

FACT SHEET – SB 62 (Durazo)

Garment Worker Protection Act

Purpose

SB 62 will expand and strengthen enforcement of wage theft liability in the garment manufacturing industry, ensuring that retailers cannot use layers of contracting to avoid responsibility under the law. By eliminating the piece rate in the garment industry while still allowing for bonus and incentive payments, this bill will ensure that workers are paid for all time spent working.

Background

In 1999, AB 633 (Steinberg) was enacted with the purpose of preventing wage theft in the garment industry and creating access to justice for victims. Some retailers and manufacturers have spent the last twenty years finding ways to circumvent this law to avoid liability, resulting in thousands of highly skilled, low-wage workers being unable to recover their stolen wages.

Los Angeles is the center of California’s “underground economy” – a system characterized by scofflaw employers cheating workers out of a combined billions of dollars in wages owed to them under minimum wage and overtime laws. In no industry are these violations more widespread than the garment industry, where retailers that contract with a network of manufacturers and subcontractors to produce their garments dictate the pricing structure. This

leads to a vicious price competition, resulting in garment workers being paid an average of \$5.15/hour.

These rogue retailers have skirted the law, avoiding liability for this systemic abuse by creating layers of subcontracting, which has enabled them to claim that they do not fall under the definition of “garment manufacturer” and therefore are not liable for these egregious wage violations. The intent of the law must be restored, or the unrelenting problem of wage theft in the garment industry will continue.

What This Bill Will Do

SB 62 will strengthen protections for garment workers by: (1) Eliminating the piece rate in the garment industry to ensure garment workers are paid legal wages for all time spent working while still allowing for incentive-based bonuses above their legal wage; (2) Expanding liability for wage violations; (3) Creating a rebuttable presumption as to the identities of the brands based on garment workers’ testimony; and (4) Explicitly authorizing the Labor Commissioner’s Bureau of Field Enforcement to investigate and cite brand guarantors.



Support

California Labor Federation, AFL-CIO (Sponsor)

The Garment Worker Center (Co-Sponsor)

Bet Tzedek Legal Services (Co-Sponsor)

Western Center on Law and Poverty
(Co-Sponsor)

Key Contacts

Manuela Boucher-de la Cadena
California Labor Federation, AFL-CIO,
(916) 715-2988, mboucherdlc@calaborfed.org

Bethany Renfree
Office of Senator Maria Elena Durazo
bethany.renfree@sen.ca.gov