Communication from Public

Name: Littler Workplace Policy Institute
Date Submitted: 08/10/2026 08:23 PM
Council File No: 23-0932
Comments for Public Posting: Through this proposal, the City Council is considering providing private groups, including worker centers, a direct role in enforcing state and local wage-and-hour laws. We urge the Council to reject the proposal. If the City were to deputize worker centers to enforce state and local laws, it would run into at least seven legal problems: ? Municipal delegation. Enforcing the law is a municipal function. And under the California Constitution, municipal functions cannot be given to private parties. They must be performed by municipal officials. ? City charter. The Los Angeles City Charter assigns responsibility to enforce the laws to the mayor—and only the mayor. The Council cannot give that responsibility to a private party unless it amends the charter. ? Due process. The City may enforce its labor laws through authorized City personnel, but allowing worker centers with a stake in enforcement outcomes to target employers, access records, enter workplaces, interview witnesses, or shape investigations raises serious due process concerns. ? Takings. Employers have a Fifth Amendment protected property right to exclude third parties from their workplaces. If the City authorizes private worker centers to enter employer property over objection, it would effectively grant those organizations a government-created access right. Under Cedar Point, compelled third-party access can constitute a taking requiring just compensation. ? Privacy, employee data and public records. Wage-and-hour investigations involve sensitive payroll, personnel, scheduling, financial, immigration-related, and employee-identifying data that employers are legally required to protect. Worker centers, however, are private advocacy organizations, not public investigators or public-records custodians, and they generally are not subject to the same public-law framework as City personnel or the same privacy obligations as regulated employers, including the California Consumer Privacy Act of 2018 (CCPA), as amended by the California Privacy Rights Act of 2020. The City should not create an enforcement model that moves protected employer and employee records into private hands, where they risk misuse, breach and irreversible disclosure. ? Section 1983 liability. When the government deputizes a private party, it can be liable for the private party's actions. So if the City deputizes worker

centers—who are untrained and inexperienced in proper enforcement protocols—it will expose itself to potentially significant damages and attorneys' fees. ? Tax status. Many worker centers are 501(c)(3) nonprofits. But 501(c)(3) nonprofits cannot perform government functions. If worker centers take on enforcement, they could lose their exempt status and face higher tax burdens. We understand why the Council is considering this proposal. The City's Office of Wage Standards (OWS) has limited resources, and advocates have argued that worker centers could help close the gap. These advocates have also suggested that worker centers can help build trust and connect OWS with workers in underserved communities. But OWS already has authority to partner with community groups on education, outreach, and referral services. OWS should focus its resources on expanding that kind of collaboration, which has succeeded in other places. What it should not do is to convert its community partners into private enforcers. That step would invite legal problems and defeat the Council's purpose.

Littler Mendelson, P.C.
815 Connecticut Avenue, NW
Suite 400
Washington, DC 20006

August 10, 2026

To: Interested Parties

From: Alexander T. MacDonald, Co-Chair, Workplace Policy Institute

Re: CF No. 23-0932 - Proposal to Deputize Worker Centers to Enforce Wage-and-Hour Laws

I write on behalf of Protect LA Restaurants ("PLR"), a coalition of restaurant operators and employers in the City of Los Angeles, regarding the expansion of the City's labor enforcement authority through the framework proposed in the Chief Legislative Analyst's July 24, 2025 report, *Enforcement of Workplace Violations* (the "CLA Report"). Through this proposal, the City Council is considering providing private groups, including worker centers, a direct role in enforcing state and local wage-and-hour laws. We urge the Council to reject the proposal. If the City were to deputize worker centers to enforce state and local laws, it would run into at least seven legal problems:

- **Municipal delegation.** Enforcing the law is a municipal function. And under the California Constitution, municipal functions cannot be given to private parties. They must be performed by municipal officials.
- **City charter.** The Los Angeles City Charter assigns responsibility to enforce the laws to the mayor—and only the mayor. The Council cannot give that responsibility to a private party unless it amends the charter.
- **Due process.** The City may enforce its labor laws through authorized City personnel, but allowing worker centers with a stake in enforcement outcomes to target employers, access records, enter workplaces, interview witnesses, or shape investigations raises serious due process concerns.
- **Takings.** Employers have a Fifth Amendment protected property right to exclude third parties from their workplaces. If the City authorizes private worker centers to enter employer property over objection, it would effectively grant those organizations a government-created access right. Under *Cedar Point*, compelled third-party access can constitute a taking requiring just compensation.
- **Privacy, employee data and public records.** Wage-and-hour investigations involve sensitive payroll, personnel, scheduling, financial, immigration-related, and employee-identifying data that employers are legally required to protect. Worker centers, however, are private advocacy organizations, not public investigators or public-records custodians, and they generally are not subject to the same public-law framework as City personnel or the same privacy obligations as regulated employers, including the California Consumer Privacy Act of 2018 (CCPA), as amended by the California Privacy Rights Act of 2020. The City should not create an enforcement model that moves protected employer and employee records into private hands, where they risk misuse, breach and irreversible disclosure.

- **Section 1983 liability.** When the government deputizes a private party, it can be liable for the private party's actions. So if the City deputizes worker centers—who are untrained and inexperienced in proper enforcement protocols—it will expose itself to potentially significant damages and attorneys' fees.
- **Tax status.** Many worker centers are 501(c)(3) nonprofits. But 501(c)(3) nonprofits cannot perform government functions. If worker centers take on enforcement, they could lose their exempt status and face higher tax burdens.

We understand why the Council is considering this proposal. The City's Office of Wage Standards (OWS) has limited resources, and advocates have argued that worker centers could help close the gap. These advocates have also suggested that worker centers can help build trust and connect OWS with workers in underserved communities. But OWS already has authority to partner with community groups on education, outreach, and referral services. OWS should focus its resources on expanding that kind of collaboration, which has succeeded in other places. What it should not do is to convert its community partners into private enforcers. That step would invite legal problems and defeat the Council's purpose.

Legal Risks

1. Deputizing worker centers would violate the municipal-delegation doctrine.

Municipal nondelegation is a bedrock principle of California law. Under article XI, section 11 of the California Constitution, the legislature may not delegate any "municipal function" to a private person.[1] That principle applies not only to the state legislature, but also to the municipalities themselves: cities and counties cannot offload their own functions onto private actors. They must perform those functions themselves.[2]

Though the constitution does not define "municipal functions," the term has been applied broadly. It is usually equated with local (as opposed to state) regulatory subjects.[3] Courts have found those subjects to include decisions about how to compensate the employees who enforce local laws.[4] It follows, then, that enforcing the laws themselves is also a municipal function.[5]

Because enforcement is a municipal function, it cannot be assigned to private groups. That means worker centers cannot enforce the law. They cannot have the power to enter an employer's property, inspect the employer's records, or interview the employer's workers.[6] Nor can they decide which investigations or

[1] *See* Cal. Const. art. XI, § 11; *City of Los Angeles v. Teed*, 112 Cal. 319, 330 (1896).

[2] *See, e.g.*, *Teed*, 112 Cal. at 330 (attempted delegation of municipal functions by Los Angeles to a private bank); *Howard Jarvis Taxpayers' Ass'n*, 48 Cal. Rptr. 2d at 272 (attempt to assign municipal taxing power to private board invalid even though assignment was approved by local voters). *See also Cnty. of Riverside v. Superior Ct.*, 30 Cal. 4th 278, 291 (2003). *See also* Osborne M. Reynolds, Local Government Law 180 (5th ed. 2019).

[3] *See Cnty. of Riverside v. Superior Ct.*, 66 P.3d 718, 728 (Cal. 2003).

[4] *See id.* (finding that compensation of employees was a municipal function because it involved a local rather than statewide area of concern). *See also* *Cnty. of Sonoma v. Superior Ct.*, 173 Cal. App. 4th 322, 355 (2009).

[5] *See Cnty. of Riverside*, 66 P.3d at 728 (equating the term "municipal functions" as capturing subjects of local regulatory concern). *See also* To, *supra*, at 754-55 (concluding that deputizing worker centers would involve a municipal function).

[6] *See* L.A. Admin. Code § 188.05 (describing enforcement powers of OWS, including power to inspect places of business and records).

complaints will go forward. All of those activities are necessary parts of the enforcement process. Each involves public coercive power.[7] So each can be assigned only to municipal officers.[8]

Courts have reached similar conclusions under federal law. For example, in 2024, a federal district court held that private attorneys could not enforce federal law on the government's behalf under the False Claims Act.[9] The court reasoned that enforcement is a core executive function, which cannot be handed off to private attorneys.[10] The same year, the D.C. Circuit held that a private regulatory board, FINRA, could not enforce federal securities laws without government oversight.[11] The court reasoned that enforcement was an executive function that could not be given to a purely private group—even if the government could review the group's decisions later.[12] And just last month, the Fifth Circuit held that a private group could not enforce horseracing laws against private owners and trainers.[13] Enforcement was a governmental function, the court said, and any attempt to offload it onto private parties was unconstitutional.[14]

These decisions underline the problem with deputizing worker centers. Each decision started with the premise that enforcing the law is a core executive function. And because enforcement is a core executive function, it must be performed by executive officials. It cannot be offloaded onto private groups.[15] The same conclusion follows in Los Angeles. There, municipal functions must be performed by municipal officials. They cannot be performed by private groups. Enforcing municipal laws is a municipal function, and worker centers are private groups. Worker centers therefore cannot enforce municipal laws.

2. Deputizing worker centers would violate the Los Angeles City Charter.

In California, a charter is like a local constitution.[16] It sets out the basic organizing principles of local government.[17] It also supersedes any inconsistent ordinance.[18] If the city council or county board passes an ordinance that conflicts with the charter, the ordinance is invalid.[19] Local officials can change the ordinance

---

[7] *See Nat'l Horsemen's Benevolent & Protective Ass'n v. Black*, No. 23-10520, 2026 WL 1689717, at *7 (5th Cir. June 11, 2026) (describing "the power to launch an investigation" and "to search for evidence" as "quintessentially executive functions").

[8] *See Teed*, 112 Cal. at 330 (describing effort to assign municipal functions to a private bank as "precisely what is forbidden by the constitution").

[9] *United States ex rel. Zafirov v. Fla. Med. Assocs., LLC*, No. 8:19-CV-01236-KKM-SPF, 2024 WL 4349242, at *1 (M.D. Fla. Sept. 30, 2024).

[10] *See id.*

[11] *See Alpine Sec. Corp. v. Fin. Indus. Regul. Auth.*, 121 F.4th 1314, 1325–26 (D.C. Cir. 2024).

[12] *See id.* at 1326.

[13] *See Black*, 2026 WL 1689717, at *7–12.

[14] *See id.*

[15] *See id.* at 10 (describing scheme that allowed private group to investigate and charge other private parties "an unsupervised delegation of executive power that the Constitution does not tolerate").

[16] *See* Cal. Const. art. XI, § 3(a).

[17] *See City & Cnty. of San Francisco v. Boyd*, 22 Cal. 2d 685, 701–02 (1943).

[18] *See* Cal. Const. art. XI, § 3(a) ("County charters adopted pursuant to this section shall supersede any existing charter and all laws inconsistent therewith.").

[19] *See Marculescu v. City Plan. Comm'n of City & Cnty. of San Francisco*, 7 Cal. App. 2d 371, 373 (1935) ("To be valid, an ordinance must harmonize with the charter.").

only by amending it.[20] And to amend it, they must follow specific procedures, including submitting the amendment to local voters.[21]

As we understand the proposal, it would likely violate the city's charter. The charter assigns responsibility for enforcing city laws to the mayor.[22] It does not allow the mayor to hand off responsibility to someone else. Nor does it say anything about sharing responsibility with private parties.[23] So if the Council wants to give private parties a role in enforcement, it must amend the charter. It cannot avoid the charter simply by passing an ordinance.[24]

3. Deputizing worker centers would violate due process.

The City may, of course, investigate and prosecute alleged violations of its labor laws through authorized City personnel. But the proposal raises a different problem: it would allow private advocacy organizations with a direct stake in enforcement outcomes to exercise or influence coercive governmental power over private employers.

The Fourteenth Amendment of the U.S. Constitution provides that no person may be deprived of life, liberty, or property without due process of law.[25] Among other things, due process includes the right to a disinterested decisionmaker.[26] And no person can be disinterested when he or she has a financial interest at stake.[27] It follows, then, that no person with a financial interest can exercise government power over another person's life, liberty, or property.[28] Here, the proposals would give government power to people with a financial interest: worker centers. While worker centers may be valuable partners for outreach, education, referrals, and complaint navigation, they are not neutral public investigators. Worker centers are associations of workers: their members are employees who work in the targeted industries.[29] These members would benefit from a successful enforcement action—if the action succeeds, they will be paid. They therefore cannot be neutral about the action's outcome. And because they cannot be neutral, they cannot be given government power.

Giving worker centers authority to select targets, gather evidence, access employer records, enter workplaces, interview witnesses, or shape investigations would allow interested private actors to wield

---

[20] Cal. Const. art. XI, § 3(a).

[21] Cal. Gov. Code § 34458.

[22] L.A. City Charter art. IV, § 40 ("It shall be his duty to be vigilant and active in the enforcement of the ordinances of the City . . . .").

[23] *See id.*

[24] *See Boyd*, 22 Cal. 2d at 702 ("An ordinance can no more change or limit the effect of the charter than a statute can modify or supersede a provision of the State Constitution." (quoting *Marculescu*, 7 Cal. App. 2d at 373)).

[25] *See* U.S. Const. amend. XIV, § 1.

[26] *Gibson v. Berryhill*, 411 U.S. 564, 578–79 (1973) (board of self-interest optometrists could not decide whether to disqualify a competing optometrist).

[27] *See Ward v. Vill. of Monroeville, Ohio*, 409 U.S. 57, 61–62 (1972) (state violated due process by assigning adjudication to decisionmaker (a mayor) with financial interest in case); *Ass'n of Am. Railroads*, 821 F.3d at 29 (concluding that "naked self-interest" would prevent a person from using governmental power neutrally).

[28] *See State of Washington ex rel. Seattle Title Tr. Co. v. Roberge*, 278 U.S. 116, 121–22 (1928) (striking down zoning ordinance that allowed construction of certain facilities only with consent or neighboring property owners); *Eubank v. City of Richmond*, 226 U.S. 137, 143 (1912) striking down city ordinance that allowed property owners to regulate set-off requirements for their neighbors' lots). *Cf. Williams v. Pennsylvania*, 579 U.S. 1, 9–10 (2016) (holding that due process prevented the person who served as prosecutor in a case to later sit as judge in the same case).

[29] *See* To, *supra*, at 743 ("The members of worker centers are workers themselves—employees who are also seeking an improved workplace.").

governmental power against private employers. That raises serious due process concerns even if OWS retains final decision-making authority, because the investigative stage itself can be outcome-defining: it determines which employers are targeted, what evidence is gathered, which witnesses are interviewed, how allegations are framed, and the record on which OWS ultimately acts.[30]

4. Deputizing worker centers would violate the Takings Clause.

The proposal may also violate the Fifth Amendment. The Fifth Amendment protects people from uncompensated takings of property.[31] Property includes discrete property interests.[32] And among the most important property interests is the right to exclude.[33] So when the government forbids a property owner from excluding other people, it takes a property interest—an interest that it has to pay for under the Fifth Amendment.[34]

Courts have applied that principle in similar contexts. For example, in *Cedar Point Nursery v. Hassid*, the Supreme Court struck down a California law that gave unions a right to access employers' property. The law required certain agricultural employers to admit union organizers at certain times throughout the year. In the Supreme Court's view, that access right was effectively an easement: it gave a union an enforceable right to enter an employer's property. Because it was an easement, it was property protected by the Fifth Amendment. And because it was protected by the Fifth Amendment, the government could not transfer it to a third party without paying for it.[35]

This proposal would raise the same issue. It would allow a worker center to enter an employer's property against the employer's will. That is, it would effectively transfer an easement from the employer to the worker center. An easement is a property right—a right that the government can transfer only if it pays the price. The proposal does not offer any kind of price for the easement. So like the law in *Cedar Point*, the proposal would violate the Fifth Amendment.[36]

5. Deputizing worker centers would threaten workers' and employers' privacy rights.

Under the California Constitution, all people have a right to privacy.[37] That right is also baked into the California Public Records Act (CPRA). Under the CPRA, when an agency gets a request for public records, it

---

[30] *See, e.g., Tumey v. Ohio*, 273 U.S. 510, 531, 534 (1927); *Calder v. Bull*, 3 U.S. 386, 388 (1798) (describing "law that makes a man a Judge in his own cause" as contrary to due process). *See also* Paul J. Larkin Jr., *The Private Delegation Doctrine*, 73 Fla. L. Rev. 31, 69 (2021) (noting that the requirement of a disinterested decisionmaker has "deep roots in our law"). *See also Dr. Bonham's Case*, 77 Eng. Rep. 638 (C.P.1610) (holding that college of medical doctors could not exercise the power to license other doctors and punish unlicensed practitioners).

[31] U.S. Const. amend. V.

[32] *See Kaiser Aetna v. United States*, 444 U.S. 164, 179–80 (1979).

[33] *See Barton v. U.S. Dep't of Lab.*, 757 F. Supp. 3d 766, 789 (E.D. Ky. 2024) (citing *Cedar Point Nursery*, 594 U.S. at 154–55).

[34] *See Cedar Point Nursery*, 594 U.S. at 154 ("[W]hen the government physically takes an interest in property, it must pay for the right to do so.").

[35] *See id.* at 152 ("[T]he government here has appropriated a right of access to the growers' property, allowing union organizers to traverse it at will for three hours a day, 120 days a year. The regulation appropriates a right to physically invade the growers' property—to literally 'take access,' as the regulation provides. It is therefore a per se physical taking under our precedents." (internal citations omitted)).

[36] *See Barton*, 757 F. Supp. 3d at 789 (applying similar reasoning to a U.S. Department of Labor regulation that allowed workers to "invite" union organizers onto an employer's property over the employer's objection).

[37] CAL. CONST. art. I, § 1.

must balance the public's interest in disclosure with a person's interest in privacy.[38] If disclosure would unduly invade a person's privacy, the agency must not disclose the record. But that protection can be lost permanently if sensitive information is disclosed, even inadvertently. If the record is disclosed to anyone, even by accident, the record is considered permanently public.[39] A business or worker will never be able to insist that it be treated as confidential again. The damage to privacy rights will be permanent.

The proposal raises an even more fundamental privacy problem: it would require or permit sensitive employer and employee records to be placed in the hands of private third parties in the first instance. Wage-and-hour investigations often require access to payroll records, time records, schedules, personnel information, employee names and contact information, compensation data, leave information, immigration-sensitive facts, retaliation allegations, and other confidential workplace records. Those records are not generic business records. They contain employee-identifying information and sensitive operational data that California employers are legally obligated under both state and federal law to protect and disclose only for authorized, limited purposes.[40]

That concern is especially acute because worker centers are private advocacy organizations, not public enforcement agencies, public investigators, or public-records custodians. Unlike City personnel, worker centers are not subject to the same public-law framework that governs City-held records, including CPRA review and privacy-based withholding, City records-retention and custody rules, breach-response obligations, ethics rules governing confidential information, and disciplinary mechanisms for mishandling records.[41] Worker centers are neither subject to public accountability mechanisms nor do they take an oath to uphold constitutional privacy rights.[42] They also generally are not subject to the same statutory privacy obligations as employers, including the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, which applies to qualifying for-profit businesses and generally not to most nonprofits. For these reasons, the City should not give worker centers wholesale access to sensitive employer and employee records that they are not legally structured, trained, or accountable to protect in the same manner as City personnel or regulated employers.

General confidentiality promises are not enough. Once sensitive records are shared with worker centers, they are exposed to risks of over-disclosure, unauthorized use, improper retention, data breach, onward disclosure, or use for unrelated purposes. Records obtained through an enforcement partnership could be used, intentionally or inadvertently, in private litigation, organizing campaigns, public pressure efforts, media outreach, or other activities unrelated to the City's investigation. After disclosure occurs, employers and affected employees would have little practical ability to prevent or remedy the harm.

These concerns are not speculative. The CLA report itself recognizes that government agencies must be careful when sharing information with community organizations because "the government cannot share

---

[38] *See* Cal. Govt. Code § 7927.700.

[39] *See* Cal. Govt. Code § 7921.505(b).

[40] *See, e.g.,* California Constitution's right to privacy (Cal. Const., art. I, § 1); the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020; and Section 5 of the Federal Trade Commission Act.

[41] *See, e.g.*, Gov. Code §§ 7922.000, 7927.700; Civ. Code § 1798.29; L.A. Admin. Code §§ 12.2, 12.3, 4.859; LAMC § 49.5.3; City of Los Angeles Personnel Department, Personnel Policy 33.2: *Guide to Disciplinary Standards*.

[42] *See* Cal. Const. Art. XX, § 3 (requiring public officials and employees to take an oath to support the California constitution—but not requiring the same oath of private deputies or contractors).

records with external entities."[43] Yet the proposed co-enforcement model would move in the opposite direction by expanding private-party involvement in investigations that necessarily involve sensitive records.

Those concerns should carry weight with the Council. The Council has a constitutional duty to protect the privacy rights of employees and employers. It should not pursue policies that jeopardize privacy rights by putting sensitive records in private hands.

6. Deputizing worker centers could expose the city to liability under section 1983.

Section 1983 allows people to sue state officials who violate their federal rights.[44] It also allows them to sue government officials who allow private parties to do the same. If a government official instructs a private party to act, and that private party violates another person's rights, the official can be sued.[45] In effect, the private deputy becomes an arm of the government, and any violation the deputy commits is a violation by the government itself. Responsibility is followed by liability.[46]

The proposal would invite these kinds of lawsuits. It would allow OWS to deputize worker centers, who have little training or experience in constitutional law. Worker centers are unlikely to know what searches are permissible, which interrogations are appropriate, and what procedures to follow for proper authorization. They are much more likely to make mistakes. And when they make mistakes, they not only violate people's rights, but also expose the city to liability.

7. Deputizing worker centers would jeopardize their tax-exempt status.

The proposal also poses risks for the worker centers, which could lose their favorable tax status under federal law. Today, most worker centers are organized as 501(c)(3) nonprofits. But the tax code forbids a 501(c)(3) from performing any government function.[47]

> A state or municipal instrumentality may qualify under section 501(c)(3) if it is organized as a separate entity from the governmental unit that created it and if it otherwise meets the organizational and operational tests of section 501(c)(3). Examples of a qualifying instrumentality may include state schools, universities, or hospitals. ***However, if an organization*** is an integral part of the local government or ***possesses governmental powers, it doesn't qualify for exemption***. A state or municipality itself doesn't qualify for exemption under section 501(c)(3

So if a worker takes on a governmental power, such as enforcement, it loses its exempt status and faces higher tax burdens.

---

[43] CLA Report at p. 5 ("Relationships between governmental entities and community organizations must be managed by both parties carefully because the government cannot share records with external entities.")

[44] 42 U.S.C. § 1983.

[45] *See United States v. Ziegler,* 474 F.3d 1184, 1188, 1190 (9th Cir. 2007) (finding state action where an FBI agent told a private employer to make a copy of its employee's computer files).

[46] *See George v. Edholm*, 752 F.3d 1206, 1215 (9th Cir. 2014) (finding state action when physician removed baggie of drugs from defendant's rectum without consent at direction of police officers).

[47] *See* IRS Pub. 557, Tax-Exempt Status of Your Organization (Jan. 2025), https://www.irs.gov/publications/p557.

8. Tested and proven models exist in other jurisdictions.

There is no need to run these risks. Instead of deputizing worker centers, existing playbooks exist that can be followed. Like the City, other jurisdictions have tried to boost compliance by partnering with community groups. These partnerships give community groups a role in education, outreach, and navigation. Those activities both play to worker centers' strengths and avoid legal pitfalls.

For example, in Seattle, public officials contract with community groups to spread information about the city's labor standards.[48] In San Francisco, officials use community groups to both educate workers and counsel them through the complaint process.[49] These programs have all helped public officials amplify their own limited enforcement resources and build trust with workers, including immigrant communities. And none of them has deputized private groups to enforce the law.

Conclusion

Again, we share the city's goal of ensuring that wage-and-hour laws are enforced effectively. The goal can be pursued in proven and lawful ways.

****

---

[48] *See* Seattle Office of Labor Standards, Community Outreach and Education Fund Request for Proposals: 2022-2023 Guidelines (Sept. 9, 2021), https://docs.google.com/document/d/10tsg011TNyPsqglR5Rsm36uGb-P7VDhW/edit.

[49] *See* S.F. Office of Labor Standards Enforcement, Request for Proposals: Worker Rights Protection and Labor Law Outreach Services (March 21, 2022), https://drive.google.com/file/d/1-BFt4HqWQr_Cp-Ik6TfW7-nt9wMOct_J/view.

Communication from Public

Name: Los Angeles Area Chamber of Commerce
Date Submitted: 08/10/2026 04:39 PM
Council File No: 23-0932
Comments for Public Posting:

August 10, 2026

The Honorable Marqueece Harris-Dawson
Los Angeles City Council President
200 N. Spring Street
Los Angeles, CA 90012

Subject: Oppose Proposed Expansion of OWS Authority (CF: 23-0932)

Dear Council President Harris-Dawson and City Council Members:

On behalf of the Los Angeles Area Chamber of Commerce, the largest business organization in the Los Angeles region, we express our opposition to the proposed expansion of authority for the Office of Wage Standards (OWS).

The Chamber recognizes the importance of fair worker protections and ensuring employees have access to a safe, supportive workplace. However, effective policies designed to strengthen workplace standards must provide clear guidelines for employers, establish consistent processes, and allow opportunities to cure compliance before punitive actions are pursued. The Chamber supports a collaborative solution that protects workers' wages while promoting a balanced approach that allows businesses to operate and thrive.

Potential Impacts of Third-Party Liability on Business Operations
The delegation of enforcement functions to community-based organizations (CBOs) raises substantial risks to worker privacy and the confidentiality of sensitive employee and employer information, potentially exposing businesses to legal liability. Third-party entities will have access to personal, wage, employment, or other confidential records that are more at risk to misuse of information or unauthorized disclosure to employee information.

The CLA's recommendations are estimated to have a fiscal impact of $2.89 million over a nine-month period, not including the additional millions it will take to sustain the department over time. Given the significant cost, the City should prioritize investments for the proposed nine positions within the Bureau of Contract Administration (BCA) to ensure adequate internal staffing, before allocating additional public funds toward third-party contracts. The Chamber urges City Council to reconsider the proposed information-sharing agreements with CBOs as sharing sensitive employee and employer information could pose increased legal liability for both businesses and the City.

Reconsidering Public Disclosure Requirements to Protect Due Process
As noted in the June 2026 CLA report, SB 261 (Wahab) does not currently include a provision requiring the Department of Labor Standards Enforcement (DLSE) to a public posting of an employer's name or any identifying information for having an outstanding wage judgement. Given the State Legislature's removal of the public disclosure requirement, we urge City Council to in a similar notion remove any recommendation for implementation of public disclosure and ensure appropriate due process protections are maintained for employers.

LOS ANGELES AREA
CHAMBER OF COMMERCE

Outline Appropriate Safeguards for Employers Around Expanded Subpoena Authority
The provision to grant the Director, Bureau of Contract Administration (BCA), the authority to issue administrative subpoenas would subject employers to increased regulatory scrutiny and create uncertainty for businesses working to build trust with local government. The Chamber supports the need for a balanced process to investigate wage violations, but there must be appropriate safeguards in which expanded authority be exercised transparently and consistently. Employers should have clear guidance regarding the scope of information that may be requested, protections for confidential and proprietary business information, and assurances that expanded authority will not be inconsistent across different sectors or industries. The Chamber calls on City Council to first review an initial plan and establish clear parameters for the proposed expansion of subpoena authority prior to advancing any plan to expand OWS.

The Chamber strongly urges City Council to refrain from advancing the current CLA proposal to expand OWS enforcement powers, and welcomes the opportunity to serve as a thought partner to address the concerns outlined. If you have any questions or wish to discuss this matter further, please reach out to Carlos Singer, CSinger@lachamber.com, or Jackie Iniguez, at JIniguez@lachamber.com.

Sincerely,

Maria S. Salinas
President & CEO

Carlos Singer
Chief Policy Officer

CC: Rafael Navar, Chief of Staff, Council District 1
Alexis Wesson, Chief of Staff, Council District 2
Lisa Hansen, Chief of Staff, Council District 3
Andrea Conant, Chief of Staff, Council District 4
Erin Bromaghim, Chief of Staff, Council District 5
Ackley Padilla, Chief of Staff, Council District 6
Marie Rumsey, Chief of Staff, Council District 7
Joanne Kim, Chief of Staff, Council District 8
Curtis Ernest, Chief of Staff, Council District 9
Kimani Black, Chief of Staff, Council District 10
Star Parsamyan, Chief of Staff, Council District 11
Hannah Lee, Chief of Staff, Council District 12
Patricia Castellanos, Chief of Staff, Council District 13
Lauren Hodgins, Chief of Staff, Council District 14
Jeanne Min, Chief of Staff, Council District 15.

BCC: Sharon M. Tso, Chief Legislative Analyst
Matthew W. Szabo, City Administrative Officer

350 S. Bixel St. I Los Angeles, CA 90017 I P: 213.580.7500 I F: 213.580.7511 lachamber.com