

MOTION

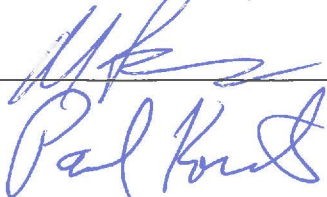
Beginning in October 2014, the City Council embarked on a thorough and thoughtful deliberation of issues associated with the implementation of a Citywide minimum wage program. After three studies, a peer review, and the testimony of hundreds of residents and business owners, the Council approved a detailed minimum wage policy that will lift the wages and improve the quality of life for hundreds of thousands of Angelenos.

Among the provisions of the adopted minimum wage policy is a provision that delays the wage implementation for small businesses by one year. In that provision, businesses with 25 or fewer employees would begin paying the City's minimum wage in 2017 instead of 2016. This is a significant effort to ensure that small businesses and non-profits operating in the City have additional time to accommodate the higher wages they will pay their employees.

There is some concern, however, that the City's minimum wage policy is unclear with regard to businesses that operate as franchisees of larger franchise networks. To ensure that the City properly accounts for the business structure, capacity, and practices with regard to these types of businesses, it would be important to have additional information on the financial and structural arrangements and agreements between franchisors and their franchisees and the benefits that franchisees derive as a result of their affiliation with franchisors or networks of franchisees. Such information could fully inform the Council with regard to any clarifications necessary to the Citywide minimum wage policy.

I THEREFORE MOVE that the City Council instruct the Chief Legislative Analyst and the City Administrative Officer, with the assistance of the City Attorney, study and report on the feasibility of including employers with 25 or fewer employees in the rate schedule specified in Section 187.02.B of the city's adopted minimum wage ordinance, when such employers are franchisees associated with a franchisor or a network of franchisees that employ more than 500 employees in aggregate in the United States in a particular week.

PRESENTED BY:   
Jose Huizar  
Councilmember, 14th District

SECONDED BY:   
Pal Kouss

  
JUN 16 2015

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