

PROPOSED RULES FOR NOTICE AND COMMENT

SEATTLE OFFICE OF LABOR STANDARDS Seattle Human Rights Rules (SHRR) Chapter 240

Practices for administering App-Based Worker Minimum Payment Ordinance requirements
under Seattle Municipal Code 8.37

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SHRR 240-010 Purpose

These Rules govern the practices of the Seattle Office of Labor Standards in administering the requirements of the App-Based Worker Minimum Payment Ordinance, Seattle Municipal Code (SMC) 8.37.

SHRR 240-020 Practice Where Rules Do Not Govern

If a matter arises in administering the App-Based Worker Minimum Payment Ordinance that is not specifically covered by these Rules, the Director shall specify the practices to be followed.

SHRR 240-030 Construction of Rules

These Rules shall be liberally construed to permit the Seattle Office of Labor Standards to accomplish its administrative duties in implementing the App-Based Worker Minimum Payment Ordinance, including providing technical assistance, determining if a violation has occurred and prescribing penalties and remedies.

SHRR 240-040 Severability

These Rules are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection or portion of these rules or the application thereof to any hiring entity, independent contractor, or person or circumstance, is held to be invalid, it shall not affect the validity of the remainder of these Rules, or the validity of the application of the Rules to other persons or circumstances.

SHRR 240-050 Force of Law

These Rules supplement the provisions of the App-Based Worker Minimum Payment Ordinance and shall have the force and effect of law.

SHRR 240-060 More Generous Practices

Nothing shall be construed as discouraging or prohibiting any hiring entity from adopting or retaining practices that provide more generous app-based worker labor standards than the protections established by SMC 8.37.

SHRR 240-070 Employment Status

No provision of these Rules shall be construed as providing any determination regarding the legal status of app-based workers as employees or independent contractors.

SHRR 240-080 Other Legal Requirements

The App-Based Worker Minimum Payment Ordinance defines requirements for app-based worker protections and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater requirements; and nothing in SMC 8.37 shall be interpreted or applied so as to create any power or duty in conflict with federal or state law. Nor shall SMC 8.37 be construed to preclude any person aggrieved from seeking judicial review of any final administrative decision or order made under SMC Chapter 8.37 affecting such person.

SHRR 240-090 Rounding

In exercising its authority to determine and adjust rates in SMC 8.37, the Agency shall round currency figures to the nearest cent and shall round non-currency figures to the nearest third decimal place number.

SHRR 240-100 Definitions

1. **Creative services or works.**

- a. In general. Consistent with SMC 8.37, “creative services or works” means labor that results in or contributes to the creation of original works, as well as the works resulting from such labor.
 - b. Original works. Original works are artistic, literary, or intellectually created works that are created through processes such as fiction and non-fiction writing, art, photography, graphic design, marketing, and related consulting services, and that exist in a tangible medium (such as paper, canvas, film, or digital format).
2. **Engaged time.**
- a. Performance of the offer.
 - i. **In general.** Consistent with SMC 8.37, if an offer is not facilitated or presented by an on-demand network company, nor is an on-demand offer, “engaged time” begins when the app-based worker begins performance of the offer or when the app-based worker reports to a location designated in the offer. Engaged time ends upon the app-based worker’s completing performance of the offer, cancellation of the offer by the network company or customer, or cancellation with cause of the app-based worker’s acceptance of the offer pursuant to subsection 8.37.080.C.
 - ii. **Performance of the offer.**
 - 1. If an offer is not facilitated or presented by an on-demand network company, nor is an on-demand offer, “performance of the offer” does not include time spent travelling to the location where performance of the offer begins.
 - 2. “Performance of the offer” includes any preparatory and concluding activities that are necessary to complete performance of the offer, that are directed by the network company, or, for offers where the customer is required or permitted to provide direction, that are directed by the customer. Such activities may include, but are not limited to commercial stops related to the provision of services associated with the offer (e.g., returning contents of an online order to the pickup location when required by the network company or purchasing an item that is required to complete a task associated with the offer and that the worker is not already expected to supply when performing offers generally, such as hardware needed to build or mount furniture, or paint or a cleaning product requested by a customer).
 - b. Off-duty time.
 - i. **In general.** Consistent with SMC 8.37, the Director is authorized to promulgate rules regarding non-compensable time, such as periods of “off-duty time.”
 - ii. **Non-compensable time.** Periods of time may be considered “off duty,” and therefore excluded from “engaged time,” when all of the following conditions are met:
 - 1. The app-based worker is completely relieved of the duty to perform work in furtherance of the offer;
 - 2. The app-based worker may use the time effectively for their own purposes;
 - 3. The app-based worker has been provided a specific time upon which performance of work in furtherance of the offer will resume, or the app-

- based worker controls when they will resume performance of work in furtherance of the offer;
4. The app-based worker is not required to be present at a specific location; and
 5. The app-based worker is not required to be logged into the worker platform or to be available for communication with the network company or customer.
- c. Required training program.
- i. **In general.** Consistent with SMC 8.37, the period of time in which an app-based worker participates in any training program required by a network company constitutes engaged time as defined by SMC 8.37.020.
 - ii. **Required training.** A training program, tutorial, meeting, or similar activity shall be considered “required” under SMC 8.37 if it is:
 1. a prerequisite for working with a network company or for accepting any offers or types of offers;
 2. necessary for understanding the worker platform functionalities; or
 3. offered to improve performance of services or customer experience unless the training is voluntary for the app-based worker.
3. **Make available via the worker platform.** Information is “made available via the worker platform” when (a) a document in a commonly used electronic format is displayed on the worker platform (e.g., PDF), or (b) a link to the content is available on the worker platform, and the link is not password-protected or can be accessed using the same log-in credential that an app-based worker uses for the worker platform.
4. **Marketplace network company.**
- a. In general. Consistent with SMC 8.37, marketplace network company means a network company primarily engaged in facilitating or presenting pre-scheduled offers in which (a) the application or platform enables the prospective customer and app-based worker to exchange information about the scope and details of services to be performed, prior to the customer placing the online order for those services or the app-based worker accepting the offer; (b) the app-based worker sets their own rates; and (c) the network company does not monitor offers by mileage or time. On-demand network companies and companies that primarily provide delivery services are not marketplace network companies.
 - b. Primarily engaged in facilitating or presenting pre-scheduled offers.
 - i. “Primarily engaged in facilitating or presenting pre-scheduled offers” that meet the criteria outlined in SMC 8.37.020 (“marketplace network company” definition) means, for all offers requiring services performed in Seattle, the ratio of the offers that meet the criteria outlined in the “marketplace network company” definition compared to total offers facilitated or presented by a network company equals or exceeds 65% during the preceding calendar year, provided that for 2024 the calculation shall be based on the first 90 calendar days after the effective date of SMC 8.37. For a network company that did not facilitate or present an offer during the preceding calendar year, the calculation shall be based on the first 90 calendar days of the current year in which the network company engaged in business.
 - ii. The Agency may review the network company’s marketing materials, promotional materials, or public statements (e.g., public company filings and

investor presentations). In the event that a network company describes itself in a way that is inconsistent with the definition of “marketplace network company” in SMC 8.37.020, the Agency may request evidence of compliance with SMC 8.37 and these Rules.

- c. The application or platform enables the customer and app-based worker to exchange information. “The application or platform enables the customer and app-based worker to exchange information” means that the network company does not limit either
 - i. the types of information the customer and app-based worker can exchange about the scope and details of the service; or
 - ii. the time periods and length during which the app-based worker can communicate with the customer through the network company’s messaging platform. Provided, however, that the network company may limit the exchange of information before the prospective customer initiates communication or contact with the app-based worker (e.g., initiates a request that the app-based worker perform a service, sends the app-based worker a message, or solicits responses from interested app-based workers related to an online order) and after the app-based worker begins performance of services in furtherance of the offer.
- d. App-based worker sets their own rates.
 - i. “App-based worker sets their own rates” means that app-based workers list their own rates or rate ranges on their individual profiles, and there is no network company policy ~~or algorithm~~ that impedes app-based workers from setting their own rates. A network company that allows customers to set the rate paid for an offer ~~or prioritizes some app-based workers over others based on the rates the app-based workers set for their own services~~ does not meet the definition of “worker sets their own rates.” ~~(E.g., use of an algorithm that takes into account app-based workers’ rates when determining initial order of appearance in search results or suggesting an app-based worker as a service provider.)~~ A functionality enabling customers to search or sort results based on service price does not impede app-based workers from setting their own rates.
 - ii. A network company is permitted to set minimum rates for app-based workers on its platform.
 - iii. A network company is permitted to set maximum rates for app-based workers on its platform as reasonably necessary for regulatory compliance, fraud mitigation, and security management purposes. A network company shall publish a clear rationale when setting a maximum rate for such a purpose.
- e. Network company does not monitor offers by mileage or time.
 - i. A network company “monitors offers by mileage or time” when it collects and tracks data that give the company knowledge of the time(s) or mileage when an app-based worker begins, performs work in furtherance of, and/or completes an offer.
 - ii. Collection of data includes, but is not limited to, requiring an app-based worker or customer to inform the network company regarding the information outlined in SHRR 240.100.4.e.i or using the worker or customer facing platform or other technology to gather such information (e.g., by using GPS tracking).

- iii. Tracking data includes, but is not limited to, taking actions to compile or analyze the data specific to individual app-based workers and/or making decisions with respect to individual app-based workers that include consideration of the data. Tracking data does not include accessing an individual app-based worker's data or making a decision that considers the data, when the action and/or decision is:
 - 1. ordered by a court or administrative agency;
 - 2. required by applicable federal, state, or local law;
 - 3. reasonably necessary to protect the worker's or the public's safety;
 - 4. reasonably necessary to remedy or prevent fraudulent use of the application or platform; or
 - 5. reasonably necessary to respond to a question from an app-based worker about their user account.
- iv. In determining whether a network company monitors offers by mileage or time, the Agency may consider what information regarding offer mileage or offer time a network company knows before, during, and after performance of an offer. If a network company collects data that give the company knowledge of the time(s) or mileage when an app-based worker begins, performs work in furtherance of, and/or completes an offer, the Agency presumes that the network company also tracks the data unless the network company explicitly informs the customers and app-based workers on its platforms that the network company does not conduct the behaviors defined in SHRR 240.100.4.e.iii (e.g., publishes a policy regarding use of such data on its website).
- f. Network companies that primarily provide delivery services are not marketplace network companies. "Primarily provide delivery services" means, for all offers requiring services performed in Seattle, the ratio of the offers for delivery services relative to the total offers facilitated or presented by the network company equals or exceeds 65% during the preceding calendar year. For a network company that did not facilitate or present an offer during the preceding calendar year, the calculation shall be based on the first 90 calendar days of the current year in which the network company engaged in business.

5. **Network company.**

- a. In general. Consistent with SMC 8.37, a network company that does not fall within any of the exclusions listed in subsection 8.37.020 is subject to the requirements of SMC 8.37.
- b. Marketplace network company not covered. A network company meeting the definition of "marketplace network company" pursuant to subsection 8.37.020 is not a covered network company and is not subject to the requirements of SMC 8.37.
- c. Facilitation of orders excluded from coverage.
 - i. **Coverage exclusion of network company due to facilitating excluded online orders.** A network company is excluded from coverage if it exclusively facilitates online orders within the excluded categories in the definition of "online order" in SMC 8.37.020. If any of the transactions facilitated by an otherwise covered network company meets the definition of an "online order," the network company is covered by SMC 8.37.

- ii. **A network company that facilitates both covered and excluded online orders.** A network company that facilitates both covered and excluded online orders must provide app-based workers with a policy that describes how the network company differentiates offers that it considers to be associated with covered and with excluded online orders. The policy must be made available to the app-based worker via the worker platform.
- 6. **On-demand network company.**
 - a. In general. Consistent with SMC 8.37, on-demand network company means a network company that is primarily engaged in facilitating or presenting on-demand offers, as defined by SMC 8.37.020, to app-based workers.
 - b. Primarily engaged in facilitating or presenting on-demand offers. When determining whether a network company is “primarily engaged in facilitating or presenting on-demand offers,” OLS will consider whether:
 - i. For all offers requiring services performed in Seattle, the ratio of on-demand offers relative to total offers facilitated or presented by the network company equals or exceeds 65%, during the preceding calendar year. For a network company that did not facilitate or present an offer during the preceding calendar year, the calculation shall be based on the first 90 calendar days of the current year in which the network company engaged in business; and
 - ii. The company’s marketing materials, promotional materials, and public statements (e.g., public company filings and investor presentations) describe the company as meeting the definition of “on-demand network company” in SMC 8.37.020.
- 7. **Online order.**
 - a. In general. Consistent with SMC 8.37, online order means an order for services that is placed through an online-enabled application or platform and is facilitated by a network company or presented by a network company for its own benefit.
 - b. Exclusion of services subject to professional licensure.
 - i. **Excluded professional licenses.** The term “online order” excludes transactions for services subject to the following professional licenses: license to practice law and license to practice medicine.
 - ii. **Criteria for exclusion of additional professional licenses.** The Director may issue rules excluding additional categories of professional licenses based on the Director’s evaluation of the professionals’ bargaining power and influence over their compensation and working conditions when performing app-based work, the average earnings in the industry, information provided by professionals, trade groups, and/or industry representatives, and existing labor standards protections in relevant statutory and/or regulatory frameworks.
- 8. **Primary language.** “Primary language” means the language in which the app-based worker feels most comfortable communicating. Each network company shall make a good faith effort to determine the primary languages of app-based workers accessing its worker platform.
- 9. **Reasonably ascertainable information.** Information is “reasonably ascertainable” when the information is publicly available, or a customer, third-party business, or other individual or entity involved in performance of the offer is in possession of the information, and the network company has a contractual or other business relationship with the individual or entity and is able to contact the individual or entity to request it.

SHRR 240-110 App-Based Worker Coverage

1. An app-based worker is afforded the rights and protections provided by SMC 8.37.080.A.1 and 8.37.080.B when the app-based worker accesses the worker platform while within the City.
2. Except as provided in SHRR 240-110.1, an app-based worker is afforded the rights and protections provided by SMC 8.37 when the app-based worker views, accepts or rejects, or performs or cancels an offer that requires performance within the City.

SHRR 240-120 Minimum Payment

1. **In general.** Consistent with SMC 8.37, for each offer resulting in engaged time or engaged miles, a network company shall compensate the app-based worker, and/or ensure the app-based worker receives, at least the equivalent of a minimum network company payment.
2. **Payment for cancelled offers.**
 - a. The minimum network company payment required by SMC 8.37.050 shall apply to offers cancelled by the network company, the customer, or the app-based worker with cause.
 - b. The minimum network company payment required by SMC 8.37.050 shall not apply to offers cancelled without cause by an app-based worker.
3. **Adjustment of the per-mile amount.**
 - a. Delay in standard mileage rate announcement. If the Internal Revenue Service releases an updated standard mileage rate on or after December 15 of the previous calendar year, the Agency shall file a schedule of the per-mile amount with the City Clerk no later than January 15 of the following year. The adjusted per-mile amount shall apply retroactively to all minimum network company payment owed to app-based workers beginning January 1. In the event that the Agency files the schedule of the per-mile amount after January 1, a network company shall make any necessary adjustments to network company payments within one calendar month of the filing.
 - b. Multiple adjustments to the standard mileage rate. If the Internal Revenue Service has adjusted the standard mileage rate more than once for a calendar year, the first standard mileage rate increase for the calendar year shall be used to calculate the per-mile amount throughout the entire calendar year.
 - c. No reduction of the per-mile amount. If the Internal Revenue Service's adjustment results in a decrease in the standard mileage rate, the Agency shall continue to apply the last standard mileage rate published prior to the decrease until the next regularly scheduled adjustment to the standard mileage rate that exceeds the currently utilized rate.
4. **Minimum per-offer amount.**
 - a. In general. Consistent with SMC 8.37.050, for each offer resulting in engaged time or engaged miles, a network company shall compensate the app-based worker a minimum per-offer amount of at least \$5.
 - b. Cancellation by the app-based worker. The minimum per-offer amount requirements specified in SMC 8.37.050.B.4 shall not apply if the offer is cancelled by the app-based worker, except where the cancellation is with cause pursuant to SMC 8.37.080.C.
 - c. Grace period. The minimum per-offer amount specified in SMC 8.37.050.B.4 shall not be required if the following conditions are met:
 - i. The offer is an on-demand offer;

- ii. The offer is cancelled by the network company, ~~or~~ the customer, or a third-party business involved in performance of the offer;
 - iii. The offer is cancelled within three minutes of acceptance by the app-based worker;
 - iv. The app-based worker has travelled less than 0.25 of a mile in furtherance of the offer; and
 - v. The network company has not charged the customer a cancellation fee.
 - d. Offer originating outside the City. For an offer where performance begins in a location outside the City, minimum per-offer amount requirements specified in SMC 8.37.050.B.4 shall apply provided the offer requires performance within the City (e.g., delivery pickup outside the City, but drop-off within the City).
- 5. **Network company's responsibility to calculate engaged time and miles.** For offers where the network company does not record the app-based worker's engaged time and/or miles, the network company shall make available in the worker platform a functional means for the app-based worker to report engaged time and/or miles. When the app-based worker begins engaged time outside of Seattle the functional means shall include a mechanism for the app-based worker to report time and miles spent performing services in Seattle.
- 6. **Deductions.**
 - a. In general. Consistent with SMC 8.37, a network company may only deduct compensation when the app-based worker expressly authorizes the deduction in writing and does so in advance for a lawful purpose for the benefit of the app-based worker. Any such authorization by an app-based worker must be voluntary and knowing. Neither the network company nor any person acting in the interest of the network company may derive any financial profit or benefit from any of the deductions under SMC 8.37.050.D.
 - b. Reduction below guaranteed minimum amount of payment. Subject to the provisions of SHRR 240-120.6.c, a network company may only reduce an app-based worker's pay below compensation rates agreed to by the network company and the app-based worker or established by SMC 8.37 through a deduction made pursuant to and consistent with SMC 8.37.050.D.
 - c. Deductions without written authorization.
 - i. A network company may deduct any portion of the app-based worker's compensation below the rates established in SMC 8.37.050 without prior written authorization for any of the following reasons.
 - 1. The deduction is required by state or federal law; or
 - 2. To satisfy a court order, judgment, wage attachment, trustee process, bankruptcy proceeding, or payroll deduction notice for child support payments.
 - ii. A deduction made pursuant to this section shall be labeled as a "mandatory deduction" in the app-based worker's notices under SMC 8.37.70.B & 8.37.70.C.
 - d. Financial profit or benefit. A deduction will be considered for financial profit or benefit if it results in a gain over and above the fair market value of the goods or services for which the network company made the deduction. In determining whether a deduction resulted in a financial profit or benefit to the network company, or any person acting in the interest of the network company, the Agency may consider any of the following non-exhaustive factors.

- i. The cost of the goods or services incurred by the network company, including reasonable administrative costs to provide the goods or services to the app-based worker;
 - ii. The fair market value for the goods or services; and
 - iii. Whether the deduction resulted in a gain over and above expenditures.
- e. Knowing authorization of deductions. An app-based worker's authorization of a deduction shall be considered knowing if the app-based worker was informed of the potential consequences of the deduction.
- f. Written authorization of deductions. To be a valid deduction, the written authorization of deductions must:
 - i. Be written in the app-based worker's primary language;
 - ii. Clearly and simply state that the app-based worker authorizes a deduction from their compensation;
 - iii. Clearly and simply state the estimated amount and nature of the deduction;
 - iv. State the effective date(s) of the deduction;
 - v. State how the app-based worker may rescind the authorization at a future date, including the option to rescind such authorization in writing; and
 - vi. Be signed by the app-based worker, including by electronic signature.
- g. Impermissible deductions. The cost of damage to or loss of network company, third-party business, or customer equipment, software, intellectual property, or other tangible or intangible property may not be deducted from an app-based worker's compensation (e.g., alleged damage to property at delivery or pick-up location or at a customer's home). Fees for cancelling acceptance of an offer or failure to complete an offer may not be deducted from an app-based worker's compensation.

SHRR 240-130 Up-front Information

1. **In general.** SMC 8.37.070.A.1 provides details of what information a network company shall provide, and/or ensure a customer provides, when facilitating or presenting an offer. The following rules clarify those requirements.
2. **Reasonable estimate of the engaged time.** A network company must consider the following data when providing an estimate of the engaged time required to complete performance to an app-based worker:
 - a. If the network company monitors the offer by mileage or time, historical data regarding travel time between the locations where the app-based worker would begin engaged time, perform work in furtherance of the offer, and complete the offer, using data gathered during comparable periods of time (e.g., within the last month, during the same weekdays and times of day, and/or during similar past holidays, public events, and seasons, as relevant and appropriate);
 - b. If the network company monitors the offer by mileage or time, real-time data regarding travel time between the locations where the app-based worker would begin engaged time, perform work in furtherance of the offer, and complete the offer;
 - c. Historical waiting time at any business stop or stops required to complete the offer, using data gathered during comparable periods of time (e.g., within the last month, during the same weekdays and times of day, and/or during similar past holidays, public events, and seasons, as relevant and appropriate);
 - d. The exact hours booked by the customer, if applicable;

- e. The task requested by the customer and historical data on the time to complete similar tasks; and
 - f. The historical accuracy of estimates of engaged time for similar offers facilitated or presented by the network company.
3. **Reasonable estimate of the engaged miles.** A network company must consider the following data when providing an estimate of the engaged miles required to complete performance to an app-based worker:
- a. If the network company monitors the offer by mileage, historical data regarding the mileage for the most efficient travel route between the locations where the app-based worker would begin engaged time, perform work in furtherance of the offer, and complete the offer, using data gathered during comparable periods of time (e.g., within the last month, during the same weekdays and times of day, and/or during similar past holidays, public events, and seasons, as relevant and appropriate);
 - b. If the network company monitors the offer by mileage or time, real-time data regarding the mileage for the most efficient travel route between the locations where the app-based worker would begin engaged time, perform work in furtherance of the offer, and complete the offer; and
 - c. The historical accuracy of estimates of engaged miles for similar offers facilitated or presented by the network company.
4. **Reasonable estimates of the engaged time and engaged miles, when engaged time begins outside of the City.** For offers with engaged time that begins outside of the City, the reasonable estimates of engaged time and engaged miles shall include, at a minimum, reasonable estimates of the total engaged time and engaged miles associated with the offer. A network company may also provide reasonable estimates of engaged time and engaged miles expected to occur within the City, at its discretion.
5. **The approximate geographic location or locations.**
- a. A network company shall provide and/or ensure the prospective customer provides the app-based worker with the address(es) where work in furtherance of the offer will occur unless the location(s) have an impact on the prospective customer's safety.
 - b. If disclosure of the address where work in furtherance of the offer will occur will have an impact on the prospective customer's safety, a network company shall provide and/or ensure the prospective customer provides the app-based worker with the approximate geographic location shifted within 1000 feet from the precise location where work in furtherance of the offer will occur. A network company is authorized to indicate the location with greater specificity at its discretion, provided the location is sufficiently anonymized to protect the customer's safety and privacy.
6. **Guaranteed minimum amount of network company payment.**
- a. In general. Consistent with SMC 8.37, when facilitating or presenting an offer, a network company shall provide a guaranteed minimum amount of network company payment for the offer; provided, that it does not fall below the minimum network company payment requirements established in Section 8.37.050 for an offer requiring the amount of covered engaged time and engaged miles provided in the estimate.
 - b. Cancellation. When an offer is cancelled, the network company is not required to ensure the app-based worker receives the guaranteed minimum amount of network company payment associated with the offer.

7. **Required physical labor.** When facilitating or presenting an offer, a network company shall provide a description of reasonably ascertainable information regarding physical labor required to perform the offer. The description shall include:
- a. estimated dimensions of any goods to be handled that are expected to exceed two (2) feet in length on any side; and
 - b. estimated weights of any goods to be handled that are expected to exceed fifteen (15) pounds.

A network company complies with this provision if it specifies that a good's length is within a range not to exceed one foot and that a good's weight is within a range not to exceed ten pounds (e.g., description states that the item is between 2-3 feet long and weighs between 15-25 pounds).

8. **Accessibility at locations where work will be performed.** When facilitating or presenting an offer, a network company shall provide a description of reasonably ascertainable information regarding accessibility at locations where work in furtherance of an offer will be performed. The description shall include, at a minimum, numbers of flights of stairs and availability of elevators, ramps, and other conditions affecting accessibility.

9. **Unsealed contents.**

- a. In general. Consistent with SMC 8.37, to the extent it is reasonably ascertainable, the network company shall make available to the app-based worker information that it has about the unsealed contents of each online order.
- b. Contents of an online order. In the context of Section 8.37.070.A.1.g, "contents of an online order" means food, drink, and other retail items purchased in association with an online order, to be handled and/or transported in furtherance of a network company or customer's request.
- c. Unsealed. Consistent with SMC 8.37, "unsealed" means loose items or items in packaging that have the potential to open, spill, or otherwise expose an app-based worker to its contents. An item is sealed when its packaging meets the following conditions:
 - i. The item's own packaging is designed to prevent leaks or spills under normal conditions of handling (e.g., items in factory-sealed packaging); or
 - ii. The item is packed into a bag, box, or other container that is designed to prevent leakage or breakage and that is securely closed in order to contain items during storage and transport. If an app-based worker handles items that would otherwise be considered unsealed before they are packed, the items are considered unsealed until they are packed.
- d. Types of information to be disclosed. A network company must disclose the following unsealed contents of an online order:
 - i. Major food allergens, as defined by section 201(qq) of the Federal Food, Drug, and Cosmetic Act (currently: milk, egg, fish, peanuts, tree nuts, wheat, soybeans, crustacean shellfish, and sesame);
 - ii. Products that are required to bear the label "danger" or "poison" pursuant to the regulations implementing the Federal Hazardous Substances Act, at 16 C.F.R. 1500;
 - iii. Meat and seafood, specified by type (e.g., beef, pork, shellfish, etc.); and
 - iv. Alcohol.

A network company complies with this provision if it presents the app-based worker with a full list of all items and/or a full list of all unsealed items included in the offer. If

information regarding item ingredients has been made available to the customer, the same information shall be provided to the app-based worker.

- e. Format of provision of the information. Information regarding unsealed contents of an online order must be provided in the communication of the offer to the worker. A full list of all required disclosures may be included in the text of the offer, or a network company may provide the app-based worker with a clearly labeled and functional means to view the information that does not create a barrier to acceptance of the offer after viewing the information (e.g., closeable pop-up window or expandable/collapsible section of text).

10. Reasonable efforts to obtain information.

- a. In general. Consistent with SMC 8.37, a network company shall not be held responsible for a violation of subsection 8.37.070.A.1 that is attributable solely to incomplete or inaccurate information provided by another party, provided that the network company made a reasonable effort to obtain complete and accurate information.
- b. Reasonable effort to obtain complete and accurate information.
 - i. A “reasonable effort” to obtain complete and accurate information includes, but is not limited to, providing customers and third-party businesses with questionnaires regarding relevant information.
 - ii. A “reasonable effort” also includes taking steps to correct information that a network company knows or has reason to know is incomplete or inaccurate (e.g., verifying and updating information upon notice by an app-based worker about undisclosed conditions affecting physical labor requirements or accessibility or about undisclosed unsealed contents of an online order).
- c. Provision of notice when information is unavailable. In the event that a network company has made a reasonable effort to obtain complete and accurate information from a customer or third-party business, and the network company has reason to believe that the customer or third-party business has not provided complete and accurate information, the network company shall inform the app-based worker that information is incomplete or inaccurate in the same format that the network company communicates such information (e.g., a message that states “no information about ingredients available” published in the same manner and location that a network company publishes its information regarding unsealed contents of an online order).

- 11. Facilitating both covered and excluded online orders.** A covered network company that facilitates both covered and excluded online orders shall indicate in a clear and easy-to-understand way whether each offer is covered or excluded from coverage under SMC 8.37 when the network company facilitates or presents the offer to the app-based worker.

SHRR 240-140 Tip Policy

- 1. **In general.** Consistent with SMC 8.37, a network company shall ensure that all app-based workers have access to the company’s tip policy.
- 2. **Tip policy contents.** A network company’s tip policy must include the following information:
 - a. Whether the network company’s online-enabled application or platform allows customers to tip in advance of facilitating or presenting an offer to the app-based worker and/or in advance of completion of an online order;
 - b. Whether the network company permits customers to modify or remove tips after the worker’s acceptance and/or during or after performance of an offer;

- c. Whether the network company’s online-enabled application or platform suggests to the customer an amount or range of amounts for tips and a description of any such suggestions (e.g., customer is offered a menu of tip amounts presented as 10, 15, or 20% of the order price and the ability to manually enter another dollar amount, with the default selection being 15% of the order price);
 - d. Whether the value of a tip may be calculated as a percentage of the cost paid by the customer for an online order associated with an offer, and whether changes to that cost may alter the final tip amount (e.g., out-of-stock grocery items reduce the final cost of a delivery order, thereby reducing the associated percentage-based tip);
 - e. Whether customers are prohibited or discouraged from providing tips via a different means than the network company’s online-enabled application or platform (e.g., cash tips);
 - f. If the network company operates a tip pool, its policy for distributing pooled tips; and
 - g. Whether the network company enforces any maximum or other limitation on tip amounts.
3. **Tip policy accessibility.** A network company shall make its tip policy available to the app-based worker via the worker platform. The network company shall include a link to or short description of where to find the tip policy on any offer receipt or written weekly notice of pay information which includes tip information pursuant to SMC 8.37.070.B and C.

SHRR 240-150 Receipts

1. App-based worker’s offer receipt.

- a. In general. Consistent with SMC 8.37, within 24 hours of an offer’s performance, cancellation during performance by a network company or customer, or network company’s determination that cancellation by an app-based worker was with cause pursuant to SHRR 240.200.7, a network company shall transmit a single electronic receipt to the app-based worker that contains the information itemized in SMC 8.37.070.B and this Rule (“offer receipt”). Offer receipts shall be clear, accurate, and not misleading.
- b. Timing of payment. If a network company has not processed payment for an offer at the time the network company provides the offer receipt to the app-based worker, the offer receipt shall provide notice of when the payment will be processed.
- c. Offers with engaged time that begins outside of the City. When engaged time begins outside of the City, the offer receipt shall indicate the following:
 - i. The amount of engaged time and engaged miles that took place within the City, and the corresponding amount of the minimum network company payment required by SMC 8.37.050; and
 - ii. The total amount of engaged time and engaged miles associated with performance of the offer and the corresponding amount of total network company payment associated with the offer.

If a network company chooses to provide compensation meeting the requirements of SMC 8.37.050 for all engaged time and all engaged miles associated with an offer (i.e., to treat all engaged time and engaged miles as though occurring within the City), the network company need not identify the portions of engaged time and engaged miles that occurred within the City.

- d. Date and time. The offer receipt required under SMC 8.37.070.B shall include the date and time that engaged time began and ended.

- e. Locations of engaged time and engaged miles. In describing the approximate geographic location or locations of the app-based worker's engaged time and engaged miles pursuant to SMC 8.37.070.B.5, a network company shall provide the approximate geographic locations shifted within 1000 feet from the precise locations where work in furtherance of the offer occurred. A network company is authorized to indicate the location with greater specificity at its discretion, provided the location is sufficiently anonymized to protect the customer's safety and privacy.
 - f. Accessibility of offer receipts. A network company shall make offer receipts available in a downloadable format, such as .csv, via the worker platform for a period of three years from the date the network company provided the receipt to the app-based worker. The network company also shall ensure that there is an accessible process or means for an app-based worker to obtain the same information if the app-based worker no longer has access to the worker platform.
 - g. On-demand offer cancelled within a grace period. For an on-demand offer cancelled by the network company or the customer within a grace period, the offer receipt shall include the total amount of engaged time and miles performed before the cancellation.
2. **App-based worker's written weekly notice of pay information.**
- a. In general. Consistent with SMC 8.37, on a weekly basis, the network company shall provide a written notice to the app-based worker that contains the information itemized in SMC 8.37.070.C and this Rule for offers, or portions of offers, that are covered by SMC 8.37 and which occurred in the prior week ("written weekly notice of pay information"). The written weekly notice of pay information shall be clear, accurate, and not misleading.
 - b. Basis for calculating incentives. The written weekly notice of pay information shall include information regarding all incentives that an app-based worker received or made progress towards during the notice period. For incentives that an app-based worker made progress towards, but did not qualify for, the written weekly notice of pay information shall state the app-based worker's progress towards completing or failure to reach the goal defined by the incentive program (e.g., for an incentive program that is provided when an app-based worker completes a certain number of orders within a certain number of consecutive days, the written weekly notice of pay information shall include information regarding how many orders the worker has completed during the qualification period).
 - c. Accessibility of weekly notices. A network company shall make the written weekly notices of pay information available in a downloadable format, such as .csv, via the worker platform for a period of three years from the date the network company provided the weekly notice of pay information to the app-based worker. The network company also shall ensure that there is an accessible process or means for an app-based worker to obtain the same information if the app-based worker no longer has access to the worker platform.
3. **Customer's receipt.** Consistent with SMC 8.37, within 24 hours of an offer's performance, cancellation during performance by a network company or customer, or network company's determination that cancellation by an app-based worker was with cause pursuant to SHRR 240.200.7, a network company shall transmit a single electronic receipt to the customer that contains the information itemized in SMC 8.37.070.D. Customer receipts shall be clear, accurate, and not misleading.

SHRR 240-160 Affirmative Production of Records (Reserved)

SHRR 240-170 Material Change to How Payment Will Be Calculated

1. **In general.** Consistent with SMC 8.37, a network company shall notify app-based workers at least 14 days prior to making a material change to how network company payment will be calculated.
2. **Material change.** A change to the calculation of network company payment is “material” when knowledge of the change could **reasonably** be expected to affect an app-based worker’s decision-making process regarding acceptance of future offers or an app-based worker’s expectations regarding the amounts of compensation associated with offers.
3. **Calculation of network company payment.** “How network company payment will be calculated” includes any explanation of a basis or formula for determining network company payment that has been made available to workers (e.g., piece-rate, percentage of sale, per-minute and/or or per-mile based rates, etc.).

SHRR-240-180 Restriction of Access to Worker Platform

1. **In general.** Consistent with SMC 8.37, a network company shall allow an app-based worker to be logged into its worker platform at any date, time of day, or for any amount of time, except for certain instances of deactivation as defined in rules or other applicable law, as well as limitations on a maximum amount of consecutive work time to protect worker and public safety.
2. **Certain instances of deactivation as defined in rules.**
 - a. An “instance of deactivation” is an action taken by a network company to remove an app-based worker’s access to its worker platform in accordance with applicable law and in accordance with its published terms of service or pursuant to the processes related to its fraudulent use policy, as described in SHRR 240-210.
 - b. Deactivation due to an app-based worker’s cancellation of their acceptance of an offer during the review period described in SHRR 240-200.7 is not a permissible instance of deactivation.

SHRR 240-190 Cancellation by Network Company or Customer

1. **Cancellation by a network company or customer.** Cancellation by a network company or customer means any action taken by a network company or customer to revoke, retract, or otherwise remove an app-based worker’s access to an offer. The requirements of SMC 8.37 apply regardless of whether the network company or customer describes removal of an offer as a “cancellation.”
2. **Determining time of cancellation.** An offer is considered cancelled when the network company or customer informs the app-based worker that the offer has been cancelled or otherwise removed from the app-based worker’s access.

SHRR 240-200 Cancellation With Cause

1. **In general.** Consistent with SMC 8.37, a network company shall not subject an app-based worker to an adverse action, nor institute a policy subjecting an app-based worker to an adverse action, for cancelling their acceptance of an offer with cause. An app-based worker may cancel their acceptance of an offer with cause (i.e., “cancellation with cause”) under defined conditions.
2. **Partial cancellation of offers.** An app-based worker may cancel their acceptance of a service or portion of services associated with an offer (“partial cancellation”), and a partial cancellation will

be subject to the requirements of SMC 8.37 and these Rules governing cancellation, provided the network company establishes:

- a. A clear policy describing requirements and procedures regarding cancellation of acceptance of specific services or portions of services associated with an offer (e.g., when completion of one delivery in a batch of deliveries has become impracticable); and
 - b. An accessible means for an app-based worker to communicate a partial cancellation in the worker platform.
3. **Information provided when facilitating or presenting the offer was substantially inaccurate.**
- a. In general. Consistent with SMC 8.37, an app-based worker may cancel their acceptance of an offer with cause when information provided pursuant to SMC 8.37.070.A.1 is substantially inaccurate.
 - b. Information that is substantially inaccurate. Information is “substantially inaccurate” when
 - i. Estimates or descriptions are significantly different from actual conditions of work; or
 - ii. The network company failed to disclose required information regarding (1) physical labor requirements; (2) accessibility; (3) unsealed contents; or (4) incomplete or inaccurate information pursuant to SHRR 240-130.10.c (e.g., delivery contains an unsealed hazardous product that was not disclosed, and incomplete information regarding unsealed contents of the online order was not disclosed; worker must climb multiple flights of stairs in a customer’s apartment building that were not disclosed), and the inaccuracy results in the app-based worker having a reasonable concern regarding their safety and/or capacity to perform the offer.
4. **Completion of the offer requires presence of, or response from, unavailable customer.**
- a. In general. Consistent with SMC 8.37, an app-based worker may cancel their acceptance of an offer with cause when they cannot complete performance because the customer is not present or fails to respond to communications from the app-based worker, and the customer’s presence or response is required for the app-based work to complete performance of the offer.
 - b. No-contact or limited-contact deliveries. No-contact or limited-contact deliveries do not require the end customer’s presence. However, an app-based worker may cancel acceptance of an offer with cause in the event that additional information from the customer is required in order to complete the offer, and the customer fails to respond with the necessary information (e.g., the sole item ordered is out-of-stock, or the worker requires a building entrance code in order to complete a delivery).
 - c. Adequate attempts to contact. A network company may require that an app-based worker make attempts to contact and/or wait for the customer, in accordance with an applicable network company policy, before the app-based worker may cancel the order with cause.
5. **Completion of the offer becomes impracticable.**
- a. In general. Consistent with SMC 8.37, an app-based worker may cancel their acceptance of an offer with cause when an unforeseen obstacle or occurrence makes timely completion of the offer impracticable.
 - b. Timely completion of the offer becomes impracticable. Timely completion of the offer becomes impracticable when the app-based worker is no longer capable of performing the offer within the time frame required by the network company or within the

timeframe required by the customer, when the customer is required or permitted to determine the time of performance, due to circumstances outside of the worker's control that prevent the worker from completing performance.

- c. Unforeseen obstacle or occurrence. Impracticability is due to an "unforeseen obstacle or occurrence" when the circumstance was unanticipated (e.g., the app-based worker's vehicle breaks down or is in an accident during performance of the offer, road closures or traffic conditions prevent the app-based worker from reaching a destination designated in the offer, tools or supplies that were to be supplied by the customer or network company are unavailable).
6. **Good faith complaint of sexual harassment or discrimination.**
- a. In general. Consistent with SMC 8.37, an app-based worker may cancel their acceptance of an offer with cause when the app-based worker makes a good faith complaint regarding sexual harassment or discrimination that is alleged to have occurred during performance of the offer.
 - b. Good faith complaint. A complaint regarding sexual harassment or discrimination is considered in "good faith" if the app-based worker believes that their statements are true at the time of the complaint. The behavior that is the subject of the complaint need not have constituted sexual harassment or discrimination, so long as the worker held a reasonable belief that the actions amounted to sexual harassment or discrimination as defined in these Rules.
 - c. Sexual harassment. "Sexual harassment" means unwelcome and offensive behavior directed at an app-based worker because of their gender or gender identity, including, but not limited to, sexual advances, requests for sexual favors, "quid pro quo" proposals (e.g., offering tips in exchange for sexual favors), or other verbal, nonverbal, or physical conduct of a sexual nature. Sexual harassment does not have to be of a sexual nature. It can include offensive remarks about a person's sex or gender identity.
 - d. Discrimination. "Discrimination" means, as defined in SMC 14.04.030, any act, by itself or as part of a practice, that is intended to or results in different treatment or differentiates between or among individuals or groups of individuals by reason of race, color, age, sex, marital status, sexual orientation, gender identity, genetic information, political ideology, creed, religion, ancestry, national origin, citizenship or immigration status, honorably discharged veteran or military status, an individual's actual, potential, perceived, or alleged pregnancy outcomes, or the presence of any disability.
7. **Network company review and determination whether cancellation was with cause.**
- a. In general. Consistent with SMC 8.37, a network company shall allow the app-based worker to communicate the reason for a cancellation via the worker platform. A network company shall review the stated reason for cancellation for a reasonable time of no less than 72 hours (three days) before determining, based on clear and convincing evidence, whether an app-based worker cancelled an offer without cause.
 - b. Timeframe for review.
 - i. The 72-hour timeframe described in subsection 8.37.080.D begins when the app-based worker communicates a cancellation to the network company via the worker platform.
 - ii. A network company may reach a determination before 72 hours (three days) have passed under the following conditions:
 1. The app-based worker does not communicate a reason for the cancellation to the network company;

2. The app-based worker communicates a reason for cancellation that is not a cause for cancellation listed in subsection 8.37.080.C; or
 3. The network company is aware that timely completion of the offer would have been impracticable (e.g., pick-up location closed before offer could be completed, weather event, natural disaster, or other public emergency occurred during performance of the offer, street closures or traffic conditions made a location of work inaccessible).
- iii. A network company shall reach a determination as to whether a cancellation was with or without cause within a maximum of 120 hours (five days).
- c. Clear and convincing evidence. A determination that an app-based worker has cancelled acceptance of an offer without cause shall be supported by clear and convincing evidence that the cancellation was not due to any of the conditions listed as cause for cancellation in subsection 8.37.080.C. Absent evidence to the contrary, an app-based worker's statement that the cancellation was for a reason not listed in subsection 8.37.080.C or lack of explanation for the cancellation will be considered clear and convincing evidence.

SHRR 240-210 Fraudulent Use Policy

1. **In general.** Consistent with SMC 8.37, a network company may take actions not expressly prohibited in SMC 8.37 or other applicable law, which are reasonably necessary to remedy or prevent fraudulent use of the network company's application or platform. A network company shall provide an app-based worker a written fraudulent use policy.
2. **Contents of policy.** In addition to the elements listed in SMC 8.37.090.A.1-3, a fraudulent use policy shall include information regarding an opportunity, process, and timeline for an app-based worker to appeal a finding of fraudulent use pursuant to SMC 8.37.090.A.4. Such information shall include instructions for filing an appeal and instructions for how an app-based worker may provide documentation or other evidence in support of the appeal.
3. **Fraudulent use policy accessibility.** A network company shall make their fraudulent use policy available to the app-based worker via the worker platform. The network company shall include a link to or short description of where to find the fraudulent use policy in any communication to the app-based worker regarding suspected fraudulent use or determination that the app-based worker has violated the fraudulent use policy.

SHRR 240-220 Notice and Posting

1. **In general.** Consistent with SMC 8.37, network companies shall provide each app-based worker with a written Notice of Rights established by SMC 8.37. The Agency shall create and distribute a model Notice of Rights in English and other languages. Network companies shall provide the Notice of Rights in an electronic format that is readily accessible to the app-based worker.
2. **Required languages for its translation.** If the Agency creates a model Notice of Rights in English and other languages, network companies must make the model Notice of Rights available in all such languages to all app-based workers on the worker platform.
3. **Manner of distribution.** The written Notice of Rights shall be made available to the app-based worker via the worker platform. At least one time per calendar month in which the app-based worker has a period of engaged time, the network company shall affirmatively provide the app-based worker with the Notice of Rights via email and in one of the following two formats: text message or via a message in the worker platform. The manner of distribution shall be the same manner that communications are typically sent from the network company to the app-based

worker. For a new app-based worker or an app-based worker who has not begun a period of engaged time for a six-month period, the network company shall affirmatively provide the app-based worker with the Notice of Rights within 48 hours of the app-based worker beginning a period of engaged time via email and in one of the following two formats: text message or via a message in the worker platform. The manner of distribution shall be the same manner that communications are typically sent from the network company to the app-based worker.

4. **Technical clarification.** SMC 8.37.100.B.2 states, in part, that the Notice of Rights must include a “clear statement as to whether the network company identifies as an on-demand network company, a marketplace network company, or neither, and the corresponding timeframe when engaged time and engaged miles apply for a typical offer from that network company.” A company that meets that definition of “marketplace network company” is not covered by SMC 8.37 and need not issue a Notice of Rights pursuant to SMC 8.37.100.
5. **Timeline to file notice with OLS.**
 - a. **Technical clarification.** SMC 8.37.100.D reads, in part, “Network companies shall file their notice of rights in a written format with the Agency no later than 60 days after the effective date of this Chapter 8.37.” However, the requirements governing publication of a Notice of Rights, pursuant to Section 3 of the ordinance, do not take effect until Jan. 13, 2024. Therefore, the Agency shall not require that a network company file a Notice of Rights prior to Mar. 13, 2024.
 - b. A covered network company that is operating in Seattle on Jan. 13, 2024, shall file a Notice of Rights with the Agency no later than Mar. 13, 2024.
 - c. A covered network company that begins operating in Seattle after Jan. 13, 2024, shall file a Notice of Rights with the Agency prior to operating in Seattle.
 - d. A network company that begins to facilitate work by 250 or more app-based workers or begins to facilitate offers associated with covered online orders after Jan. 13, 2024, shall file a Notice of Rights with the Agency prior to operating as a covered network company in Seattle.

SHRR 240-230 Recordkeeping

1. **In general.** Each network company shall retain records that document compliance with SMC 8.37 and SHRR Chapter 240 for each app-based worker.
2. **Retention period.** Each network company shall retain the records required by subsection SHRR 240-230.1 for a period of three years.
3. **Presumption where records not retained.** If a network company fails to retain adequate records required under subsection SHRR 240-230.1, there shall be a presumption, rebuttable by clear and convincing evidence, that the network company violated SMC 8.37 and SHRR Chapter 240 for the relevant periods and for each app-based worker for whom records were not retained.

SHRR 240-240 Enforcement

1. **In general.** Consistent with SMC 8.37, practice and procedure for enforcement of this ordinance (SMC 8.37) are determined by the Seattle Office of Labor Standards Rules: Practice and Procedure for Labor Standards Enforcement, (SHRR) Chapter 140.

SHRR 240-250 Remedies

1. **In general.** Consistent with SMC 8.37, where the precise amount of unpaid compensation cannot be determined due to a respondent’s failure to produce records, the Director may designate a daily amount for unpaid compensation plus interest in favor of the aggrieved party.

2. **Remedy for non-production of records or impracticable records.** If the precise amount of unpaid compensation cannot be determined due to a respondent's failure to produce records, or where a respondent produces records in a manner or form which makes timely determination of the amount of unpaid compensation impracticable, the Agency shall assess an amount for unpaid compensation of 480 minutes of engaged time at the minimum per-minute amount under SMC 8.37.050.B.1 plus interest.

PROPOSED