

Date of Hearing: July 9, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 442 (Smallwood-Cuevas) – As Amended April 21, 2025

Policy Committee: Labor and Employment

Vote: 5 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill prohibits a grocery or drug store (“retail store”) from providing a self-service checkout option for customers unless specified workplace conditions are met.

Specifically, this bill:

- 1) Prohibits a retail store from providing a self-service checkout option unless certain workplace conditions are met, including adopting a policy and signage to limit self-service purchases to no more than 15 items. An employer is not subject to a penalty if a customer purchases more than 15 items at a self-service checkout station, as long as the employer complies with the related policy and signage requirement. The retail store must also meet specified manual checkout staffing requirements.
- 2) Requires a retail store that offers self-service checkout to include the practice in the employer’s analysis of potential work hazards under the illness and prevention program (IIP) required by the Division of Occupational Safety and Health (Cal/OSHA).
- 3) Requires a retail store that intends to implement self-checkout to notify workers and workers’ collective bargaining representatives in writing at least 60 days in advance of implementing the practice.
- 4) Subjects an employer in violation of these requirements to a civil penalty assessed by the Division of Labor Standards Enforcement (DLSE) of \$1,000 per violation, per day, with a maximum aggregate penalty of \$200,000. A covered worker or the worker’s representative may file a complaint with DLSE seeking enforcement.
- 5) Provides that these provisions do not preempt a local ordinance that provides equal or greater protection to covered workers.

FISCAL EFFECT:

Annual costs in the low millions of dollars to the Department of Industrial Relations (which includes Cal/OSHA and DLSE) to provide enforcement and assess civil penalties, likely partially offset by increased penalty revenue (special fund).

COMMENTS:

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

A growing body of evidence has shown that rapid automation has contributed to staffing shortages in our grocery and retail stores. While tools like self-checkout are utilized to decrease labor costs, ultimately, it is the worker and consumer who pays the biggest price when our stores are understaffed. Lone clerks are left to serve customers who may need assistance while at the same time watching for shoplifters and dealing with disruptions, making stores even easier targets for theft and violence.

- 2) **Self-service Checkout.** AB 183 (Ma), Chapter 726, Statutes of 2011, prohibited the sale of alcohol at any customer-operated checkout stand. Since then, self-checkout stations have become more common across various retail settings. Recently, however, large retailers such as Safeway, Target, and Walmart are removing or imposing item limits at self-checkout stations in light of inventory loss that occurs when checkout is not done by a cashier. This bill prohibits a retail store from providing a self-service checkout option for customers unless certain conditions are met, such as adopting a 15-item limit and operating at least one manual checkout station. A retail store must also notify workers prior to implementing self-checkout and include the practice in the employer's IIP.
- 3) **Support and Opposition.** This bill is co-sponsored by the United Food and Commercial Workers, Western States Council, and California Federation of Labor Unions, with the former arguing this bill "will protect workers and the public by ensuring safe staffing levels at grocery and drug-retail stores and regulating self-checkout machines to prevent retail theft." This bill is also supported by other labor organizations and social justice groups.

This bill is opposed by various business associations, with the California Grocers Association arguing this bill's 15-item limit is "arbitrary," the inclusion of self-checkout stations in an employer's IIP "implies that the presence of self-checkout stations creates a potential harm to employees," and explicitly allowing local governments to enact their own self-checkout ordinances is "counterproductive."

- 4) **Prior Legislation.** SB 1446 (Smallwood-Cuevas), of the 2023-24 Legislative Session, was similar to this bill, except SB 1446 would have imposed stricter staffing ratios and regulated other types of consequential workplace technology in retail stores, as well as allowed for public prosecution of violations. SB 1446 was referred to the Assembly Rules Committee without further action.

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