

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1237 (Blakespear) – As Introduced February 19, 2026

Policy Committee: Judiciary

Vote: 9 - 3

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill increases the civil penalty a court may impose, at the request of the Civil Rights Department (CRD), on an employer that repeatedly fails to comply with pay data reporting requirements — from a maximum of \$200 to a maximum of \$1,000 per-employee — and requires CRD to annually publish budgetary and enforcement information for the Civil Rights Enforcement and Litigation Fund.

Specifically, this bill:

- 1) Increases the civil penalty for a subsequent failure to file a required pay data report from a maximum of \$200 to a maximum of \$1,000 per employee (the \$100-per-employee penalty for a first failure is unchanged).
- 2) Requires CRD to annually publish a report of aggregate budgetary and enforcement information for the Civil Rights Enforcement and Litigation Fund, including the total civil penalties assessed, collected, and outstanding, and the allocation or use of collected penalty revenues.
- 3) Permits CRD to combine that report with any other annual report it is authorized or required to publish.

FISCAL EFFECT:

- 1) Costs (General Fund) of approximately \$150,000 annually and one permanent position for CRD to implement the new annual reporting requirement. CRD reports it would need the position to develop accounting methods to trace penalty revenues and comply with the requirement — in particular, the requirement to report the allocation or use of collected penalty revenues. CRD also anticipates significant but unknown one-time and ongoing IT equipment and software costs to implement the new accounting methods, to be scoped by the new position.
- 2) Possible additional costs (General Fund) to CRD for program staff to absorb any increase in Contact Center inquiries or Public Records Act requests generated by publication of the new report.
- 3) Potential increased revenue (Civil Rights Enforcement and Litigation Fund) from the higher penalty for repeated noncompliance, likely minor in practice. Penalty revenue is deposited in the fund and may offset CRD costs upon appropriation.

- 4) Possible moderate cost pressures (Trial Court Trust Fund) to the extent CRD pursues penalties through civil actions in the trial courts.

COMMENTS:

- 1) **Purpose.** According to the author:

SB 1237... will strengthen enforcement of California's pay equity reporting law to ensure the Civil Rights Department (CRD) can effectively combat wage discrimination... SB 1237 will strengthen enforcement by increasing the penalty for repeated noncompliance from \$200 to \$1,000 per employee. Increased penalties will serve as a meaningful deterrent against noncompliance and generate additional resources for more proactive enforcement.

- 2) **Background.** Existing law requires private employers with 100 or more employees to file an annual pay data report with CRD, disaggregated by race, ethnicity, sex, and job category, and to report comparable data for workers supplied by labor contractors. A court may impose a civil penalty, at CRD's request, of up to \$100 per employee for a first failure to file and up to \$200 per employee for a subsequent failure, payable to the Civil Rights Enforcement and Litigation Fund. The author and sponsors contend the reporting requirement is underenforced — citing an estimated 400,000 workers whose pay data is unaccounted for — and attribute the gap in part to penalties low enough that large employers may treat them as a cost of doing business. This bill raises the subsequent-failure penalty to \$1,000 per employee and adds the annual fund-reporting requirement, which the author frames as a transparency measure on the department's enforcement activity.
- 3) **Prior Legislation.** SB 973 (Jackson), Chapter 892, Statutes of 2020, established the pay data reporting requirement.

SB 1162 (Limón), Chapter 559, Statutes of 2022, expanded the pay data reporting requirement to cover workers supplied by labor contractors and added the civil penalty structure this bill amends.

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