

14-1371-S1

Related CFS: 09-2642

and 14-0223

MOTION

BUDGET & FINANCE

By definition, a minimum wage is a tool for ensuring that hard work is rewarded with fair pay, and the City of Los Angeles has a long history of ensuring its workers receive that fair pay.

In 2009, the Los Angeles City Council voted to raise the minimum wage for non-city employees at Los Angeles International Airport and other city-owned airports to \$14.25 per hour. Earlier this month, the Council approved a higher wage of \$15.37 on large hotels.

This year the Mayor has also outlined a citywide proposal to increase the overall minimum wage in the City, and Bonin-Cedillo-Martinez-Price introduced legislation today in hopes to adopt an ordinance to move that forward in the upcoming months.

While these laws aim to assist some of the neediest in our communities, they may not always be followed – leaving many workers to fall victim to wage theft.

The August 2014 report by the UCLA Labor Center estimates 655,000 low-wage workers in Los Angeles County experience at least one pay-based violation. The majority of these violations take place within the City of Los Angeles.

Low-wage workers in Los Angeles lose more than \$26.2 million per week as a result of wage theft violations, making Los Angeles the wage theft capital of the United States.

State laws already exist that aim to protect workers, but these laws are not strictly enforced due to limited funding and staffing. Without meaningful enforcement by state regulators, some employers will simply disregard their legal obligations, putting the majority who abide by the law at a significant competitive disadvantage.

Local city ordinances are crucial to ensure that wage theft is curbed to the greatest extent possible. The City of San Francisco has established its own labor standards and enforcement agency (OLSE), in 2011 the Seattle City Council adopted an ordinance which made wage theft a misdemeanor, and in 2013 Houston voted to bar any person or firm from renewing 46 types of city permits and licenses for five years if criminally convicted of wage theft and exhausted all appeals.

In Los Angeles, there have been several attempts to adopt a wage theft ordinance with very little progress. In 2009 CF 09-2642 (Alarcon- Koretz) requested the City Attorney to draft a Wage Theft Ordinance to criminalize the practice of wage theft in the City of Los Angeles, this files has since expired. Cedillo-Koretz-Bonin reactivated this action earlier this year; no draft has yet been transmitted to the City Council.

In light of the recent vote to increase wage for large hotels, and the Mayor and Council hoping to increase the minimum wage for citywide workers in Los Angeles, there is an urgent need to finalize our enforcement tools against wage theft.

ORIGINAL

OCT - 7 2014

A.

I THEREFORE MOVE that the City Council request the City Attorney include language that addresses wage theft in any citywide minimum wage ordinance they may bring forward to the council; the language should consider the revocation of city permits, increased administrative penalties and fines for employers that commit wage theft; along with any other enforcement tools the City Attorney deems appropriate and locally permitted.

I FURTHER MOVE that the City Council instruct the CLA with the assistance of the CAO to report on the feasibility of establishing an Office of Labor Standards for the sake of enforcing local wage ordinances; the report should include personnel and budgetary costs.

Presented By: 
GILBERT A. CEDILLO
Councilman, 1st District

Co-Presented By: 
PAUL KORETZ
Councilman, 5th District

Seconded By: 
MIKE BONIN
Councilman, 11th District