

California State Senate

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September 18, 2019

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

RE: Recommended Veto of AB 673 (Carrillo)

Dear Governor Newsom:

I respectfully write to request your veto of AB 673, which authorizes an affected employee to bring an action against the employer to recover statutory penalties for failure to pay wages in a timely manner and deletes the requirement that these penalties be used in part to fund employer education related to labor laws.

This measure modifies the penalty assessment process related to the failure of an employer to pay wages on time by redirecting these penalties to employees and thus their attorneys. Under current law, these penalties can only be recovered by the Labor Commissioner. The penalties are then divided and paid into a Labor Agency fund intended to educate employers about labor laws.

This measure would delete this provision and allow employees and ultimately their attorneys to recover these penalties. In doing so, it increases the incentive for plaintiffs' attorneys to pursue penalties against employers for late payment of wages.

It is important to note that compliance with the timely payment of wage rules is difficult due to, among other things, the fact that the rules are constantly changing, quite complex and substantially onerous. As such, it is often quite easy and, in fact, normal for employers to make unintentional and minor mistakes when paying wages. Under AB 673, employers would be exposed to even more opportunities to be penalized and suffer the financial consequences for unintentional and minor mistakes.

For these reasons, I respectfully request your veto.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shannon Grove".

Shannon Grove
Senate Republican Leader