

TALKING POINTS – SB 62 (Durazo) Garment Workers Protection Act

SB 62 is an important step in dismantling unfair labor practices in California's garment industry.

- According to the UCLA Labor Center, garment workers in Los Angeles regularly work more than 12 hour days, approximately 70 hours per week, and earn only \$3 – \$6 per hour.
- Most garment workers earn less than half of the \$14 minimum wage.
- Overtime violations are also rampant, with nearly 92% of workers reporting such violations in any given week.

Since the COVID-19 pandemic, these workers have been laboring to produce a significant portion of the state's personal protective equipment. They have done so while working in unsafe conditions themselves and receiving pennies on the dollar earned by the retailers and manufacturers.

SB 62 enacts the following provisions to solve the issues facing workers in the garment industry:

- **Eliminates the piece rate** – Currently, garment workers can be paid as little as \$0.02 per item produced, resulting in pay below minimum wage, regardless of the amount of time worked. SB 62 eliminates this method of compensation.
- **Expands liability up the chain of production** – Currently, only direct employers are liable for wage theft claims. Many of these garment employers are fly-by-night with no way to find them when a worker comes to collect their wages.

What does “expanding liability up the chain of production” mean?

- Many companies in the garment industry subcontract with warehouses that directly employ garment workers. Under current law, those companies are not liable for any wage theft by the warehouses. However, those companies still profit off the wage theft.
 - By stealing workers' wages and utilizing only the piece rate system of pay, warehouses can offer large companies low contract prices for garment production.



- By expanding liability up the chain of production, big companies will be held accountable for the profits they make off workers' stolen wages. Additionally, these retailers will be incentivized to contract with warehouses and subcontractors that pay their workers livable wages.
- SB 62 is very similar to a bill that passed the Legislature last year (SB 1399, Durazo) but ran out of time for final passage. It is supported by a diverse coalition of worker rights groups, Labor unions, and ethical businesses that want to do right by their employees.

Tackling opposition arguments only if they are brought up:

- Opponents of the bill say SB 62 would put unfair responsibility on companies that have no control over the way warehouses treat their employees. This responsibility is necessary to ensure workers are not mistreated and abused. Companies should be engaging in research and due diligence before contracting with warehouses and should not be able to profit from labor violations. Additionally, companies are only held responsible for garments they design and produce, not garments they contract with other companies to sell.
- Opponents of the bill also say SB 62 would run the garment industry out of California. This argument was made by garment manufacturers over 20 years ago when the first garment worker protection bill was passed. Clearly, no such exodus occurred. Since then, the garment industry has flourished, particularly in the Los Angeles area, aided by rampant wage theft.