

Date of Hearing: June 23, 2026

ASSEMBLY COMMITTEE ON JUDICIARY

Ash Kalra, Chair

SB 1316 (Smallwood-Cuevas) – As Amended March 25, 2026

SENATE VOTE: 37-0

SUBJECT: EMPLOYMENT

SYNOPSIS

The California Labor Commissioner oversees the Division of Labor Standards Enforcement, the state agency responsible for enforcing wage and hour laws and protecting workers from retaliation. Among other things, the Labor Commissioner investigates wage theft claims, conducts hearings on wage and other claims; and, when necessary, seeks compensation on behalf of workers victimized by wage theft. Pursuant to this authority, the Labor Commissioner may record a lien against the property of an employer for the amounts due under any wage order that the Commissioner has issued. Existing law provides that, unless the lien is satisfied or otherwise released, the lien continues for a period of ten years. This bill authorizes the Labor Commissioner to renew the lien for an additional ten years.

In addition, the bill modifies a provision of existing law that prohibits an employer, in any administrative hearing contesting a citation or writ proceeding, from introducing as evidence any books, documents, or records that the employer failed to provide to the Labor Commissioner upon a duly served request. In short, the existing law prevents an employer from refusing to cooperate with a Labor Commissioner investigation or proceeding by withholding properly requested documents and then attempting to introduce those same documents as evidence when appealing an adverse order in an administrative proceeding (the law does not apply to judicial proceedings.) Whereas existing law precludes the introduction of the documents “as evidence,” this bill would also preclude the introduction of such documents “in any other way. . . including, but not limited to, attempting to impeach any witness in an administrative proceeding contesting a citation or writ proceeding.”

Finally, the bill applies the existing rules on precluding the introduction of evidence, or otherwise relying upon that evidence, in a hearing or writ proceeding to public works contractors and subcontractors who have failed to provide same evidence pursuant to a duly served written request by the Labor Commissioner. The bill, consistent with existing law, creates reasonable exceptions to this rule, including where the failure to provide requested books, documents, or records was due to an inadvertent error, as defined, or where the contractor or subcontractor opposes such a request in court, and the court determines that the books, documents, or records are not required to be disclosed. Also, the Labor Commissioner, at its discretion, may admit and consider otherwise precluded evidence, as specified.

The bill is supported by the California Federation of Labor Unions. There is no recorded opposition. The bill recently passed out of the Assembly Labor Committee on consent and has not received any “no” votes in any committee or floor vote.

SUMMARY: Authorizes the Labor Commissioner (LC) to renew for an additional period of ten years a lien on an employer’s property for an unsatisfied wage judgment and precludes

employers, including public works contractors or subcontractors, from introducing certain evidence at administrative or writ hearings if the employer previously failed to provide that evidence to the LC upon request, subject to certain exceptions. Specifically, **this bill**

- 1) Authorizes a lien on real property utilized by the LC for an unsatisfied judgment to be renewed for an additional period of 10 years by the LC recording a renewal of certificate of lien or a copy of a renewed judgment at any time prior to its expiration.
- 2) Specifies that an existing prohibition on an employer, when contesting a citation or writ in an administrative proceeding, from introducing *as evidence* certain books, documents, or records that the employer failed to provide pursuant to a duly served written request by the LC, also prohibits an employer from in any other way using or relying on the evidence, including in attempting to impeach any witness.
- 3) Precludes a public works contractor or subcontractor from introducing as evidence certain books, documents, or records at an administrative hearing or a writ proceeding related to a review of a civil wage violation and penalty, if those books, documents, or records were not previously provided pursuant to a duly served written request by the LC, unless the failure to provide the books, documents, or records as requested was the result of an “inadvertent error,” as defined.
- 4) Requires the LC to take into consideration a reasonable request from the contractor or subcontractor for an extension on the time for production of books, documents, or records, as specified.
- 5) Makes technical and clarifying changes relating to violations to which the prohibition in 2) above apply.

EXISTING LAW:

- 1) Establishes within the Department of Industrial Relations (DIR) the Division of Labor Standards Enforcement (DLSE), under the direction of the Labor Commissioner (LC), and empowers the LC to investigate employee complaints and provide for a hearing in any action to recover wages, penalties, and other demands for compensation. (Labor Code Section 98 *et seq.*)
- 2) Precludes any employer, or other person or entity, who may be liable for a violation of any provision of the labor code from introducing as evidence, in an administrative proceeding contesting a citation or writ proceeding, any books, documents, or records that are not provided pursuant to a duly served written request by the LC to provide such records, as specified. However, the LC may admit books, documents, or records that are produced beyond the time limits specified if the employer cooperated with the investigation and made good faith efforts to comply with the request. (Labor Code Section 1174.1.)
- 3) Authorizes, as an alternative to a judgment lien, upon an order, decision or award for unpaid wages, a lien on real property to be created by the LC recording a certificate of lien, for amounts due under the final order and in favor of the employee or employees named in the order, at the LC’s discretion and depending upon information the LC obtains concerning the employer’s assets. (Labor Code Section 98.2 (g)(1).)

FISCAL EFFECT: As currently in print this bill is keyed fiscal.

COMMENTS: According to the author, “too many workers in California are still fighting just to recover the wages they have already earned. Outdated statutes can slow labor investigations and weaken the Labor Commissioner’s ability to collect unpaid wages and penalties, delaying justice for vulnerable workers. SB 1316 strengthens the Labor Commissioner’s authority to hold bad actors accountable and ensures workers can recover the wages they are legally owed.”

Background. The author and supporters of this bill contend that this bill will enhance the Labor Commissioner’s ability to combat wage theft in California. “Wage theft” is generally defined as an employer’s failure to pay workers the wages to which they are legally entitled. Examples of wage theft may include failure to pay minimum wage, failure to pay overtime rates, failure to provide promised benefits, unauthorized deductions from a pay check, or simply not paying promised wages at all. The California Labor Commissioner oversees the Division of Labor Standards Enforcement, which is the state agency responsible for enforcing wage and hour laws and protecting workers from retaliation. Among other things, the Labor Commissioner investigates wage theft claims, conducts hearings on wage and other claims, and, when necessary, issues wage orders that seek compensation on behalf of workers victimized by wage theft. Pursuant to this authority, the Labor Commissioner may record a lien against the property of an employer for the amounts due under any wage order that the Commissioner has issued. Existing law provides that, unless the lien is satisfied or otherwise released, the lien continues for a period of ten years. This bill authorizes the Labor Commissioner to renew the lien for an additional ten years.

In addition, the bill modifies a provision of existing law that prohibits an employer, in any administrative hearing contesting a citation or writ proceeding, from introducing as evidence any books, documents, or records that the employer failed to provide to the Labor Commissioner upon a duly served request. In short, the existing law prevents an employer from refusing to cooperate with a Labor Commissioner’s investigations or proceedings by withholding properly requested documents and then attempting to introduce the same documents as evidence when appealing an adverse order in an administrative proceeding (existing law does not apply to judicial proceedings.) Whereas existing law precludes the introduction of the evidence “as evidence,” this bill would also preclude the introduction of such evidence “in any other way. . . including, but not limited to, attempting to impeach any witness in an administrative proceeding contesting a citation or writ proceeding.”

Finally, the bill applies the existing rules on precluding the introduction of evidence in an administrative hearing or writ proceeding to public works contractors and subcontractors who have failed to provide same evidence pursuant to a duly served written request by the Labor Commissioner. The bill, consistent with existing law, creates reasonable exceptions to this rule, including where the failure to provide requested books, documents, or records was due to an inadvertent error, as defined, or where the contractor or subcontractor opposes such a request in court, and the court determines that the books, documents, or records are not required to be disclosed. Also the Labor Commissioner, at its discretion, may admit and consider otherwise precluded evidence, as specified.

ARGUMENTS IN SUPPORT: The California Federation of Labor Unions writes in support:

Wage theft is an employer’s failure to pay workers the wages and benefits they owe for hours worked. This practice has a disproportionate impact on disadvantaged and

immigrant workers who are overrepresented in low wage industries with higher rates of wage theft, including agriculture, construction, garment, and hospitality. Unfortunately, the practice is pervasive in California, and in 2023 alone, the LCO received 39,000 wage theft claims.

Current labor enforcement statutes contain outdated timelines, inconsistent document production requirements, and technical gaps that can delay investigations and complicate wage recovery. Noncompliant employers often exploit these inconsistencies to delay proceedings or avoid accountability on procedural grounds rather than comply with labor laws. As a result, workers, particularly low-wage workers, immigrant workers, and workers in industries with high rates of wage theft, experience prolonged delays in recovering wages that have been stolen from them.

SB 1316 makes targeted technical and clarifying amendments to labor enforcement statutes to ensure consistent document production timelines, clarify evidentiary rules, and align lien duration and renewal authority with existing judgment lien law. These changes strengthen the Labor Commissioner's ability to enforce existing worker protections, reduce unnecessary litigation over procedural issues, and will help ensure workers no longer have to continue waiting for the pay they have earned.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Federation of Labor Unions

Opposition

None on file

Analysis Prepared by: Tom Clark / JUD. / (916) 319-2334