FLOOR ALERT

June 1, 2016

TO: Members, California State Assembly

FROM: California Chamber of Commerce
Building Owners and Managers Association
CAWA – Representing the Automotive Parts Industry
California Business Properties Association
International Council of Shopping Centers
NAIOP – Commercial Real Estate Development Association
National Federation of Independent Business
Pacific Association of Building Service Contractors

SUBJECT: AB 1978 (GONZALEZ) EMPLOYMENT: PROPERTY SERVICE WORKERS
OPPOSED UNLESS AMENDED

The California Chamber of Commerce and the organizations listed above are OPPOSED UNLESS AMENDED to AB 1978 (Gonzalez), as amended on May 31, 2016, which seeks to create additional registration, investigation, enforcement, training, and criminal liability on employers and individuals in the janitorial business, as well as joint liability for businesses who contract for janitorial services.

One of our main concerns with the prior version of AB 1978 was the unprecedented expansion of joint liability for any violation of the Fair Employment and Housing Act (FEHA). Recent amendments addressed this concern. We appreciate the author’s efforts to work with us on this issue.

However, AB 1978 still includes other unprecedented standards that simply far exceed the need to address issues in the underground economy such as excessive daily penalties, onerous training and document retention requirements, and extensive registration disclosures. We are concerned that some of these provisions in AB 1978 are so extreme, that it will either: (1) limit the participation of good acting businesses in the industry or, (2) encourage those unlawful actors to continue to operate in the underground economy, as the cost of compliance is too high. We are hopeful that we will be able to resolve these concerns with the author as well.

For these reasons, we are OPPOSED UNLESS AMENDED to AB 1978.

cc: The Honorable Lorena Gonzalez
Camille Wagner, Office of the Governor
Eric Swanson, Assembly Republican Caucus
District Offices, Members, California State Assembly
Department of Industrial Relations
Labor and Workforce Development Agency