

AMENDED IN SENATE AUGUST 29, 2011
AMENDED IN SENATE AUGUST 15, 2011
AMENDED IN SENATE JULY 12, 2011
AMENDED IN SENATE JUNE 27, 2011
AMENDED IN SENATE JUNE 14, 2011
AMENDED IN ASSEMBLY MAY 27, 2011
AMENDED IN ASSEMBLY MAY 3, 2011
AMENDED IN ASSEMBLY APRIL 14, 2011
AMENDED IN ASSEMBLY APRIL 7, 2011
AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 469

**Introduced by Assembly Member Swanson
(Coauthor: Assembly Member Huffman)**

February 15, 2011

An act to amend Sections 98, 226, 240, 243, ~~and 1174~~, *and 1197.1* of, and to add Sections 200.5, 1194.3, 1197.2, 1206, and ~~2811~~ *2810.5* to, the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 469, as amended, Swanson. Employees: wages.

(1) Existing law authorizes the Labor Commissioner to investigate and enforce statutes and orders of the Industrial Welfare Commission

that, among other things, specify the requirements for the payment of wages by employers. Existing law provides for criminal and civil penalties for violations of statutes and orders of the commission regarding payment of wages.

This bill would provide that in addition to being subject to a civil penalty, any employer who pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to paying restitution of wages to the employee.

This bill would make it a misdemeanor if an employer willfully violates specified wage statutes or orders, or willfully fails to pay a final court judgment or final order of the Labor Commissioner for wages due.

(2) Existing law provides that an action by the Division of Labor Standards Enforcement within the Department of Industrial Relations for collection of a statutory penalty or fee must be commenced within one year after the penalty or fee became final.

This bill would extend the period within which the division may commence a collection action, as defined, from one year to 3 years.

(3) Existing law permits the Labor Commissioner to require an employer who has been convicted of a subsequent wage violation or who has failed to satisfy a judgment to post a bond in order to continue business operations.

This bill would extend the time required for a subsequently convicted employer to maintain a bond from 6 months to 2 years and would require that a subsequently convicted employer provide an accounting of assets, as specified, to the Labor Commissioner.

(4) Existing law requires an employer to post specified wage and hour information in a location where it can be viewed by employees.

This bill would require an employer to provide each employee, at the time of hiring, with a notice that specifies the rate and the basis, whether hourly, salary, commission, or otherwise, of the employee's wages and to notify each employee in writing of any changes to the information set forth in the notice within 7 calendar days of the changes unless such changes are reflected on a timely wage statement or another writing, as specified. No notice would be required for an employee who is employed by the state or any subdivision thereof, exempt from the payment of overtime, or covered by a collective bargaining agreement containing specified information.

(5) In addition to the crime and employer obligations imposed by this bill, the Labor Code provides for other work-related standards and duties that, upon violation, are subject to specified penalties.

This bill would state that the Labor Code establishes minimum penalties for failure to comply with wage-related statutes and regulations.

Because this bill would create a new crime or expand the definition of a crime, it would impose a state-mandated local program.

(6) *This bill would incorporate additional changes to Section 98 of the Labor Code proposed by AB 240, that would become operative only if AB 240 and this bill are both enacted, both bills become effective on or before January 1, 2012, and this bill is enacted last.*

This bill would also incorporate additional changes to Section 226 of the Labor Code proposed by AB 243, that would become operative only if AB 243 and this bill are both enacted, both bills become effective on or before January 1, 2012, and this bill is enacted last.

(6)

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited as the
2 Wage Theft Prevention Act of 2011.
3 SEC. 2. Section 98 of the Labor Code is amended to read:
4 98. (a) The Labor Commissioner is authorized to investigate
5 employee complaints. The Labor Commissioner may provide for
6 a hearing in any action to recover wages, penalties, and other
7 demands for compensation properly before the division or the
8 Labor Commissioner, including orders of the Industrial Welfare
9 Commission, and shall determine all matters arising under his or
10 her jurisdiction. It is within the jurisdiction of the Labor
11 Commissioner to accept and determine claims from holders of
12 payroll checks or payroll drafts returned unpaid because of
13 insufficient funds, if, after a diligent search, the holder is unable

1 to return the dishonored check or draft to the payee and recover
2 the sums paid out. Within 30 days of the filing of the complaint,
3 the Labor Commissioner shall notify the parties as to whether a
4 hearing will be held, whether action will be taken in accordance
5 with Section 98.3, or whether no further action will be taken on
6 the complaint. If the determination is made by the Labor
7 Commissioner to hold a hearing, the hearing shall be held within
8 90 days of the date of that determination. However, the Labor
9 Commissioner may postpone or grant additional time before setting
10 a hearing if the Labor Commissioner finds that it would lead to an
11 equitable and just resolution of the dispute. A party who has
12 received actual notice of a claim before the Labor Commissioner
13 shall, while the matter is before the Labor Commissioner, notify
14 the Labor Commissioner in writing of any change in that party's
15 business or personal address within 10 days after the change in
16 address occurs.

17 It is the intent of the Legislature that hearings held pursuant to
18 this section be conducted in an informal setting preserving the
19 rights of the parties.

20 (b) When a hearing is set, a copy of the complaint, which shall
21 include the amount of compensation requested, together with a
22 notice of time and place of the hearing, shall be served on all
23 parties, personally or by certified mail, or in the manner specified
24 in Section 415.20 of the Code of Civil Procedure.

25 (c) Within 10 days after service of the notice and the complaint,
26 a defendant may file an answer with the Labor Commissioner in
27 any form as the Labor Commissioner may prescribe, setting forth
28 the particulars in which the complaint is inaccurate or incomplete
29 and the facts upon which the defendant intends to rely.

30 (d) No pleading other than the complaint and answer of the
31 defendant or defendants shall be required. Both shall be in writing
32 and shall conform to the form and the rules of practice and
33 procedure adopted by the Labor Commissioner.

34 (e) Evidence on matters not pleaded in the answer shall be
35 allowed only on terms and conditions the Labor Commissioner
36 shall impose. In all these cases, the claimant shall be entitled to a
37 continuance for purposes of review of the new evidence.

38 (f) If the defendant fails to appear or answer within the time
39 allowed under this chapter, no default shall be taken against him
40 or her, but the Labor Commissioner shall hear the evidence offered

1 and shall issue an order, decision, or award in accordance with the
2 evidence. A defendant failing to appear or answer, or subsequently
3 contending to be aggrieved in any manner by want of notice of the
4 pendency of the proceedings, may apply to the Labor
5 Commissioner for relief in accordance with Section 473 of the
6 Code of Civil Procedure. The Labor Commissioner may afford
7 this relief. No right to relief, including the claim that the findings
8 or award of the Labor Commissioner or judgment entered thereon
9 are void upon their face, shall accrue to the defendant in any court
10 unless prior application is made to the Labor Commissioner in
11 accordance with this chapter.

12 (g) All hearings conducted pursuant to this chapter are governed
13 by the division and by the rules of practice and procedure adopted
14 by the Labor Commissioner.

15 (h) (1) Whenever a claim is filed under this chapter against a
16 person operating or doing business under a fictitious business
17 name, as defined in Section 17900 of the Business and Professions
18 Code, which relates to the person's business, the division shall
19 inquire at the time of the hearing whether the name of the person
20 is the legal name under which the business or person has been
21 licensed, registered, incorporated, or otherwise authorized to do
22 business.

23 (2) The division may amend an order, decision, or award to
24 conform to the legal name of the business or the person who is the
25 defendant to a wage claim, if it can be shown that proper service
26 was made on the defendant or his or her agent, unless a judgment
27 had been entered on the order, decision, or award pursuant to
28 subdivision (d) of Section 98.2. The Labor Commissioner may
29 apply to the clerk of the superior court to amend a judgment that
30 has been issued pursuant to a final order, decision, or award to
31 conform to the legal name of the defendant, if it can be shown that
32 proper service was made on the defendant or his or her agent.

33 *SEC. 2.5. Section 98 of the Labor Code is amended to read:*

34 98. (a) The Labor Commissioner ~~shall have the authority~~ is
35 *authorized* to investigate employee complaints. The Labor
36 Commissioner may provide for a hearing in any action to recover
37 wages, penalties, and other demands for compensation, *including*
38 *liquidated damages if the complaint alleges payment of a wage*
39 *less than the minimum wage fixed by an order of the Industrial*
40 *Welfare Commission or by statute, properly before the division or*

1 the Labor Commissioner, including orders of the Industrial Welfare
2 Commission, and shall determine all matters arising under his or
3 her jurisdiction. It ~~shall be~~ is within the jurisdiction of the Labor
4 Commissioner to accept and determine claims from holders of
5 payroll checks or payroll drafts returned unpaid because of
6 insufficient funds, if, after a diligent search, the holder is unable
7 to return the dishonored check or draft to the payee and recover
8 the sums paid out. Within 30 days of the filing of the complaint,
9 the Labor Commissioner shall notify the parties as to whether a
10 hearing will be held, whether action will be taken in accordance
11 with Section 98.3, or whether no further action will be taken on
12 the complaint. If the determination is made by the Labor
13 Commissioner to hold a hearing, the hearing shall be held within
14 90 days of the date of that determination. However, the Labor
15 Commissioner may postpone or grant additional time before setting
16 a hearing if the Labor Commissioner finds that it would lead to an
17 equitable and just resolution of the dispute. *A party who has*
18 *received actual notice of a claim before the Labor Commissioner*
19 *shall, while the matter is before the Labor Commissioner, notify*
20 *the Labor Commissioner in writing of any change in that party's*
21 *business or personal address within 10 days after the change in*
22 *address occurs.*

23 It is the intent of the Legislature that hearings held pursuant to
24 this section be conducted in an informal setting preserving the
25 ~~right~~ rights of the parties.

26 (b) When a hearing is set, a copy of the complaint, which shall
27 include the amount of compensation requested, together with a
28 notice of time and place of the hearing, shall be served on all
29 parties, personally or by certified mail, or in the manner specified
30 in Section 415.20 of the Code of Civil Procedure.

31 (c) Within 10 days after service of the notice and the complaint,
32 a defendant may file an answer with the Labor Commissioner in
33 any form as the Labor Commissioner may prescribe, setting forth
34 the particulars in which the complaint is inaccurate or incomplete
35 and the facts upon which the defendant intends to rely.

36 (d) No pleading other than the complaint and answer of the
37 defendant or defendants shall be required. Both shall be in writing
38 and shall conform to the form and the rules of practice and
39 procedure adopted by the Labor Commissioner.

1 (e) Evidence on matters not pleaded in the answer shall be
2 allowed only on terms and conditions the Labor Commissioner
3 shall impose. In all these cases, the claimant shall be entitled to a
4 continuance for purposes of review of the new evidence.

5 (f) If the defendant fails to appear or answer within the time
6 allowed under this chapter, no default shall be taken against him
7 or her, but the Labor Commissioner shall hear the evidence offered
8 and shall issue an order, decision, or award in accordance with the
9 evidence. A defendant failing to appear or answer, or subsequently
10 contending to be aggrieved in any manner by want of notice of the
11 pendency of the proceedings, may apply to the Labor
12 Commissioner for relief in accordance with Section 473 of the
13 Code of Civil Procedure. The Labor Commissioner may afford
14 this relief. No right to relief, including the claim that the findings
15 or award of the Labor Commissioner or judgment entered thereon
16 are void upon their face, shall accrue to the defendant in any court
17 unless prior application is made to the Labor Commissioner in
18 accordance with this chapter.

19 (g) All hearings conducted pursuant to this chapter are governed
20 by the division and by the rules of practice and procedure adopted
21 by the Labor Commissioner.

22 (h) (1) Whenever a claim is filed under this chapter against a
23 person operating or doing business under a fictitious business
24 name, as defined in Section 17900 of the Business and Professions
25 Code, which relates to the person's business, the division shall
26 inquire at the time of the hearing whether the name of the person
27 is the legal name under which the business or person has been
28 licensed, registered, incorporated, or otherwise authorized to do
29 business.

30 (2) The division may amend an order, decision, or award to
31 conform to the legal name of the business or the person who is the
32 defendant to a wage claim, if it can be shown that proper service
33 was made on the defendant or his or her agent, unless a judgment
34 had been entered on the order, decision, or award pursuant to
35 subdivision (d) of Section 98.2. The Labor Commissioner may
36 apply to the clerk of the superior court to amend a judgment that
37 has been issued pursuant to a final order, decision, or award to
38 conform to the legal name of the defendant, if it can be shown that
39 proper service was made on the defendant or his or her agent.

40 SEC. 3. Section 200.5 is added to the Labor Code, to read:

1 200.5. (a) Notwithstanding any provision of this code or
2 Section 340 of the Code of Civil Procedure, to collect a civil
3 penalty, fee, or penalty fee under this division, the Division of
4 Labor Standards Enforcement shall commence an action within
5 three years from the date the penalty or fee became final. Upon
6 commencement of an action, the clerk of the superior court shall
7 enter judgment immediately in conformity therewith.

8 (b) This section applies only to penalty assessments or fees that
9 became final on or after the effective date of the act adding this
10 section.

11 (c) For purposes of this section, “commence an action” means
12 to file a request for entry of judgment on a civil penalty or fee with
13 the clerk of the superior court of the relevant county.

14 (d) For purposes of this section, “final” means the time to appeal
15 has expired and there is no appeal pending.

16 SEC. 4. Section 226 of the Labor Code is amended to read:

17 226. (a) Every employer shall, semimonthly or at the time of
18 each payment of wages, furnish each of his or her employees,
19 either as a detachable part of the check, draft, or voucher paying
20 the employee’s wages, or separately when wages are paid by
21 personal check or cash, an accurate itemized statement in writing
22 showing (1) gross wages earned, (2) total hours worked by the
23 employee, except for any employee whose compensation is solely
24 based on a salary and who is exempt from payment of overtime
25 under subdivision (a) of Section 515 or any applicable order of
26 the Industrial Welfare Commission, (3) the number of piece-rate
27 units earned and any applicable piece rate if the employee is paid
28 on a piece-rate basis, (4) all deductions, provided that all deductions
29 made on written orders of the employee may be aggregated and
30 shown as one item, (5) net wages earned, (6) the inclusive dates
31 of the period for which the employee is paid, (7) the name of the
32 employee and his or her social security number, except that by
33 January 1, 2008, only the last four digits of his or her social security
34 number or an employee identification number other than a social
35 security number may be shown on the itemized statement, (8) the
36 name and address of the legal entity that is the employer, and (9)
37 all applicable hourly rates in effect during the pay period and the
38 corresponding number of hours worked at each hourly rate by the
39 employee. The deductions made from payments of wages shall be
40 recorded in ink or other indelible form, properly dated, showing

1 the month, day, and year, and a copy of the statement and the
2 record of the deductions shall be kept on file by the employer for
3 at least three years at the place of employment or at a central
4 location within the State of California.

5 (b) An employer that is required by this code or any regulation
6 adopted pursuant to this code to keep the information required by
7 subdivision (a) shall afford current and former employees the right
8 to inspect or copy the records pertaining to that current or former
9 employee, upon reasonable request to the employer. The employer
10 may take reasonable steps to ensure the identity of a current or
11 former employee. If the employer provides copies of the records,
12 the actual cost of reproduction may be charged to the current or
13 former employee.

14 (c) An employer who receives a written or oral request to inspect
15 or copy records pursuant to subdivision (b) pertaining to a current
16 or former employee shall comply with the request as soon as
17 practicable, but no later than 21 calendar days from the date of the
18 request. A violation of this subdivision is an infraction.
19 Impossibility of performance, not caused by or a result of a
20 violation of law, shall be an affirmative defense for an employer
21 in any action alleging a violation of this subdivision. An employer
22 may designate the person to whom a request under this subdivision
23 will be made.

24 (d) This section does not apply to any employer of any person
25 employed by the owner or occupant of a residential dwelling whose
26 duties are incidental to the ownership, maintenance, or use of the
27 dwelling, including the care and supervision of children, or whose
28 duties are personal and not in the course of the trade, business,
29 profession, or occupation of the owner or occupant.

30 (e) An employee suffering injury as a result of a knowing and
31 intentional failure by an employer to comply with subdivision (a)
32 is entitled to recover the greater of all actual damages or fifty
33 dollars (\$50) for the initial pay period in which a violation occurs
34 and one hundred dollars (\$100) per employee for each violation
35 in a subsequent pay period, not exceeding an aggregate penalty of
36 four thousand dollars (\$4,000), and is entitled to an award of costs
37 and reasonable attorney's fees.

38 (f) A failure by an employer to permit a current or former
39 employee to inspect or copy records within the time set forth in
40 subdivision (c) entitles the current or former employee or the Labor

1 Commissioner to recover a seven-hundred-fifty-dollar (\$750)
2 penalty from the employer.

3 (g) An employee may also bring an action for injunctive relief
4 to ensure compliance with this section, and is entitled to an award
5 of costs and reasonable attorney's fees.

6 (h) This section does not apply to the state, to any city, county,
7 city and county, district, or to any other governmental entity, except
8 that if the state or a city, county, city and county, district, or other
9 governmental entity furnishes its employees with a check, draft,
10 or voucher paying the employee's wages, the state or a city, county,
11 city and county, district, or other governmental entity shall, by
12 January 1, 2008, use no more than the last four digits of the
13 employee's social security number or shall use an employee
14 identification number other than the social security number on the
15 itemized statement provided with the check, draft, or voucher.

16 *SEC. 4.5. Section 226 of the Labor Code is amended to read:*

17 226. (a) Every employer shall, semimonthly or at the time of
18 each payment of wages, furnish each of his or her employees,
19 either as a detachable part of the check, draft, or voucher paying
20 the employee's wages, or separately when wages are paid by
21 personal check or cash, an accurate itemized statement in writing
22 showing (1) gross wages earned, (2) total hours worked by the
23 employee, except for any employee whose compensation is solely
24 based on a salary and who is exempt from payment of overtime
25 under subdivision (a) of Section 515 or any applicable order of
26 the Industrial Welfare Commission, (3) the number of piece-rate
27 units earned and any applicable piece rate if the employee is paid
28 on a piece-rate basis, (4) all deductions, provided that all deductions
29 made on written orders of the employee may be aggregated and
30 shown as one item, (5) net wages earned, (6) the inclusive dates
31 of the period for which the employee is paid, (7) the name of the
32 employee and ~~his or her social security number, except that by~~
33 ~~January 1, 2008, only the last four digits of his or her social security~~
34 ~~number or an employee identification number other than a social~~
35 ~~security number may be shown on the itemized statement,~~ (8) the
36 name and address of the legal entity that is the *employer and, if*
37 *the employer is a farm labor contractor, as defined in subdivision*
38 *(b) of Section 1682, the name and address of the legal entity that*
39 *secured the services of the employer,* and (9) all applicable hourly
40 rates in effect during the pay period and the corresponding number

1 of hours worked at each hourly rate by the employee. The
2 deductions made from ~~payments~~ *payment* of wages shall be
3 recorded in ink or other indelible form, properly dated, showing
4 the month, day, and year, and a copy of the statement ~~or a~~ *and the*
5 record of the deductions shall be kept on file by the employer for
6 at least three years at the place of employment or at a central
7 location within the State of California.

8 (b) An employer that is required by this code or any regulation
9 adopted pursuant to this code to keep the information required by
10 subdivision (a) shall afford current and former employees the right
11 to inspect or copy the records pertaining to ~~that current or former~~
12 ~~employee~~ *their employment*, upon reasonable request to the
13 employer. The employer may take reasonable steps to ~~assure~~ *ensure*
14 the identity of a current or former employee. If the employer
15 provides copies of the records, the actual cost of reproduction may
16 be charged to the current or former employee.

17 (c) An employer who receives a written or oral request to inspect
18 or copy records pursuant to subdivision (b) pertaining to a current
19 or former employee shall comply with the request as soon as
20 practicable, but no later than 21 calendar days from the date of the
21 request. A violation of this subdivision is an infraction.
22 Impossibility of performance, not caused by or a result of a
23 violation of law, shall be an affirmative defense for an employer
24 in any action alleging a violation of this subdivision. An employer
25 may designate the person to whom a request under this subdivision
26 will be made.

27 (d) This section does not apply to any employer of any person
28 employed by the owner or occupant of a residential dwelling whose
29 duties are incidental to the ownership, maintenance, or use of the
30 dwelling, including the care and supervision of children, or whose
31 duties are personal and not in the course of the trade, business,
32 profession, or occupation of the owner or occupant.

33 (e) An employee suffering injury as a result of a knowing and
34 intentional failure by an employer to comply with subdivision (a)
35 is entitled to recover the greater of all actual damages or fifty
36 dollars (\$50) for the initial pay period in which a violation occurs
37 and one hundred dollars (\$100) per employee for each violation
38 in a subsequent pay period, not exceeding an aggregate penalty of
39 four thousand dollars (\$4,000), and is entitled to an award of costs
40 and reasonable attorney's fees.

1 (f) A failure by an employer to permit a current or former
2 employee to inspect or copy records within the time set forth in
3 subdivision (c) entitles the current or former employee or the Labor
4 Commissioner to recover a seven-hundred-fifty-dollar (\$750)
5 penalty from the employer.

6 (g) *The listing by an employer of the name and address of the*
7 *legal entity that secured the services of the employer in the itemized*
8 *statement required by subdivision (a) shall not create any liability*
9 *on the part of that legal entity.*

10 ~~(g)~~
11 (h) An employee may also bring an action for injunctive relief
12 to ensure compliance with this section, and is entitled to an award
13 of costs and reasonable attorney's fees.

14 ~~(h)~~
15 (i) This section does not apply to the state, to any city, county,
16 city and county, district, or to any other governmental entity, except
17 that if the state or a city, county, city and county, district, or other
18 governmental entity furnishes its employees with a check, draft,
19 or voucher paying the employee's wages, the state or a city, county,
20 city and county, district, or other governmental entity shall, ~~by~~
21 ~~January 1, 2008,~~ use no more than the last four digits of the
22 employee's social security number or shall use an employee
23 identification number other than the social security number on the
24 itemized statement provided with the check, draft, or voucher.

25 SEC. 5. Section 240 of the Labor Code is amended to read:

26 240. (a) If any employer has been convicted of a violation of
27 any provision of this article, or if any judgment against an employer
28 for nonpayment of wages remains unsatisfied for a period of 10
29 days after the time to appeal therefrom has expired, and no appeal
30 therefrom is then pending, the Labor Commissioner may require
31 the employer to deposit a bond in such sum as the Labor
32 Commissioner may deem sufficient and adequate in the
33 circumstances, to be approved by the Labor Commissioner. The
34 bond shall be payable to the Labor Commissioner and shall be
35 conditioned that the employer shall, for a definite future period,
36 not exceeding two years, pay the employees in accordance with
37 the provisions of this article, and shall be further conditioned upon
38 the payment by the employer of any judgment which may be
39 recovered against the employer pursuant to the provisions of this
40 article.

1 (b) If an order to post a bond issued against an employer under
2 this section remains unsatisfied for a period of 10 days after the
3 time to appeal therefrom has expired, and no appeal from the order
4 is then pending, the Labor Commissioner may require the employer
5 to provide an accounting of assets of the employer, including a list
6 of all bank accounts, accounts receivable, personal property, real
7 property, automobiles or other vehicles, and any other assets, in a
8 form and manner as prescribed by the Labor Commissioner. An
9 employer shall provide an amended accounting of assets, if ordered
10 by the Labor Commissioner to do so. If, within 10 days after a
11 demand for an accounting of assets, made by certified or registered
12 mail, the employer fails to provide an accounting, or if the
13 employer fails to provide an amended accounting after receiving
14 a demand by the Labor Commissioner to do so, the Labor
15 Commissioner may bring an action in the name and on behalf of
16 the people of the State of California against such employer to
17 compel the employer to furnish the accounting. An employer who
18 fails to provide an accounting as required by this subdivision shall
19 be subject to a civil penalty not to exceed ten thousand dollars
20 (\$10,000).

21 (c) If, within 10 days after demand for the bond, which demand
22 may be made by mail, the employer fails to deposit the bond, the
23 Labor Commissioner may bring an action in the name and on
24 behalf of the people of the State of California against the employer
25 in a court of competent jurisdiction to compel the employer to
26 furnish the bond or to cease doing business until the employer has
27 done so. The employer has the burden of proving either that the
28 bond is unnecessary or that the amount demanded is excessive. If
29 the court finds that there is just cause for requiring the bond, and
30 that the bond is reasonably necessary or proper to secure prompt
31 payment of the wages of the employees of the employer and the
32 employer's compliance with the provisions of this article, the court
33 may enjoin the employer, whether an individual, partnership,
34 corporation, company, trust, or association, and such other person
35 or persons as may have been or may be concerned with or in any
36 way participating in the failure to pay the wages resulting in the
37 conviction or in the judgment, from doing business until the
38 requirement is met, and make other and further orders appropriate
39 to compel compliance with the requirement.

40 SEC. 6. Section 243 of the Labor Code is amended to read:

1 243. (a) If, within 10 years of either a conviction for a violation
2 of this article or failing to satisfy a judgment for nonpayment of
3 wages, or of both, it is alleged that an employer on a second
4 occasion has been convicted of again violating this article or is
5 failing to satisfy a judgment for nonpayment of wages, an employee
6 or the employee's legal representative, an attorney licensed to
7 practice law in this state, may, on behalf of himself or herself and
8 others, bring an action in a court of competent jurisdiction for a
9 temporary restraining order prohibiting the employer from doing
10 business in this state unless the employer deposits with the court
11 a bond to secure compliance by the employer with this article or
12 to satisfy the judgment for nonpayment of wages.

13 (b) Upon the filing of an affidavit that, to the satisfaction of the
14 court, shows reasonable proof that an employer, for the second
15 time within 10 years, has been convicted of violating this article
16 or has failed to satisfy a judgment for the nonpayment of wages,
17 or both, the court may grant an order that prohibits the employer
18 within 30 days from conducting any business within the state unless
19 the employer deposits a bond payable to the Labor Commissioner,
20 with the condition that the employer make wage payments in
21 accordance with this article, or that the employer pay any
22 unsatisfied judgment for nonpayment of wages, or both. The court
23 shall order that the bond be on deposit with the Labor
24 Commissioner at all times within a five-year period from the date
25 of the order, that the employer employs more than 10 employees.
26 The court shall order that the bond be in an amount equal to
27 twenty-five thousand dollars (\$25,000) or 25 percent of the weekly
28 gross payroll of the employer at the time of the posting of the bond,
29 whichever is greater, and that the term of the bond be for the
30 duration of the service of the employee who brought the action,
31 until past due wages have been paid, or until satisfaction of all
32 judgments for nonpayment of wages. The bond shall also be
33 payable for wages, interest on wages and for any damages arising
34 from any violation of orders of the Industrial Welfare Commission,
35 and for any other monetary relief awarded to an employee as a
36 result of a violation of this code. To aid in the enforcement of this
37 section, upon a request by the Labor Commissioner or an employee
38 bringing an action pursuant to this section, the court may
39 additionally require the employer to provide an accounting of
40 assets of the employer, including a list of all bank accounts,

1 accounts receivable, personal property, real property, automobiles
2 or other vehicles, and any other assets, in a form and manner as
3 prescribed by the court. An employer shall provide an amended
4 accounting of assets if ordered by the court to do so. If, within 10
5 days after a demand for an accounting of assets, which demand
6 may be made by certified or registered mail, the employer shall
7 fail to provide an accounting, or if the employer fails to provide
8 an amended accounting being ordered to do so, the court may take
9 all appropriate action to enforce its order, including the imposition
10 of appropriate sanctions.

11 (c) For purposes of subdivision (b), an employer shall be deemed
12 to have been convicted of having violated this article or to have
13 failed to satisfy a judgment for the second time within 10 years if,
14 to secure labor or personal services in connection with his or her
15 business, the employer uses the services of an agent, contractor,
16 or subcontractor who is convicted of a violation of this article or
17 fails to satisfy a judgment for wages respecting those employees,
18 or both, but only if the employer had actual knowledge of the
19 person's failure to pay wages. In issuing a temporary restraining
20 order pursuant to this section, the court, in determining the amount
21 and term of the bond, shall count the agent's, contractor's, or
22 subcontractor's employees as part of the employer's total
23 workforce. This subdivision shall not apply where a temporary
24 restraining order against the agent, contractor, or subcontractor as
25 an employer has been issued pursuant to subdivision (b).

26 (d) An employer who, for the third time within 10 years of the
27 first occurrence, is alleged to have violated this article or to have
28 failed to satisfy a judgment for nonpayment of wages, or both,
29 shall be deemed by the court to have commenced a new five-year
30 period for which the posting of a bond may be ordered in
31 accordance with subdivision (b), except that the court may, in its
32 discretion, require the posting of a bond in a greater amount as it
33 determines appropriate under the circumstances.

34 (e) A former employee who was a party to an earlier action
35 against an employer in which a judgment for the payment of wages
36 was obtained, and who alleges that the employer has failed to
37 satisfy the judgment for the payment of wages, in addition to any
38 other available remedy, may petition the court pursuant to
39 subdivision (b) for a temporary restraining order against the

1 employer to cease doing business in this state unless the employer
2 posts a bond with the court.

3 (f) Actions brought pursuant to this section shall be set for trial
4 at the earliest possible date, and shall take precedence over all
5 other cases, except older matters of the same character and matters
6 to which special precedence may be given by law.

7 (g) Nothing in this section shall be construed to impose any
8 mandatory duties on the Labor Commissioner.

9 SEC. 7. Section 1174 of the Labor Code is amended to read:

10 1174. Every person employing labor in this state shall:

11 (a) Furnish to the commission, at its request, reports or
12 information that the commission requires to carry out this chapter.
13 The reports and information shall be verified if required by the
14 commission or any member thereof.

15 (b) Allow any member of the commission or the employees of
16 the Division of Labor Standards Enforcement free access to the
17 place of business or employment of the person to secure any
18 information or make any investigation that they are authorized by
19 this chapter to ascertain or make. The commission may inspect or
20 make excerpts, relating to the employment of employees, from the
21 books, reports, contracts, payrolls, documents, or papers of the
22 person.

23 (c) Keep a record showing the names and addresses of all
24 employees employed and the ages of all minors.

25 (d) Keep, at a central location in the state or at the plants or
26 establishments at which employees are employed, payroll records
27 showing the hours worked daily by and the wages paid to, and the
28 number of piece-rate units earned by and any applicable piece rate
29 paid to, employees employed at the respective plants or
30 establishments. These records shall be kept in accordance with
31 rules established for this purpose by the commission, but in any
32 case shall be kept on file for not less than three years. An employer
33 shall not prohibit an employee from maintaining a personal record
34 of hours worked, or, if paid on a piece-rate basis, piece-rate units
35 earned.

36 SEC. 8. Section 1194.3 is added to the Labor Code, to read:

37 1194.3. An employee may recover attorney's fees and costs
38 incurred to enforce a court judgment for unpaid wages due pursuant
39 to this code.

40 SEC. 9. Section 1197.1 of the Labor Code is amended to read:

1197.1. (a) Any employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty *and restitution of wages payable to the employee*, as follows:

(1) For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid. *This amount shall be in addition to an amount sufficient to recover underpaid wages.*

(2) For each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. *This amount shall be in addition to an amount sufficient to recover underpaid wages.*

(3) *Wages recovered pursuant to this section shall be paid to the affected employee.*

(b) If, upon inspection or investigation, the Labor Commissioner determines that a person has paid or caused to be paid a wage less than the minimum, the Labor Commissioner may issue a citation to the person in violation. The citation may be served personally or by registered mail in accordance with subdivision (c) of Section 11505 of the Government Code. Each citation shall be in writing and shall describe the nature of the violation, including reference to the statutory provision alleged to have been violated. The Labor Commissioner promptly shall take all appropriate action, in accordance with this section, to enforce the citation and to recover the civil penalty assessed *and wages* in connection with the citation.

(c) If a person desires to contest a citation or the proposed assessment of a civil penalty *and wages* therefor, the person shall, within 15 business days after service of the citation, notify the office of the Labor Commissioner that appears on the citation of his or her request for an informal hearing. The Labor Commissioner or his or her deputy or agent shall, within 30 days, hold a hearing at the conclusion of which the citation or proposed assessment of a civil penalty *and wages* shall be affirmed, modified, or dismissed.

The decision of the Labor Commissioner shall consist of a notice of findings, findings, and an order, all of which shall be served on all parties to the hearing within 15 days after the hearing by regular

1 first-class mail at the last known address of the party on file with
2 the Labor Commissioner. Service shall be completed pursuant to
3 Section 1013 of the Code of Civil Procedure. Any amount found
4 due by the Labor Commissioner as a result of a hearing shall
5 become due and payable 45 days after notice of the findings and
6 written findings and order have been mailed to the party assessed.
7 A writ of mandate may be taken from this finding to the appropriate
8 superior court. The party shall pay any judgment and costs
9 ultimately rendered by the court against the party for the
10 assessment. The writ shall be taken within 45 days of service of
11 the notice of findings, findings, and order thereon.

12 (d) A person to whom a citation has been issued shall, in lieu
13 of contesting a citation pursuant to this section, transmit to the
14 office of the Labor Commissioner designated on the citation the
15 amount specified for the violation within 15 business days after
16 issuance of the citation.

17 (e) When no petition objecting to a citation or the proposed
18 assessment of a civil penalty *and wages* is filed, a certified copy
19 of the citation or proposed civil penalty *and wages* may be filed
20 by the Labor Commissioner in the office of the clerk of the superior
21 court in any county in which the person assessed has or had a place
22 of business. The clerk, immediately upon the filing, shall enter
23 judgment for the state against the person assessed in the amount
24 shown on the citation or proposed assessment of a civil penalty
25 *and wages*.

26 (f) When findings and the order thereon are made affirming or
27 modifying a citation or proposed assessment of a civil penalty *and*
28 *wages* after hearing, a certified copy of these findings and the order
29 entered thereon may be entered by the Labor Commissioner in the
30 office of the clerk of the superior court in any county in which the
31 person assessed has property or in which the person assessed has
32 or had a place of business. The clerk, immediately upon the filing,
33 shall enter judgment for the state against the person assessed in
34 the amount shown on the certified order.

35 (g) A judgment entered pursuant to this section shall bear the
36 same rate of interest and shall have the same effect as other
37 judgments and be given the same preference allowed by the law
38 on other judgments rendered for claims for taxes. The clerk shall
39 make no charge for the service provided by this section to be
40 performed by him or her.

1 (h) The civil penalties provided for in this section are in addition
2 to any other penalty provided by law.

3 (i) This section shall not apply to any order of the commission
4 relating to household occupations.

5 ~~SEC. 9.~~

6 *SEC. 10.* Section 1197.2 is added to the Labor Code, to read:

7 1197.2. (a) In addition to any other penalty imposed by law,
8 an employer who willfully fails to pay and has the ability to pay
9 a final court judgment or final order issued by the Labor
10 Commissioner for all wages due to an employee who has been
11 discharged or who has quit within 90 days of the date that the
12 judgment was entered or the order became final is guilty of a
13 misdemeanor. For purposes of this section, “final court judgment
14 or final order” means a court judgment or order as to which the
15 time to appeal has expired and there is no appeal pending. If the
16 total amount of wages due is less than one thousand dollars
17 (\$1,000), upon conviction therefor, the employer shall be fined
18 not less than one thousand dollars (\$1,000) nor more than ten
19 thousand dollars (\$10,000) or imprisoned in a county jail for not
20 more than six months, for each offense. If the total amount of
21 wages due is more than one thousand dollars (\$1,000) upon
22 conviction therefor, the employer shall be fined not less than ten
23 thousand dollars (\$10,000) nor more than twenty thousand dollars
24 (\$20,000), or imprisoned in a county jail for not less than six
25 months, nor more than one year, or both the fine and imprisonment,
26 for each offense. If there are multiple failures to pay wages
27 involving more than one employee, the total amount of wages due
28 to all employees shall be aggregated together for purposes of
29 determining the level of fine and the term of imprisonment.

30 (b) As used in this section, “willfully” has the same meaning
31 as provided in Section 7 of the Penal Code.

32 (c) Nothing in this section precludes prosecution under any
33 other provision of law.

34 ~~SEC. 10.~~

35 *SEC. 11.* Section 1206 is added to the Labor Code, to read:

36 1206. Notwithstanding any other provision of law, this code
37 establishes minimum penalties for failure to comply with
38 wage-related statutes and regulations.

1 ~~SEC. 11.~~

2 ~~SEC. 12.~~ Section ~~2811~~ 2810.5 is added to the Labor Code, to
3 read:

4 ~~2811.~~

5 2810.5. (a) (1) At the time of hiring, an employer shall provide
6 each employee a written notice, in the language the employer
7 normally uses to communicate employment-related information
8 to the employee, containing the following information:

9 (A) The rate or rates of pay and basis thereof, whether paid by
10 the hour, shift, day, week, salary, piece, commission, or otherwise,
11 including any rates for overtime, as applicable.

12 (B) Allowances, if any, claimed as part of the minimum wage,
13 including meal or lodging allowances.

14 (C) The regular payday designated by the employer in
15 accordance with the requirements of this code.

16 (D) The name of the employer, including any “doing business
17 as” names used by the employer.

18 (E) The physical address of the employer’s main office or
19 principal place of business, and a mailing address, if different.

20 (F) The telephone number of the employer.

21 (G) The name, address, and telephone number of the employer’s
22 workers’ compensation insurance carrier.

23 (H) Any other information the Labor Commissioner deems
24 material and necessary.

25 (2) The Labor Commissioner shall prepare a template that
26 complies with the requirements of paragraph (1). The template
27 shall be made available to employers in such manner as determined
28 by the Labor Commissioner.

29 (b) An employer shall notify his or her employees in writing of
30 any changes to the information set forth in the notice within seven
31 calendar days after the time of the changes, unless one of the
32 following applies:

33 (1) All changes are reflected on a timely wage statement
34 furnished in accordance with Section 226.

35 (2) Notice of all changes is provided in another writing required
36 by law within ~~7~~ seven days of the changes.

37 (c) For purposes of this section, “employee” does not include
38 any of the following:

1 (1) An employee directly employed by the state or any political
2 subdivision thereof, including any city, county, city and county,
3 or special district.

4 (2) An employee who is exempt from the payment of overtime
5 wages by statute or the wage orders of the Industrial Welfare
6 Commission.

7 (3) An employee who is covered by a valid collective bargaining
8 agreement if the agreement expressly provides for the wages, hours
9 of work, and working conditions of the employee, and if the
10 agreement provides premium wage rates for all overtime hours
11 worked and a regular hourly rate of pay for those employees of
12 not less than 30 percent more than the state minimum wage.

13 *SEC. 13. (a) Section 2.5 of this bill incorporates amendments*
14 *to Section 98 of the Labor Code proposed by both this bill and*
15 *Assembly Bill 240. It shall only become operative if (1) both bills*
16 *are enacted and become effective on or before January 1, 2012,*
17 *(2) each bill amends Section 98 of the Labor Code, and (3) this*
18 *bill is enacted after Assembly Bill 240, in which case Section 2 of*
19 *this bill shall not become operative.*

20 *(b) Section 4.5 of this bill incorporates amendments to Section*
21 *226 of the Labor Code proposed by both this bill and Assembly*
22 *Bill 243. It shall only become operative if (1) both bills are enacted*
23 *and become effective on or before January 1, 2012, (2) each bill*
24 *amends Section 226 of the Labor Code, and (3) this bill is enacted*
25 *after Assembly Bill 243, in which case Section 4 of this bill shall*
26 *not become operative.*

27 ~~SEC. 12.~~

28 *SEC. 14.* No reimbursement is required by this act pursuant to
29 Section 6 of Article XIII B of the California Constitution because
30 the only costs that may be incurred by a local agency or school
31 district will be incurred because this act creates a new crime or
32 infraction, eliminates a crime or infraction, or changes the penalty
33 for a crime or infraction, within the meaning of Section 17556 of
34 the Government Code, or changes the definition of a crime within
35 the meaning of Section 6 of Article XIII B of the California
36 Constitution.