



March 19, 2021

The Honorable Vince Fong
 California State Assembly
 State Capitol, Room 2002
 Sacramento, CA 95814

SUBJECT: AB 530 (FONG) LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004: NOTICE REQUIREMENTS SUPPORT

Dear Assembly Member Fong:

The California Chamber of Commerce and the organizations listed below are pleased to **SUPPORT** your **AB 530 (Fong)**. **AB 530** will provide employers with more specific information about which specific Labor Code violations are being brought under each subdivision of the Private Attorneys General Act (PAGA) and whether the statutory right to cure provisions apply.

California has some of the most onerous and complex labor laws in the country. This complexity is exemplified by PAGA, which essentially allows an individual to pursue a “representative action” on behalf of similarly aggrieved employees without being subject to the strict filing requirements of a class action. Thousands of PAGA lawsuits

are filed every year. An employee can bring a PAGA claim against employers for any Labor Code violation as long as that employee alleges they experienced one violation. *Huff v. Securitas Security Services USA, Inc.*, 23 Cal. App. 5th 745 (2018). By way of example, an employee who alleges they missed one rest break can then sue for missed meal breaks, overtime wages, business expense reimbursements, wage statement penalties, waiting time penalties, and more on behalf of all California employees.

The breadth of the law and resulting case law has allowed attorneys to abuse PAGA by threatening employers with costly litigation for alleged Labor Code violations to secure a financial settlement, with the majority of proceeds going to the attorney and not the injured employees or the state. Even the Department of Industrial Relations and Labor and Workforce Development Agency (LWDA) recently noted “the failure of many private plaintiff attorneys’ to fully protect the interests of the aggrieved employees and the state” after reviewing over 1,000 PAGA settlements.

When COVID-19 hit California in 2020, employers had to change their business operations in order to comply with safety orders and protect employees from unnecessary exposure. California’s Labor Code was not designed to address a pandemic like COVID-19. For example, many of the laws are difficult to satisfy in a remote work environment, leaving employers unfairly exposed to PAGA litigation. California presently leads the nation as far as COVID-19 employment-related lawsuits, with many having been filed against small businesses. Although the employer may cure some Labor Code violations to avoid a PAGA lawsuit, not all alleged violations are curable. Moreover, it would be difficult for an employer to readily determine which alleged violations are curable without seeking legal advice.

AB 530 would mitigate this financial threat of frivolous litigation by requiring that plaintiffs provide notice of which alleged Labor Code violations fall under which subsection of PAGA and whether those violations are subject to PAGA’s right to cure provision. This is beneficial to both the employer and employee. For the employer, it eliminates the threat of costly civil litigation where an employer may cure the alleged violation. For the employee, it provides an efficient remedy to an alleged violation. **AB 530** creates a balance between protecting employees and their rights under the Labor Code while also protecting employers from financially devastating litigation over curable violations.

For these reasons, we are pleased to **SUPPORT** your **AB 530**.

Sincerely,



Ashley Hoffman
Policy Advocate
California Chamber of Commerce

Acclamation Insurance Management Services
Allied Managed Care
California Association for Health Services at Home
California Food Producers
California Hotel & Lodging Association
California Farm Bureau
California Restaurant Association
California Retailers Association
Carlsbad Chamber of Commerce
Chino Valley Chamber of Commerce
Civil Justice Association of California
Coalition of Small and Disabled Veteran Businesses
Family Business Association of California
Flasher Barricade Association
Fremont Chamber of Commerce
Greater Coachella Valley Chamber of Commerce

Greater High Desert Chamber of Commerce
Greater Riverside Chambers of Commerce
Housing Contractors of California
Lodi Chamber of Commerce
Long Beach Area Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
National Federation of Independent Business
National Payroll Reporting Consortium
North Orange County Chamber
Oceanside Chamber of Commerce
Pleasanton Chamber of Commerce
Rancho Cordova Area Chamber of Commerce
Roseville Area Chamber of Commerce
San Gabriel Valley Economic Partnership
Santa Maria Valley Chamber of Commerce
Simi Valley Chamber of Commerce
Southwest California Legislative Council
Torrance Area Chamber of Commerce
Western Electrical Contractors Association

cc: Stuart Thompson, Office of the Governor

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