

AB 2288 (KALRA) / SB 92 (UMBERG) – SUPPORT





UPDATED

June 24, 2024

TO: Members, Assembly Judiciary Committee

**SUBJECT: AB 2288 (KALRA) /SB 92 (UMBERG) – PRIVATE ATTORNEYS GENERAL ACT (PAGA)
SUPPORT – TO BE AMENDED**

The California Chamber of Commerce and the organizations listed below are proud to **SUPPORT AB 2288 (Kalra) and SB 92 (Umberg)**.

Together, **SB 92** and **AB 2288** brings long overdue reform to the Private Attorneys General Act (PAGA). This law, which was intended to bolster labor law enforcement, has unfortunately been manipulated over its 20-year history by certain trial attorneys as a money-making scheme. **SB 92** and **AB 2288** will ensure

that workers are having claims resolved more quickly and that businesses and non-profits that comply with the law are not penalized. Those reforms include:

Standing Reforms

- Supersedes holdings in *Huff* and *Johnson* decisions¹ by requiring an aggrieved employee to have personally suffered the alleged violations within the one-year statute of limitations.

Penalty Reforms

- Provides higher share of the civil penalty recovered to employees
- Caps the penalty for employers who have proactively taken steps to comply with the Labor Code
- Caps the penalty for employers who take proactive steps to be in compliance after receiving a PAGA notice
- Reduces the maximum penalty for a wage statement violation or a violation that was short in duration
- Addresses derivative claims
- Levels the playing field for employers who pay weekly by ensuring they are not penalized at a higher rate
- Specifies that the \$200 penalty only applies where a court or the agency issued a finding or determination against that employer or where the employer acted maliciously, fraudulently, or oppressively

Broadens Right to Cure

- Expands which Labor Code sections may be cured, so employees are made whole quickly
- Protects small employers by providing a more robust right to cure processes through the agency
- Provides an opportunity for early resolution in court

Judicial Discretion

- Codifies that the court may limit evidence presented or the scope of the claim to ensure the claim can be effectively tried

We are also supportive of efforts to give the California Department of Industrial Relations the ability to expedite hiring and fill vacancies to improve enforcement and implement the cure process for small employers.

For these and other reasons, we proudly **SUPPORT AB 2288** and **SB 92**.

Sincerely,



Ashley Hoffman
Senior Policy Advocate
California Chamber of Commerce

Acclamation Insurance Management Services, Phil Vermeulen
Adjoin, Wendy Forkas
African American Farmers of California, Will Scott, Jr.
Agricultural Council of California, Tricia Geringer
Airlines for America, Sean Williams

¹ *Huff v. Securitas*, 23 Cal. App. 5th 745 (2018) (PAGA plaintiff has standing to sue for claims they did not experience); *Johnson v. Maxim Healthcare Servs., Inc.*, 66 Cal. App. 5th 924 (2021) (PAGA plaintiff retains standing to bring representative action even if individual claim is time-barred by statute of limitations).

Allied Managed Care, Phil Vermeulen
American Petroleum and Convenience Store Association, Bobbie Singh-Allen
American Staffing Association, Toby Malara
Associated Equipment Distributors, Daniel Fisher
Associated General Contractors, Bret Gladfelty
Bay Area Council, Jim Wunderman
Bizfed, Tracy Hernandez
California Agricultural Aircraft Association, Terry Gage
California Alliance of Family Owned Businesses, Paul Gladfelty
California Apartment Association, Debra Carlton
California Association of Licensed Security Agencies, Guards & Associates (CALSAGA), David Chandler
California Association of Sheet Metal and Air Conditioning Contractors National Association, Chris Walker
California Association of Winegrowers, Michael Miiller
California Attractions and Parks Association, Sabrina Demayo Lockhart
California Bankers Association, Vanessa Lugo
California Beer and Beverage Distributors, Victoria Horton
California Building Industry Association, Nick Cammorota
California Citrus Mutual, Casey Creamer
California Community Living Network, Mark Melanson
California Construction and Industrial Materials Association (CalCIMA), Robert Dugan
California Cotton Ginners and Growers Association, Roger Isom
California Credit Unions League, Scott Simpson
California Farm Bureau, Bryan Little
California Fitness Alliance, Francesca Schuler
California Fresh Fruit Association, Daniel Hartwig
California Grocers Association, Daniel Conway
California Hispanic Chambers of Commerce, Yolanda Benson
California League of Food Producers, Katie Little
California Manufacturers & Technology Association, Lawrence Gayden
California Mortgage Bankers Association, Indira McDonald
California New Car Dealers Association, Kenton Stanhope
California Restaurant Association, Matthew Sutton
California Retailers Association, Ryan Allain
California Rice Commission, Timothy A. Johnson
California State Council of SHRM, Michael S. Kalt
California Thoroughbred Breeders Association, Jasn Bryant
California Travel Association, Emellia Zamani
California Trucking Association, Chris Shimoda
California Walnut Commission, Robert Verloop
Carlsbad Chamber of Commerce, Bret Schanzenbach
Citrus Valley Management Services, Inc., Robert Nelson
Chino Valley Chamber of Commerce, Zeb Welborn
Coalition of Small and Disabled Veteran Businesses, Phil Vermeulen
Corona Chamber of Commerce, Bobby Spiegel
Danville Area Chamber of Commerce, Judy B. Lloyd
East Bay Leadership Council, Mark Orcutt
Family Business Association of California, Robert Rivinius
Flasher Barricade Association, Phil Vermeulen
Folsom Chamber of Commerce, Joe Gagliardi
Fresno Chamber of Commerce of Commerce, Scott Miller
Glendora Chamber of Commerce, Joe Cina
Greater Coachella Valley Chamber of Commerce, Brandon Marley
Greater Conejo Valley Chamber of Commerce, Danielle Borja
Greater High Desert Chamber of Commerce, Mark Creffield
Greater Riverside Chambers of Commerce, Nicholas Adcock
Greater San Fernando Valley Chamber, Nancy Hoffman Vanyek
Grower-Shipper Association of Central California, Christopher Valdez
Hispanic Chambers of Commerce of San Francisco, Carlos Solórzano-Cuadra

Home Care Association of America, Tony Gonzalez
Housing Contractors of California, Bruce Wick
Ideal Care SLS, Christina Grant
Industry Business Council, Joanne McClaskey
La Canada Flintridge Chamber of Commerce, Pat Anderson
La Verne Chamber of Commerce, Leah Skinner
LeadingAge California, Amber King
Los Angeles Area Chamber of Commerce, Chris Micheli
Mad Duck Craft Restaurants & Brewery, Alex Costa
Multicultural Business Alliance, Roberto Arnold
Murrieta/Wildomar Chamber of Commerce, Patrick Ellis
National Association of Theater Owners of California, Todd Vradenburg
Nisei Farmers League, Manuel Cunha, Jr.
North San Diego Business Chamber, Chris Thorne
Palos Verdes Peninsula Chamber of Commerce, Eileen Hupp
Rancho Cordova Chamber of Commerce, Diann H. Rogers
Rancho Mirage Chamber of Commerce, James Brownyard
Roseville Chamber of Commerce, Rana Ghabban
Sacramento Metro Chamber of Commerce, Robert W. Heiddt
San Diego Regional Chamber of Commerce, Justine Murrey
San Francisco Filipino American Chamber of Commerce, Jose Pecho
San Joaquin Partnership, Bob Gutierrez
San Jose Chamber of Commerce, Leah Toeniskoetter
San Marcos Chamber of Commerce, Rick Rungaitis
Santa Clarita Valley Chamber of Commerce, Ivan Volschenk
Santa Maria Valley Chamber of Commerce, Molly Schiff
Santa Rosa Metro Chamber, Peter Rumble
Simi Valley Chamber of Commerce, Anthony Angelini
Torrance Area Chamber of Commerce, Donna Duperron
True Blue, Jeff Leacox
United Ag, Kirti Mutatkar
VICA, Stuart Waldman
Vista Chamber of Commerce, Rachel Beld
West Ventura County Business Alliance, Nancy Lindholm
Western Agricultural Processors Association, Roger Isom
Western Carwash Association, Melissa Werner
Western Growers Association, Matthew Allen
Wine Institute, Tim Schmelzer

cc: Legislative Affairs, Office of the Governor
Erika Ngo, Office of Assemblymember Kalra
Zack Keller, Office of Senator Umberg
Tom Clark, Assembly Judiciary Committee
Daryl Thomas, Assembly Republican Caucus