapter.

5 <u>NEW SECTION.</u> Sec. 8. (1) An aggrieved employee or an employee 6 representative, such as a collective bargaining representative or 7 nonprofit corporation, may bring an action in the superior court of 8 the state of Washington for violations of this chapter and may be 9 awarded the following:

10 (a) Hiring and reinstatement rights pursuant to this chapter. For 11 violations of the retention provision, the 180-day transition 12 employment period does not commence until the eligible grocery 13 worker's employment commencement date with the successor grocery 14 employer;

(b) Front pay or back pay for each day during which the violation continues;

17 (c) The value of the benefits the employee would have received 18 under any benefit plans;

19 (d) Reasonable attorneys' fees and costs to any employee or 20 employee representative who prevails in an enforcement action.

(2) Before an employee or an employee representative brings an action in the superior court of the state of Washington for a violation of this chapter, both of the following requirements must be met:

(a) The employee has provided written notice to the employer of
 the provisions of this chapter alleged to have been violated and the
 facts to support the alleged violation; and

(b) The employer has not cured the alleged violation within 30calendar days from receipt of the written notice.

30 (3) The director may enforce this section, including 31 investigating an alleged violation and ordering appropriate temporary relief to mitigate the violation pending the completion of an 32 investigation or hearing, under the provisions of this chapter and 33 chapter 49.48 RCW and any related rules adopted by the department, 34 including by issuing a citation against an employer who violates this 35 section or by filing a civil action. Any amounts owed to an employee 36 may be enforced as a wage payment requirement under RCW 49.48.082. 37

38 (4) The director may recover the following remedies on behalf of 39 an aggrieved employee: (a) Hiring and reinstatement rights pursuant to this chapter. For
 violations of the retention provision, the 180-day transition
 employment period does not commence until the eligible grocery
 worker's employment commencement date with the successor grocery
 employer;

6 (b) Front pay or back pay for each day during which the violation 7 continues;

8 (c) The value of the benefits the employee would have received 9 under any benefit plans.

(5) An employer, agent of an employer, or other person who 10 11 violates this chapter or causes a violation of this chapter may be 12 subject to a civil penalty of \$100 for each employee whose rights under this chapter are violated. An additional amount payable as 13 liquidated damages in the amount of \$100 per employee, for each day 14 the rights of an employee under this chapter are violated and 15 16 continuing until the violation is cured, not to exceed \$1,000 per 17 employee, which may be recovered by the director and deposited into the supplemental pension fund established under RCW 51.44.033. 18

19 (6) Citation procedures for issuing, contesting, and enforcing 20 judgments for citations and civil penalties issued by the director 21 must be the same as those set out in RCW 49.48.084, as appropriate.

(7) In an action brought by the director for enforcement of this chapter, the court may issue preliminary and permanent injunctive relief to vindicate the rights of employees. In a civil action, the director may also recover all remedies set forth in subsection (4) of this section.

(8) The director may adopt and enforce rules and regulations and issue determinations and interpretations consistent with and necessary for the implementation of this section.

30 <u>NEW SECTION.</u> Sec. 9. This chapter does not apply to grocery 31 establishments that will be located in geographic areas designated by 32 the United States department of agriculture as food deserts, based on 33 the original food desert measure contained in the Food Access 34 Research Atlas, provided that both of the following apply:

35 (1) More than six years have elapsed since the most recent 36 grocery establishment was located in the area designated as a food 37 desert; and

38 (2) The grocery establishment stocks and, during normal business39 hours, sells fresh fruit and vegetables in amounts and of a quality

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1 that is comparable to what the establishment sells in its three 2 geographically closest stores, which are located outside of the food 3 desert.

<u>NEW SECTION.</u> Sec. 10. (1) In the case of a change of control 4 5 from a merger, a successor grocery employer may not cause a grocery establishment that is located in a geographic area designated by the 6 United States department of agriculture as a food desert to cease 7 being fully operational and open to the public until 8 the establishment provides a written notice to the city council, county 9 10 council, local health department, and attorney general 180 days 11 before the establishment ceases to be fully operational and open to 12 the public.

13 (2) The notice required by subsection (1) of this section must 14 include both of the following:

(a) A written analysis and explanation, including data, of how residents living in the geographic area designated by the United States department of agriculture as a food desert will be able, at comparable costs, including transportation costs, time off work, and child care costs, to purchase food after the establishment ceases being fully operational and open to the public; and

(b) A profit and loss statement for the establishment consistent with generally accepted accounting principles for the two years prior to the merger attested to by a responsible officer of the successor employer.

25 <u>NEW SECTION.</u> Sec. 11. (1) This chapter does not apply to an 26 incumbent grocery employer and the successor grocery employer 27 executing the transfer document with that incumbent grocery employer, 28 if the sum of both of the following is less than 300:

(a) The number of grocery workers employed immediately prior to
 the change in control by the incumbent grocery employer across that
 employer's grocery establishments nationwide; and

32 (b) The number of grocery workers employed immediately prior to 33 the change in control by the successor grocery employer across that 34 employer's grocery establishments nationwide.

35 (2) For purposes of this section only, the following definitions 36 apply: 1 (a) "Grocery establishment," as used in this section, has the 2 same meaning as defined in section 2 of this act, but also includes 3 grocery establishments in other states in the United States.

4 (b) "Grocery worker," as used in this section, means any 5 individual whose primary place of employment is at a grocery 6 establishment that is owned, controlled, or operated by the incumbent 7 or successor grocery employer, as applicable.

8 <u>NEW SECTION.</u> Sec. 12. This chapter is not to be construed to 9 limit an eligible grocery worker's right to bring legal action for 10 wrongful termination.

11 <u>NEW SECTION.</u> Sec. 13. This chapter does not preempt any city, 12 county, or city and county ordinances that provide equal or greater 13 protection to eligible grocery workers.

14 <u>NEW SECTION.</u> Sec. 14. If any provision of this act or its 15 application to any person or circumstance is held invalid, the 16 remainder of the act or the application of the provision to other 17 persons or circumstances is not affected.

18 Sec. 15. RCW 49.48.082 and 2010 c 42 s 1 are each reenacted and 19 amended to read as follows:

The definitions in this section apply throughout this section and RCW 49.48.083 through 49.48.086:

(1) "Citation" means a written determination by the departmentthat a wage payment requirement has been violated.

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(2) "Department" means the department of labor and industries.

(3) "Determination of compliance" means a written determination by the department that wage payment requirements have not been violated.

(4) "Director" means the director of the department of labor andindustries, or the director's authorized representative.

30 (5) "Employee" has the meaning provided in: (a) RCW 49.46.010 for 31 purposes of a wage payment requirement set forth in RCW 49.46.020 or 32 49.46.130; and (b) RCW 49.12.005 for purposes of a wage payment 33 requirement set forth in RCW 49.48.010, 49.52.050, or 49.52.060.

(6) "Employer" has the meaning provided in RCW 49.46.010 for
 purposes of a wage payment requirement set forth in RCW 49.46.020,
 49.46.130, 49.48.010, 49.52.050, or 49.52.060.

1 (7) "Notice of assessment" means a written notice by the 2 department that, based on a citation, the employer shall pay the 3 amounts assessed under RCW 49.48.083.

(8) "Repeat willful violator" means any employer that has been
the subject of a final and binding citation and notice of assessment
for a willful violation of a wage payment requirement within three
years of the date of issue of the most recent citation and notice of
assessment for a willful violation of a wage payment requirement.

9 (9) "Successor" means any person to whom an employer quitting, 10 selling out, exchanging, or disposing of a business sells or 11 otherwise conveys in bulk and not in the ordinary course of the 12 employer's business, more than fifty percent of the property, whether 13 real or personal, tangible or intangible, of the employer's business.

14 (10) "Wage" has the meaning provided in RCW 49.46.010.

(11) "Wage complaint" means a complaint from an employee to the department that asserts that an employer has violated one or more wage payment requirements and that is reduced to writing.

18 (12) "Wage payment requirement" means a wage payment requirement 19 set forth in RCW 49.46.020, 49.46.130, 49.48.010, 49.52.050, ((<del>or</del>)) 20 49.52.060, <u>or section 8 of this act</u>, and any related rules adopted by 21 the department.

(13) "Willful" means a knowing and intentional action that is neither accidental nor the result of a bona fide dispute, as evaluated under the standards applicable to wage payment violations under RCW 49.52.050(2).

26 <u>NEW SECTION.</u> Sec. 16. Sections 1 through 14 of this act 27 constitute a new chapter in Title 49 RCW.

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