


# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: June 24, 2026

TO: Honorable Members of the Personnel and Hiring Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No. 23-0932  
Assignment No. 26-04-0265

SUBJECT: SB 261 (Wahab) Division of Labor Standards Enforcement Authority Changes

## SUMMARY

Council adopted a Civil Rights, Equity, Immigration, Aging and Disability Committee report (C.F. 23-0932), as initiated by Motion (Soto-Martinez, McOsker—Harris-Dawson), instructing the Chief Legislative Analyst (CLA), in consultation with the Bureau of Contract Administration (BCA) Office of Wage Standards (OWS) and City Attorney, to report to Council with recommendations on increasing enforcement of workplace violations across the City.

Our Office released a report responding to the above instruction on July 24, 2025, and it was subsequently approved as amended by the Economic Development and Jobs Committee and transmitted to the Personnel and Hiring Committee on December 2, 2025.

On March 6, 2026, the Personnel and Hiring Committee continued consideration of the CLA report and instructed our Office, in consultation with the City Attorney to report on relevant changes to Senate Bill 261 (Wahab) regarding labor standards enforcement authority since the report's release. The initial CLA report had identified SB 261 as pending legislation that could impact the City's enforcement program. Since the CLA report's release, there had been additional consideration and action on SB 261. The Committee requested an update on those actions, which are discussed below.

As heard in the Assembly Committee on Judiciary on July 15, 2025, SB 261 would have required the Division of Labor Standards Enforcement (DLSE) to post on its website the names, addresses, and essential information of any employer with an unsatisfied order, decision, or award (ODA) as to which the time to appeal has expired and no appeal therefrom is pending, or with an unsatisfied final court judgment based on the ODA. An ODA is a formal legal ruling issued by the DLSE following a wage claim hearing that states the exact amount owed (if any) to an aggrieved employee.

The chaptered version of SB 261 does not require the DLSE to post on its website identifying information of businesses or employers with an unsatisfied order, decision, or award. Instead, the law provides that if a final judgment remains unpaid 180 days after the time to appeal has expired and no appeal is pending, the judgment debtor shall be subject to a civil penalty up to three times the amount of the outstanding judgment. This additional enforcement mechanism can be used by the Los Angeles City Attorney.

Thus, SB 261 provides additional enforcement authority that can be utilized by City staff alongside the recommendations included in the CLA report transmitted to Council on July 24, 2025. State law does not preempt any of the recommendations in the CLA report.

**RECOMMENDATION**

That the Council NOTE and FILE this report.

**BACKGROUND**

Senate Bill 261 (Wahab) was introduced on February 3, 2025, and initially required the Labor Commissioner (LC) to post a copy of an order, decision, or award (ODA) on a claim for unpaid wages on the Department of Labor Standard Enforcement (DLSE) website. The proposed legislation would have also required employers be notified by certified mail prior to the posting of an ODA, and would have subjected the employer to a civil penalty not to exceed three times the outstanding judgment amount for final judgments unsatisfied after 180 days.

As heard in the Assembly Committee on Judiciary on July 15, 2025, the bill retained the requirement that DLSE post on its website the name and other essential information about an employer with an ODA for which the time to appeal has expired and no appeal is pending, or there is an unsatisfied final court judgment.

Amendments to SB261 on September 2, 2025, removed the requirement that identifying employer information be posted to the DLSE website if there is an outstanding ODA.

Senate Bill 261, which was chaptered on October 13, 2025, provides that if a final judgment remains unpaid 180 days after the time to appeal has expired and no appeal is pending, the judgment debtor shall be subject to a civil penalty up to three times the amount of the outstanding judgment, including post-judgment interest due. A judgment debtor shall not be subject to a penalty if the judgment debtor reaches an accord before the 180th day and then remains in full compliance with the accord until its full satisfaction.

SB 261 requires Courts to assess the full amount of the requested penalty unless the court finds that the judgment debtor has demonstrated *by clear and convincing evidence* that there is good cause to reduce the amount of the penalty. SB 261 provides that a successor to a judgment debtor shall be *jointly and severally liable for penalties* assessed pursuant to these provisions. SB 261 also requires a court to award a prevailing plaintiff all reasonable attorney's fees and costs to enforce a final judgment arising from the nonpayment of wages, including in any action brought by a public prosecutor, such as a city attorney.

SB 261 provides additional enforcement authority to the recommendations included in the CLA report transmitted to Council on July 24, 2025 by allowing the City Attorney to penalize employers with final unsatisfied wage theft judgments up to three times the outstanding judgment amount.

  
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Analyst