

# Combating Wage Theft in California: Legislature Grants New Authority to the Labor Commissioner

Article By:

Chris M. Micheli

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Governor Jerry Brown signed Senate Bill (SB) 588<sup>1</sup> authored by Senate President pro Tempore Kevin de Leon (D-Los Angeles) on October 11, 2015<sup>2</sup>. This new law, which took effect on January 1, 2016, provides extensive new powers to the California Labor Commissioner<sup>3</sup> to combat the problem of wage theft<sup>4</sup> in the state. Wage theft is alleged to be a problem<sup>5</sup>. California has previously attempted to deal with the wage theft issue, including in 2011<sup>6,7</sup>. There are other provisions of California law that attempt to deal with this issue as well.<sup>8</sup>

The fundamental purpose of SB 588 is to grant special provisions for the enforcement of judgments against an employer arising from the employer's nonpayment of wages for work performed in California<sup>9</sup>. Essentially, the new law authorizes the Labor Commissioner<sup>10</sup> to use any of the existing remedies<sup>11</sup> available to a judgment creditor and to act as a levying officer when enforcing a judgment pursuant to a writ of execution<sup>12,13</sup>. Under SB 588, jurisdiction is conferred on the superior court.<sup>14</sup>

SB 588 provides the Labor Commissioner with additional enforcement tools to collect from employers who have exhausted all appeals for their non-payment of wages and have final judgments owed. The new law requires a business that has an outstanding unpaid judgment against it to purchase a wage bond of \$150,000. If the business fails to do that, the employer can be subject to a stop-work order and a lien at the Labor Commissioner's discretion.<sup>15</sup>

SB 588 also provides the Labor Commissioner with the authority to hold individual business owners liable for their debts to workers. This will discourage business owners from rolling up their operations and walking away from their debts to workers and starting a new company.<sup>16</sup>

Existing law authorizes the Labor Commissioner, after investigation and upon a determination that wages or monetary benefits are due and unpaid to any worker in the State of California, to collect the wages or benefits on behalf of the worker.<sup>17</sup> In addition, existing law authorizes the Labor Commissioner, at the Labor Commissioner's discretion and upon a final order, to place a lien on real property for amounts due. This property lien is filed with the county recorder in the county where the real property is located.<sup>18</sup>

## I. Basis for SB 588

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Wage theft has been acknowledged to be a significant problem, both nationally and in California.<sup>19</sup> Numerous studies have identified the problems associated with wage theft and have documented areas around the country.<sup>20</sup> In 2015, the UCLA Institute for Research and Labor and Employment published a study utilizing the data from the Ford Foundation study but focused its study<sup>21</sup> on Los Angeles County<sup>22</sup>. Both studies promoted strengthening government enforcement of existing labor and employment laws.<sup>23</sup>

The study that garnered the most attention during the debate over SB 588 was published in 2013 by the UCLA Labor Center and the National Employment Law Project. This report detailed that not only is there a high rate of wage theft in California, but also that there is a low rate of collecting those wages.<sup>24</sup>

## **II. Proponents' Arguments**

The sponsors of SB 588 were Koreatown Immigrant Workers Alliance<sup>25</sup>, Service Employees International Union California<sup>26</sup>, and Wage Justice Center<sup>27</sup>. They actively promoted the legislation for several years. Proponents and opponents of SB 588 worked diligently to compromise on the language contained in the bill.

Final amendments were made to SB 588 to ensure that there was no official opposition to the bill<sup>28</sup>. Per the Senate Floor Analysis, "the Assembly amendments created a sliding scale for the surety bond depending on the amount of outstanding wages, required that the Labor Commissioner reports to the State Department of Public Health or the State Department of Social Services if a long-term care facility is operating in violation of the surety bond provisions, clarified technical issues with wage orders, appeals, and attorney's fees, and also added co-authors."<sup>29</sup>

There was estimated to be administrative costs, as well as ongoing costs, in excess of \$2 million annually for the state to implement the provisions of SB 588.<sup>30</sup> These costs were based upon SB 588 imposing new duties on the Labor Commissioner.<sup>31</sup>

Proponents argued that "wage theft is a significant problem in California, with LA County's wage theft resulting in over \$1 billion unlawfully failing to reach the workers who desperately need it. Proponents also note that current wage theft collection rates are less than 20%."<sup>32</sup> Moreover, the bill's proponents "believe that SB 588 will help combat the high rate of wage theft in California by creating a simple lien process for the Labor Commissioner to use against employers who rob workers of their wages."<sup>33</sup>

## **III . Prior Related Legislation**

There were several bills over the prior four years that would have provided a pre-judgment wage lien against employers.<sup>34</sup> SB 588 took a different path by increasing the authority of the Labor Commissioner. "This is a key difference from prior attempts to address this issue. Prior bills authorized a pre-judgment lien. This bill authorizes the levy or lien to be filed only where a judgment has already been rendered against the employer. This bill also differs from prior legislation in that it authorizes a levy against the employer's credit, money, or related property (other than real property)."<sup>35</sup> SB 588 seeks to address the problem of unpaid wages by giving the Commissioner expanded power to file a levy or lien against the property of an employer.<sup>36</sup>

SB 588 authorizes the Commissioner to file a levy or lien on the employee's behalf. Unlike the earlier bills, this bill does not allow an employee to directly file a lien against an employer's property. This bill

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does not authorize a pre-judgment lien; rather, it authorizes the levy or lien to be filed only where a judgment has already been rendered against the employer.<sup>37</sup>

A coalition of business and employer associations, led by the California Chamber of Commerce, expressed a number of "concerns" that certain provisions of SB 588 will negatively impact employers.<sup>38</sup> They expressed concerns about the potential joint and several liability provisions, the potential for personal liability on lower-level supervisors and managers for wage and hour violations they did not commit and could not have prevented, and that the amount of the proposed bond needs to be adjusted to encourage payment of the underlying judgment.<sup>39</sup>

#### **IV. Provisions of SB 588**

The Labor Commissioner is authorized to issue a notice of levy if the levy is for a deposit, credit, money, or property in the possession or under the control of a bank or savings and loan association or for an account receivable or other general intangible owed to the judgment debtor by an account debtor<sup>40</sup>. The law authorizes the Labor Commissioner to provide for a hearing to recover civil penalties against any employer or other person acting on behalf of an employer for a violation of the provisions regulating hours and days of work contained in any order of the Industrial Welfare Commission<sup>41 42</sup>.

After a court judgment in favor of the Labor Commissioner or any employee, the Labor Commissioner may collect any outstanding amount by serving a notice of levy<sup>43</sup>. The Labor Commissioner may execute a levy on any property that may be properly levied<sup>44</sup>. Any party having control of the monies or property within one year of the notice of levy shall surrender the property to the Labor Commissioner or pay the amount to the Labor Commissioner within 10 days of the notice of levy<sup>45 46</sup>.

A person who surrenders the property to the Labor Commissioner will be discharged from any obligation or liability to the judgment debtor<sup>47</sup>. Failure to surrender the property will make the individual liable personally to the Labor Commissioner for the amount due<sup>48</sup>. This does not apply to the judgment debtor's interest in real property<sup>49 50</sup>.

The Labor Commissioner may provide for a hearing against any employer or other person acting on behalf of an employer<sup>51 52</sup>.

If there is a final judgment against an employer due to the nonpayment of wages for work performed in the state and it remains unpaid 10 days after the time for appeal has expired and no appeal is pending, the employer shall not conduct any business in this state, unless the employer has obtained a surety bond of a specified amount (as high as \$150,000) based upon the total amount due<sup>53 54</sup>.

In lieu of the bond, the employer may provide the Labor Commissioner with a notarized copy of an accord with the individual holding the unsatisfied final judgment.<sup>55</sup> The bond must be payable to the State of California for the benefit of the employee<sup>56</sup>. This section does not apply to those covered by a collective bargaining agreement (CBA) and the CBA deals with disputes about nonpayment of wages<sup>57 58</sup>.

The law makes any employer conducting business without satisfying the bond requirement subject to a specified civil penalty<sup>59</sup>. Where an employer is conducting business in violation of the bond requirement, the law authorizes the Labor Commissioner to issue and serve on the employer a stop order prohibiting the use of employee labor by the employer until the employer complies with the bond requirement provided that the stop order would not compromise or imperil public safety or the

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life, health, and care of vulnerable individuals<sup>60 61</sup>.

The stop order also prohibits the employer from providing services by subcontracting for labor<sup>62</sup>. The employer must pay employees affected by the stop order up to a maximum of 10 days<sup>63</sup>. The law makes the failure of an employer, owner, director, officer, or managing agent of the employer to observe a stop order guilty of a misdemeanor<sup>64 65</sup>.

The Labor Commissioner may obtain a lien on any real property in California of an employer that is conducting business in violation of the law for the full amount of any wages, interest, penalties, and attorney's fees claimed to be owed to any employee<sup>66</sup>. The Labor Commissioner must issue a release of the lien upon final satisfaction of any judgment entered in favor of the employee, upon adjudication of the claim in favor of the employer, or upon filing the surety bond<sup>67 68</sup>.

A lien under this section of SB 588 continues until 10 years from the date of its imposition<sup>69</sup>. Prior to using the lien procedure, the Labor Commissioner shall provide at least 20 days' notice to the employer<sup>70</sup>. The notice must advise the employer of the employee's claim and that the Labor Commissioner can issue the lien on the employer's property<sup>71</sup>. The Labor Commissioner must serve the notice on the employer by specified procedures<sup>72</sup>. This lien is in addition to any other lien rights available to the employee or the Labor Commissioner<sup>73 74</sup>.

The Labor Commissioner may create a lien on any personal property in California of an employer that conducts business in violation of this law for the full amount of any wages, interest, penalties, and attorney's fees claimed to be owed to any employee<sup>75</sup>. Essentially, the Labor Commissioner may create this lien by filing the notice with the Secretary of State and complying with specified procedures.<sup>76</sup>

The Labor Commissioner is the secured party and the employer is the debtor<sup>77</sup>. A description of the collateral must contain specified statements<sup>78</sup>. The lien applies to all personal property that is owned by the employer or that is subsequently acquired by the employer.<sup>79</sup>

The Labor Commissioner must file a termination statement that releases the lien upon final satisfaction of any judgment, adjudication in favor of the employer, or filing of a surety bond.<sup>80</sup> Unless the lien is satisfied or released, a lien under this law continues for 10 years<sup>81</sup>. Prior to using the lien procedure, the Labor Commissioner shall provide at least 20 days' notice to the employer<sup>82 83</sup>.

The notice must advise the employer of the employee's claim and that the Labor Commissioner can issue the lien on the employer's property.<sup>84</sup> The Labor Commissioner must serve the notice on the employer by specified procedures.<sup>85</sup> Upon entry of a final order or award against the employer for unpaid wages, the Labor Commissioner may bring an action to foreclose on any lien created.<sup>86</sup> This lien is in addition to any other lien rights available to the employee or the Labor Commissioner.<sup>87</sup>

A long-term care employer may not obtain a license or renew that license if the employer is conducting business in violation of this law.<sup>88</sup> "Long-term care" means operating a skilled nursing facility, etc. under the Health & Safety Code<sup>89 90</sup>.

An individual, partnership, corporation, or other entity that contracts with an employer to perform services in the property services or long-term care industries shall be jointly and severally liable when they are named as a defendant and provided specified notice.<sup>91</sup> These employers will be liable with the employer for any unpaid wages where the employer was found liable for those unpaid wages by an order, decision or award to the extent the amounts are for services performed under that

contract.<sup>92</sup>

The issue of joint and several-liability may be determined by the Labor Commissioner in a proceeding<sup>93, 94</sup>. The joint and several-liability under this law shall not apply to unpaid wages owed to employees covered by a collective bargaining agreement that deals with disputes about nonpayment of wages and there is a waiver of this section in the CBA<sup>95, 96</sup>.

An employer that contracts to provide services in the property services or long-term care industries shall, prior to entering into such a contract, provide written a notice to the other party of any unsatisfied final judgments against the employer for nonpayment of wages.<sup>97</sup> Within 30 days of a final judgment, a written notice of any unsatisfied final judgment against the employer must be provided by those under contract to the employer to provide property or long-term care services.<sup>98</sup> Failure to provide the notice is not a defense to joint and several-liability<sup>99</sup>. "Property services" includes janitorial, security guard, valet parking, landscaping and gardening services<sup>100, 101</sup>.

Any employer or "other person acting on behalf of an employer"<sup>102</sup> who violates any provision regulating minimum wages or hours and days of work, or other specified Labor Code provisions, may be held liable for the violation<sup>103, 104</sup>.

## V. Local Authority Provided

During the recently-concluded 2016 Legislative Session, there were additional efforts to combat wage theft in this state. Additional authority was granted for local enforcement and a new hurdle was imposed for challenging minimum wage violations.

Under AB 2899<sup>105</sup>, by Assemblyman Hernandez, employers who contest a Labor Commissioner ruling that the employer failed to pay the minimum wage to an employee must now post a bond equal to the amount of unpaid wages, excluding penalties.<sup>106</sup> The bond must be issued in favor of the unpaid employee<sup>107</sup>. The bond proceeds would be forfeited to the employee if the employer fails to pay the amount owed within 10 days from the conclusion of the proceedings.<sup>108</sup>

Under SB 1342<sup>109</sup>, by Senator Mendoza, local officials or department heads are granted the power to issue subpoenas and to report failures to comply with employment-related ordinances to superior court judges in order to enforce any local law or ordinance, which includes local wage laws.<sup>110</sup> Of note is that the bill includes a statement that the Legislature finds that this provision does not constitute a change in, but is declaratory of, existing law.<sup>111</sup> The intent of the Legislature is to encourage cities and counties to enact measures to combat wage theft.<sup>112</sup>

As a result of this legislation, California has provided the state's Labor Commissioner with significant new authority to combat wage theft in this state. Employers and employees alike will have to see how this new authority is utilized and whether it will be successful in combating wage theft, as well as ensuring increased collections of wages properly due employees.

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[1] Chapter 803 of the Statutes of 2015.

[2] There was extensive press coverage of this omnibus measure. See, e.g., "California lawmakers approve legislation to combat wage theft," Los Angeles Times, September 11, 2015.

[3] According to its website, "The mission of the California Labor Commissioner's Office is to ensure a just day's pay in every workplace in the State and to promote economic justice through robust enforcement of labor laws. By combating wage theft, protecting workers from retaliation, and educating the

public, we put earned wages into workers' pockets and help level the playing field for law-abiding employers. This office is also known as the Division of

[4] See “What Is Wage Theft?” UCLA Labor Center. <http://www.labor.ucla.edu/wage-theft/>.

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[5] See, e.g., “Combating Wage Theft in California,” California Budget & Policy Center. The Center found that wage theft is a widespread and persistent problem and workers face an uphill battle in recovering lost wages. <http://calbudgetcenter.org/blog/combating-wage-theft-in-california/>.

[6] The Department of Industrial Relations released its Wage Theft Protection Act of 2011 - Notice to Employees. <http://www.dir.ca.gov/dlse/FAQs-NoticeToEmployee.html>.

[7] The Wage Theft Prevention Act (AB 469) went into effect on January 1, 2012.

[8] See, e.g., “Mechanic’s Lien Litigation: Combating Wage Theft in the Day Laborer Community.” [www.courts.ca.gov/partners/documents/MechanicsLienPPT2015.pptx](http://www.courts.ca.gov/partners/documents/MechanicsLienPPT2015.pptx).

[9] See Senate Floor Analysis of SB 588.

[10] Chapter 10 of the Code of Civil Procedure is entitled “Enforcement of Judgments by Labor Commissioner.”

[11] This includes, but is not limited to, those remedies provided in Chapter 6 (commencing with Section 708.010) of Division 2 of the Code of Civil Procedure.

[12] CCP Section 690.030(a).

[13] As a result of the enactment of SB 588, the bill added Chapter 10 (commencing with Section 690.020) to Division 1 of Title 9 of Part 2 of the Code of Civil Procedure, amended Section 98 of the Labor Code, and added Sections 96.8, 238, 238.1, 238.2, 238.3, 238.4, 238.5, and 558.1 to the Labor Code.

[14] CCP Section 690.020. See, also, CCP Section 690.030(b).

[15] See Senate Floor Analysis of SB 588.

[16] Id.

[17] Labor Code Section 96.7.

[18] Labor Code Section 98.2(g).

[19] According to the Labor Commissioner, “The Labor Commissioner receives roughly 36,000 wage claims annually, about 8,000 of which complete the process and reach the Order, Decision or Award (ODA) stage. Of the latter amount, about 6,500 claims are found in favor of the wage claimant.”

[20] See, e.g., the Ford Foundation’s report entitled “Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America’s Cities,” which found that 76% of respondents who worked overtime in the previous week were not paid the legally required overtime rate by their

employers.

[21] Id.

[22] This study, titled “Wage Theft and Workplace Violations in Los Angeles: The Failure of Employment and Labor Law for Low-Wage Workers” focused on survey results of 1,815 workers in Los Angeles County. This study found similar results to the national survey: “almost 30 percent of the

workers sampled were paid less than the minimum wage in the prior work week, and 63.3 percent of these workers were underpaid by more than \$1 per

hour, thereby losing more than \$26 million per week.”

[23] See Senate Floor Analysis of SB 588.

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[24] The study found that only 17% of workers who prevailed in their wage claims before the Labor Commissioner and won a judgment were actually able to collect any payments.

[25] According to its website, "KIWA's mission is to empower Koreatown's low-wage immigrant workers for dignity and respect in the workplace and community, and to work together with other communities to realize a vision of a just Los Angeles. One of the nation's most established workers centers,

KIWA is one of the few community groups that organizes both Korean and Latino workers. Our vision is to bring together workers, community members,

and students in a broad, multi-ethnic coalition."

[26] According to its website, "Over 700,000 Californians make up SEIU in California; we work throughout the state, in all 58 counties, and we represent California in all of its diversity. We are social workers, nurses, classroom aides, state workers, security officers, college professors, home care workers,

janitors, and more."

[27] According to its website, "The Wage Justice Center fights for economic justice in California's working communities. We provide legal representation to low-income workers facing wage theft. We educate workers, advocates, and other legal service providers about effective strategies to

collect unpaid wages. We specialize in piercing corporate shell games to hold businesses accountable when they steal workers' wages. We use this

expertise to empower workers to exercise their rights and improve their working conditions."

[28] See Senate Floor Analysis of SB 588.

[29] Id.

[30] See Assembly Appropriations Committee's analysis of SB 588.

[31] The Assembly Appropriations Committee found "for example, the ability to utilize the levy process as a supplemental option beyond placing liens. The bill also expands duties related to surety bonds and the stop order process. Additionally, the bill could also result in unknown but potentially

significant court costs associated with additional proceedings regarding wage claims."

[32] See Senate Floor Analysis of SB 588.

[33] Id.

[34] AB 2416 (Stone) of 2014 would have allowed an employee to request that the Labor Commissioner file a pre-judgment lien on an employer's real, personal property, or on the real property where a contracted employee conducted work, in order to assist the employee in collecting unpaid wages. AB

2416 failed passage on the Senate Floor. AB 1164 (Lowenthal) from 2013 was similar to AB 2416 (Stone). This bill was moved to the inactive file on the

Assembly Floor and was not taken up for a vote. AB 2517 (Eng) of 2012, as introduced, was also similar to AB 2416 (Stone). The bill was subsequently

amended to provide for wage liens only in the car wash and polishing industry. AB 2517 failed passage on the Assembly Floor.

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[35] Senate Floor Analysis of SB 588.

[36] Id.

[37] Id.

[38] Id.

[39] Id.

[40] CCP Section 690.050(b).

[41] The Industrial Welfare Commission was established to regulate wages, hours and working conditions in California. IWC wage orders must be posted by all employers in an area frequented by employees, where they may be easily read during the workday. The IWC is currently not in operation.

However, the Division of Labor Standards Enforcement (DLSE) continues to enforce the provisions of the wage orders.

[42] These provisions are contained in Section One of SB 588. Section One added Chapter 10 (commencing with Section 690.020) to Division 1 of Title 9 of Part 2 of the Code of Civil Procedure.

[43] Labor Code Section 96.8(a).

[44] Labor Code Section 96.8(b).

[45] Labor Code Section 96.8(c).

[46] These provisions are contained in Section Two of SB 588. Section Two of the bill added Section 96.8 to the Labor Code.

[47] Labor Code Section 96.8(d).

[48] Labor Code Section 96.8(f).

[49] Labor Code Section 96.8(h).

[50] See Section 2 of the Bill.

[51] Labor Code Section 98(a).

[52] This provision is contained in Section Three of SB 588. Section Three of the bill amended Section 98 of the Labor Code.

[53] CCP Section 238(a).

[54] These provisions are contained in Section Four of SB 588. Section Four of the bill added Section 238 to the Code of Civil Procedure.

[55] CCP Section 238(b).

[56] CCP Section 238(c)(1).

[57] CCP Section 238(c)(2).

[58] See Section 4 of the Bill.

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[59] CCP Section 238 (f).

[60] CCP Section 238.1(a).

[61] These provisions are contained in Section Five of SB 588. Section Five of the bill added Section 238.1 to the Code of Civil Procedure.

[62] Id.

[63] Id.

[64] CCP Section 238.1(b)

[65] See Section 5 of the Bill.

[66] CCP Section 238.2(a).

[67] CCP Section 238.2(c).

[68] These provisions are contained in Section Six of SB 588. Section Six of the bill added Section 238.2 to the Code of Civil Procedure.

[69] CCP Section 238.2(d).

[70] CCP Section 238.2(e).

[71] Id.

[72] CCP Section 232.8 (f).

[73] CCP Section 238.2(g).

[74] See Section 6 of the Bill.

[75] CCP Sections 238.3(a).

[76] CCP Sections 238.3(b).

[77] CCP Sections 238.3(b)(1) and (b)(2).

[78] CCP Section 238.3(b)(3).

[79] These provisions are contained in Section Seven of SB 588. Section Seven of the bill added Section 238.3 to the Code of Civil Procedure.

[80] CCP Section 238.3(e).

[81] CCP Section 238.3(g).

[82] CCP Section 238.3(h).

[83] See Section 7 of the Bill.

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[84] CCP Sections 238.3(b)(3)(A) and (b)(3)(B).

[85] CCP Section 238.3(i).

[86] CCP Section 238.3(j).

[87] See Section 7 of the Bill.

[88] CCP Section 238.4(a).

[89] CCP Section 238.4(c).

[90] This provision is contained in Section Eight of SB 588. Section Eight of the bill added Section 238.4 to the Code of Civil Procedure.

[91] CCP Section 238.5(a)(1).

[92] Id.

[93] CCP Section 238.5(a)(2).

[94] These provisions are contained in Section Nine of SB 588. Section Nine of the bill added Section 238.5 to the Code of Civil Procedure.

[95] CCP Section 238.5(b)

[96] See Section 9 of the Bill.

[97] CCP Section 238.5(c)

[98] CCP Section 238.5(d)

[99] Id.

[100] CCP Section 238.5(e)(1).

[101] See Section 9 of the Bill.

[102] This phrase is defined in Labor Code Section 558.1(b) to apply to a natural person who is an owner, director, officer, or managing agent of the employer.

[103] Labor Code Section 558.1(a).

[104] These provisions are contained in Section Ten of SB 588. Section Ten of the bill added Section 558.1 to the Labor Code.

[105] Chapter 622, which amended Labor Code Section 1197.1.

[106] Labor Code Section 1197.1(c)(3).

[107] Id.

[108] Labor Code Section 1197.1(c)(4).

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[109] Chapter 115, which added Section 53060.4 to the Government Code, contained in Section Two of SB 1342.

[110] Government Code Section 53060.4(a).

[111] Government Code Section 53060.4(b).

[112] See Section One of SB 1342 which provides:

“(a) The Legislature finds and declares all of the following:

(1) Wage theft is prevalent among immigrant and low-wage workers in California.

(2) Los Angeles County, where approximately \$26.6 million in wages is stolen from laborers every week, has been dubbed by some as the “wage theft capital” of the United States.

(3) The Economic Roundtable and the University of California, Los Angeles, indicate that violations of wage laws in Los Angeles are pervasive, with 30 percent of low-wage workers in Los Angeles receiving less than the minimum wage and 88.5 percent of workers

experiencing some sort of wage theft.

(4) Wage theft can cause workers extreme financial hardship, making it harder for workers experiencing wage theft to take care of their families and contribute to the state economy.

(5) According to the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy, wage enforcement resources in California have not kept pace with increases in the number of employers and increased complexity of the employer-

employee relationship. Local jurisdictions, including the City and County of San Francisco, the City of Los Angeles, and the County of Los

Angeles, have addressed the need for additional wage enforcement resources by establishing local wage enforcement agencies.

(6) In California, 14 local jurisdictions have enacted minimum wage ordinances. The majority of these jurisdictions have designated or created local agencies to enforce local wage laws.

(7) Local wage enforcement is an effective means of combating wage theft. For example, San Francisco’s Office of Labor Standards Enforcement recovered 90.5 percent of wages and interest owed to workers between 2003 and 2013. (8) Pursuant to Sections 25207,

27721, and 37104, and *Dibb v. County of San Diego*, (8 Cal. 4th 1200), cities and counties are authorized to delegate to local officials the

authority to issue subpoenas in support of enforcing local wage ordinances.

(b) It is the intent of the Legislature in enacting this measure to promote honest pay for fair work by giving local wage enforcement programs all of the tools necessary to conduct successful wage claim investigations in order to recover unpaid back wages for hardworking

Californians.

(c) Cities and counties are encouraged to develop and enact specific measures to target and remedy wage theft.

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