



September 19, 2023

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

SUBJECT: AB 594 (MAIENSCHIN) LABOR CODE: ALTERNATIVE ENFORCEMENT REQUEST FOR VETO

The California Chamber of Commerce and the undersigned organizations respectfully **REQUEST** your **VETO** of **AB 594 (Maienschein)**. The bill will lead to inconsistent enforcement and allows for private attorney contracting.

AB 594 Will Create Inconsistent Enforcement

Providing this broad of authority to an array of local officials raises concerns regarding inconsistency in enforcement of the law.¹ As raised in connection with prior and pending legislation regarding local enforcement of statewide laws, different cities and counties are likely to have significantly different enforcement. The cases they choose, their proffered interpretations of the law, the quality of investigation and prosecution, and whether they have the resources to prosecute is likely to vary significantly. Our concern is further exacerbated by language in the bill that allows some local prosecutors to prosecute across the state and forbids others from doing so. Efforts to bolster enforcement should be focused on improving DLSE statewide enforcement rather than side-stepping that issue by deputizing local city and county officials.

AB 594 Increases Litigation Costs for Businesses and Allows for Private Attorney Contracting

AB 594 has no prohibition on local entities contracting with private attorneys for enforcement. Currently, local prosecutors across the state contract out their enforcement authority to private attorneys for various

¹ Specifically regarding the arbitration provision, some arbitration agreements may not be binding on public entities. However, to the extent an agreement is enforceable, we strongly believe this provision violates the FAA and undermines existing rules of California civil procedure.

reasons. The bill's attorney's fees provision also raises concerns regarding motivation. Because of the significant cost of litigating Labor Code claims, the vast majority of employers are likely to settle the case like they do now with private attorneys. Public prosecutors will have been spending significant taxpayer dollars to litigate the case (unlikely the DLSE, which is funded by employers' annual assessments). There are concerns then about the motivation to increase settlement values to compensate for that and to add to the city or county's own budget, an issue that does not exist regarding DLSE enforcement. If local prosecutors contract with private attorneys, there is further concern about financial motivation in these cases.

For these and other reasons, we respectfully **REQUEST** your **VETO** of **AB 594 (Maienschein)**.

Sincerely,



Ben Golombek
Executive Vice President and Chief of Staff for Policy

Acclamation Insurance Management Services (AIMS), Dominic Russo
Allied Managed Care (AMC), Dominic Russo
Associated Builders and Contractors of California, Jason Pengel
Associated General Contractors of California, Bret Gladfelty
Associated General Contractors San Diego, Bret Gladfelty
California Association for Health Services at Home, Dean Chalios
California Association of Joint Power Authorities (CAJPA), Faith Borges
California Association of Winegrape Growers, Michael Miiller
California Attractions and Parks Association, Sabrina Lockhart
California Bankers Association (CBA), Melanie Cuevas
California Building Industry Association (CBIA), Matthew Hargrove
California Business Roundtable (CBRT), Natalie Boust
California Chamber of Commerce, Courtney Jensen
California Farm Bureau, Bryan Little
California League of Food Producers, Trudi Hughes
California Manufactures & Technology Association (CMTA), Lawrence Gayden
California New Car Dealers Association, Les Swizer
California Restaurant Association, Katie Davey
California Retailers Association, Sara Moo Pollo
California Trucking Association, Chris Shimoda
Coalition of Small and Disabled Veteran Businesses, Jeffrey Langlois
Construction Employers' Association, Michael Walton
Family Business Association of California, Robert Rivinius
Flasher Barricade Association (FBA), Kenneth Johnston
National Federation for Independent Business (NFIB), Tim Taylor
Western Growers Association, Matthew Allen

BG:CJ:am