

Legal Update Article

# **New Washington Labor Protections for Rideshare Drivers**

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## Meet the Authors



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Drivers for rideshare companies that connect drivers and users through smartphones or a digital network in Washington have new labor protections under legislation passed by the Washington legislature. [HB 2076](#) creates new rights for drivers providing services through “transportation network company drivers” (TNCs), classifying the workers as independent contractors rather than employees based on certain factors.

HB 2076 was delivered to Governor Jay Inslee on March 10, 2022, for signature.

While Washington passed an insurance requirement for TNCs, the state largely remained silent on whether TNCs were covered by state for-hire vehicles laws. Many Washington counties, cities, and airports have enacted local ordinances and entered into operating agreements covering TNCs.

HB 2076 has essentially codified the status of drivers for TNCs as independent contractors rather than employees. Included in the legislation is a list of factors for determining whether a driver will be declared to be a TNC’s employee.

Generally, a driver will not be an employee if the TNC does not:

- i. Unilaterally prescribe specific dates, times of day, or a minimum number of hours during with the driver must be logged into the company’s online-enabled application or platform;
- ii. Retain the ability to terminate the contract of the driver for not accepting a specific transportation service request;
- iii. Contractually prohibit the driver from performing services through other such companies (except while performing services during dispatch and passenger platform time for the transportation network company); and
- iv. Contractually prohibit the driver from working in any other lawful occupation or business.

Having drivers deemed independent contractors rather than employees is advantageous to TNCs. In exchange, under the new law, drivers will receive minimum per mile and per minute rates, paid sick leave rights, and worker’s compensation coverage. HB 2076 also requires the establishment of state regulations for TNCs.

HB 2076 grants drivers a process to appeal deactivations. Deactivation disputes include a formal process involving a just cause standard with adjudication of appeals by a panel of arbitrators. It also grants the panel the authority to make binding decisions and award make-whole monetary awards, including back pay awards.

HB 2076 creates complaint rights for drivers to use when a TNC has failed to provide compensation amounts due to the driver under the new law, which includes civil penalties for willful violations against the TNC. Finally, HB 2076 provides drivers with retaliation protections for interference with the drivers’ exercise of rights granted by the new law.

If you have questions or need assistance, please reach out to the Jackson Lewis attorney with whom you regularly work.

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