Assembly Bill No. 1133

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Passed the Assembly   September 11, 2003

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Chief Clerk of the Assembly

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Passed the Senate   September 10, 2003

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Secretary of the Senate

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This bill was received by the Governor this _____ day of

_____, 2003, at _____ o'clock ___M.

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Private Secretary of the Governor

CHAPTER _____

An act to add Section 241 to the Labor Code, relating to employment.

AB 1133, Koretz.   Employment.

Under existing law, an employee or the Labor Commissioner may bring an action against an employer for nonpayment of wages and penalties. An employee who brings this action is entitled to recover costs and attorney's fees.

This bill would provide that if a judgment for unpaid wages or penalties remains unsatisfied for 6 months after the judgment becomes final, a penalty equal to the amount of the judgment is applied, and this penalty is applied again for each additional 6-month period the judgment remains unsatisfied, up to a maximum of 4 times.

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

SECTION 1.   Section 241 is added to the Labor Code, to read:

241.   (a) If any judgment for nonpayment of wages or penalties entered against an employer for a violation of any provision of this part remains unsatisfied for a period of six months after the time to appeal therefrom has expired or any appeal therefrom has been concluded, a penalty equal to the amount of the judgment shall be applied.

(b) Thereafter, for each additional six-month period the judgment remains unsatisfied, an additional penalty equal to the amount of the first penalty shall be applied. In no case shall the penalty be applied more than four times.

(c) The amount of any penalty awarded under this section that remains after costs of collection have been paid shall be distributed to the employees owed wages pursuant to the underlying judgment, in proportion to the wages owed.

(d) The penalty provided in this section is in addition to any applicable interest provided for under existing law.

Approved ———————————————— , 2003

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Governor