

Senate Bill No. 496

CHAPTER 352

An act to amend Section 212 of the Labor Code, relating to employment.

[Approved by Governor August 25, 1997. Filed with Secretary of State August 26, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

SB 496, Maddy. Wages: form of payment.

Existing law prohibits the payment of wages by use of various instruments unless they are negotiable and payable in cash, on demand, without discount, at an established place of business in the state. Existing law requires that the name and address of that business must appear on the instrument. Under existing law, violation of this provision is a misdemeanor.

This bill would instead provide that, if the drawee is a bank, the address of the drawee may be omitted if the instrument is payable as specified, at any place of business of the drawee chosen by the person entitled to enforce the instrument. By changing the definition of a crime, this bill would impose a state-mandated local program.

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.

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

SECTION 1. Section 212 of the Labor Code is amended to read:

212. (a) No person, or agent or officer thereof, shall issue in payment of wages due, or to become due, or as an advance on wages to be earned:

(1) Any order, check, draft, note, memorandum, or other acknowledgment of indebtedness, unless it is negotiable and payable in cash, on demand, without discount, at some established place of business in the state, the name and address of which must appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be at least 30 days, the maker or drawer has sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment.

(2) Any scrip, coupon, cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money.

(b) Where an instrument mentioned in subdivision (a) is protested or dishonored, the notice or memorandum of protest or dishonor is admissible as proof of presentation, nonpayment and protest and is presumptive evidence of knowledge of insufficiency of funds or credit with the drawee.

(c) Notwithstanding paragraph (1) of subdivision (a), if the drawee is a bank, the bank's address need not appear on the instrument and, in that case, the instrument shall be negotiable and payable in cash, on demand, without discount, at any place of business of the drawee chosen by the person entitled to enforce the instrument.

SEC. 2. Except as expressly provided by subdivision (c) of Section 212 of the Labor Code as amended by Section 1 of this act, this act does not affect, modify, impair, or abrogate any provision of Section 212 of the Labor Code.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

