

SENATE THIRD READING  
SB 464 (Smallwood-Cuevas)  
As Amended September 5, 2025  
Majority vote

## SUMMARY

*Replaces, beginning January 1, 2027, the 10 job categories for annual pay data reporting with 23 job categories and makes a court's imposition of a civil penalty per employee for an employer's failure to file the annual pay data report mandatory rather than permissive if a penalty is requested by the Civil Rights Department (CRD).*

### Major Provisions

- 1) Adds to existing private employer pay data obligations the requirement that any demographic information gathered by an employer or labor contractor shall be collected and stored separately from employees' personnel records.
- 2) Replaces, beginning January 1, 2027, the 10 job categories for pay data reporting with the following:
  - a) *Chief executives*
  - b) *Management occupations, except chief executives*
  - c) Business and financial operations occupations
  - d) Computer and mathematical occupations
  - e) Architecture and engineering occupations
  - f) Life, physical, and social science occupations
  - g) Community and social service occupations
  - h) Legal occupations
  - i) Educational instruction and library occupations
  - j) Arts, design, entertainment, sports, and media occupations
  - k) Health care practitioners and technical occupations
  - l) Health care support occupations
  - m) Protective service occupations
  - n) Food preparation and serving-related occupations
  - o) Building and grounds cleaning and maintenance occupations
  - p) Personal care and service occupations

- q) Sales and related occupations
  - r) Office and administrative support occupations
  - s) Farming, fishing, and forestry occupations
  - t) Construction and extraction occupations
  - u) Installation, maintenance, and repair occupations
  - v) Production occupations
  - w) Transportation and material moving occupations
- 3) Makes a court's imposition of a civil penalty per employee for an employer's failure to file the annual pay data report mandatory rather than permissive *if a penalty has been requested by the CRD*.

## COMMENTS

A number of studies demonstrate that the fight for pay equity among California's diverse workforce continues despite some of the nation's strongest pay data reporting measures. For example, in 2023, for every \$1 dollar earned by white families, Black families earn just 63 cents, and Latino families fair worse earning just 52 cents.<sup>1</sup> In addition, occupational segregation based on race is still a significant problem. According to pay data reported to the CRD in 2022, white Californians make up over 60% of positions at the executive or senior level while Black Californians hold just 4% of these positions.<sup>2</sup>

### According to the Author

According to the author, "SB 464 is a priority bill in the California Legislative Black Caucus' 2025, Road to Repair Package. On June 29, 2023, the Task Force to Study and Develop Reparation Proposals for African Americans issued its final report to the California Legislature. In their report, the Task Force offers recommendation to remedy longstanding income inequality, specifically enhancing pay data reporting requirements. Furthermore, SB 464 will expand reported job categories and salary reporting to better reflect our state's large and diverse workforce."

### Arguments in Support

*The California Employment Lawyers and Equal Rights Advocates are in support and state, "[the Task Force to Study and Develop Reparation Proposals for African Americans] recommended a slate of measures...Specifically, the Task Force recommends enhancing annual payee data reporting requirements to ensure greater transparency and accountability in employment decisions."*

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<sup>1</sup> Thorman, Tess and Payares-Montoya, Daniel, "Income Inequality in California," Public Policy Institute of California, March 2025.

<sup>2</sup> Pay and Demographics of California Workers: Results from Annual Pay Data Reports: 2022. California Civil Rights Department.

### Arguments in Opposition

The Valley Industry and Commerce Association is opposed and states, "California already has strong anti-discrimination and pay equity laws. SB 464 creates overlapping obligations without demonstrating how additional reporting will meaningfully advance enforcement or equity outcomes. Instead, it places new burdens on employers without clear benefit, while risking employee trust and organizational efficiency."

### FISCAL COMMENTS

According to the Assembly Appropriations Committee,

- 1) Costs of approximately \$790,000 in fiscal year (FY) 2026-27 and \$781,000 in FY 2027-28 and annually thereafter to CRD to process an additional report covering 220,000 state civil service employees (General Fund (GF)). CRD anticipates using \$100,000 to secure an ongoing data services contract, with the remaining funds needed for three additional positions, including two attorneys and a researcher.

Unlike existing law regarding pay data reporting for private employers, this bill does not explicitly authorize CRD to publish aggregate reports based on state employee pay data. CRD would require additional resources for information technology, program staff, and other administrative costs if CRD is expected to publish a report with state employee pay data.

- 2) Costs of an unknown amount, potentially in the hundreds of thousands of dollars annually, to the California Department of Human Resources (CalHR) to submit an annual pay data report (GF).
- 3) Cost pressures (GF or Trial Court Trust Fund) of an unknown, but likely minor amount, to the courts in additional workload by requiring, instead of authorizing, a court to impose specified civil penalties.

### VOTES

#### SENATE FLOOR: 27-9-4

**YES:** Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

**NO:** Alvarado-Gil, Choi, Dahle, Grove, Jones, Ochoa Bogh, Seyarto, Strickland, Valladares

**ABS, ABST OR NV:** Hurtado, Niello, Reyes, Rubio

#### ASM LABOR AND EMPLOYMENT: 7-0-0

**YES:** Ortega, Flora, Chen, Elhawary, Kalra, Lee, Ward

#### ASM JUDICIARY: 10-2-0

**YES:** Kalra, Hart, Bryan, Connolly, Harabedian, Pacheco, Papan, Sanchez, Stefani, Zbur

**NO:** Dixon, Macedo

**ASM APPROPRIATIONS: 11-1-3**

**YES:** Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

**NO:** Tangipa

**ABS, ABST OR NV:** Sanchez, Dixon, Ta

**UPDATED**

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