

ORDINANCE NO. _____

An ordinance adding Article 2.1 and amending Sections 186.00, 186.01, 186.02, 186.04, 186.07, 186.08, 186.09, 186.10, 188.00, 188.01, 188.02, 188.03, 188.05, 188.06, 188.09, 188.10, 188.11, and 188.13 of Articles 6 and 8 of Chapter XVIII of the Los Angeles Municipal Code, and amending Sections 10.36.1, 10.37, 10.37.1, 10.37.2, 10.37.3, 10.37.6, 10.37.7, 10.37.8, 10.37.13, and 10.37.15 of Articles 10 and 11 of Division 10 of the Los Angeles Administrative Code to increase the wages and health benefits provided to hotel and airport workers in the City of Los Angeles, to provide training requirements and implement enforcement measures for hotel workers, and other technical changes.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Article 2.1 is added to Chapter XVIII of the Los Angeles Municipal Code to read as follows:

ARTICLE 2.1

HOTEL WORKER TRAINING ORDINANCE

SEC. 182.20. PURPOSE.

The City of Los Angeles has a history of supporting our tourism and hospitality industries. Laws such as the Hotel Worker Minimum Wage Ordinance and the Hotel Worker Protection Ordinance demonstrate the City's commitment to promoting the well-being and rights of the hotel workers, thereby enabling the tourism and hospitality industries to flourish. The City also has an interest in ensuring the safety of its hotel workers, hotel guests, and members of the public who visit these establishments.

Hotel workers, especially room attendants, a majority of whom are women or immigrants, often work alone in guest rooms where there are no witnesses or cameras. The nature of their position makes them uniquely able to identify and report threats and crimes. It also, however, subjects them to risks of threatening behavior, including sexual assault and other crimes — many of which go unreported to the police.

This ordinance seeks to ensure the specified hotel workers have the knowledge and skills to protect their own rights and to promote public health and safety, including by helping to identify potential instances of human trafficking and sexual and domestic violence. The ordinance would require an estimated 3,000 covered hotel workers receive six additional hours of training, to be provided by an outside agency and administered by the City. This will ensure personnel conducting the training have a requisite level of expertise and that there is consistency in the quality of training provided to workers Citywide. It will also enable workers, during the training, to identify

any issues or concerns they have about their rights and the safety of their workplace without fear of retaliation from their employer.

SEC. 182.21. DEFINITIONS.

The following definitions shall apply to this article:

A. **"Adverse Employment Action"** means an action that detrimentally and materially affects the terms, conditions, or privileges of employment, including but not limited to any act to discharge, reduce compensation, reduce work hours, alter established work schedules, increase workload, impose fees or charges, or change duties of a Hotel Worker.

B. **"City"** means the City of Los Angeles.

C. **"Division"** means the Office of Wage Standards of the Bureau of Contract Administration within the Department of Public Works.

D. **"Domestic Violence"** means abuse committed against an adult or a minor who is a spouse, former spouse, cohabitant, former cohabitant, or person with whom the suspect has had a child or is having or has had a dating or engagement relationship.

E. **"Guest"** means a registered guest of a Hotel, a person occupying a Guest Room with a registered guest, or a visitor invited to a Guest Room by a registered guest or other person occupying a Guest Room.

F. **"Guest Room"** means any room, suite of rooms, dwelling unit, cottage, or bungalow intended to be used by a Guest of a Hotel for transient sleeping purposes.

G. **"Hotel"** means an establishment containing 60 or more Guest Rooms that provides temporary lodging for payment in the form of overnight accommodations in Guest Rooms to transient patrons for periods of thirty consecutive calendar days or less, and may provide additional services, such as conference and meeting rooms, restaurants, bars, or recreation facilities available to Guests or to the general public. "Hotel" includes hotels, motor lodges, motels, apartment hotels, transient occupancy residential structures and extended-stay hotels that rent units (including units with kitchens) for fewer than thirty days, private residential clubs, tourist courts, and hostels that contain both dormitory-style accommodations and private Guest Rooms that may be reserved, meeting the definition set forth above. "Hotel" also includes any contracted, leased or sublet premises operated in conjunction with a hotel or that is used for the primary purpose of providing services at a hotel. Except as provided above, the term "Hotel" does not include corporate housing, rooming houses, boarding houses, single-room occupancy housing, or licensed bed and breakfast

establishments within a single-unit residence. "Hotel" does not include a Short-Term Rental, as defined in Section 12.22.A.32 of this Code.

H. **"Hotel Employer"** means any person who owns, controls, or operates a Hotel in the City, and includes any person or contractor who, in a managerial, supervisory, or confidential capacity, employs or directs Hotel Workers to provide services at a Hotel in conjunction with the Hotel's purpose.

I. **"Hotel Worker"** means any person whose primary place of employment is at one or more Hotels and who is employed directly by a Hotel Employer, or by a person who has contracted with the Hotel Employer, to provide services at a Hotel. "Hotel Worker" does not include a managerial, supervisory or confidential employee.

J. **"Human Trafficking"** shall have the same meaning as set forth in California Penal Code Section 236.1.

K. **"Room Attendant"** means a Hotel Worker whose principal duties are to clean and put in order Guest Rooms in a Hotel.

L. **"Violent or Threatening Conduct"** means: (1) any conduct that involves the use of physical violence or that would reasonably be interpreted as conveying a threat of the use of physical violence, and includes, but is not limited to, rape, assault (including sexual assault), and battery (including sexual battery), as defined by the California Penal Code, as well as any threat or attempt to commit such an act; or (2) any sexual conduct, or solicitation to engage in sexual conduct, directed by a Guest at a Hotel Worker without the consent of the Hotel Worker and includes, but is not limited to, indecent exposure, as defined by the California Penal Code.

SEC. 182.22. PUBLIC HOUSEKEEPING TRAINING.

A. The Division, or designee, shall establish a process whereby the City will certify and designate at least one "Public Housekeeping Training Organization." The certification and designation of a Public Housekeeping Training Organization shall be carried out by the Division or its designee.

B. A Hotel Employer shall ensure that each Hotel Worker who works as a Room Attendant attends a "Public Housekeeping Training" during which the Hotel worker shall receive their applicable wage rate from the Hotel Employer. The training shall be paid for by the Hotel Employer and provided by a Public Housekeeping Training Organization that is approved and certified by the Division.

C. To be certified as a designated Public Housekeeping Training Organization, the organization shall meet the requirements set forth by the Division, or designee, including, but not be limited to, the following:

1. The Public Housekeeping Training Organization must have experience providing training to hotel workers or immigrant low-wage workers, utilize interactive teaching strategies that engage across multiple literacy levels, and provide trainers and educators who are culturally competent and fluent in the language or languages that hotel workers understand.

2. The "Public Housekeeping Training" should include no less than six hours of training, including live and interactive instruction, on the following elements, except that the Division, or designee, may determine that any element below is separately and sufficiently required by State or local law, in which case the element may be eliminated and the total training time reduced accordingly:

a. Hotel Worker rights and Hotel Employer responsibilities under Article 2 of Chapter XVIII of this Code;

b. Best practices for identifying and responding to suspected instances of Human Trafficking, Domestic Violence, or Violent or Threatening Conduct;

c. Best practices for effective cleaning techniques to prevent the spread of disease;

d. Best practices for identifying and avoiding insect or vermin infestations; and

e. Best practices for identifying and responding to the presence of other potential criminal activity.

3. A Public Housekeeping Training Organization may coordinate with a Hotel Employer to ensure that training content aligns where appropriate with the Hotel Employer's policies and procedures. Ultimate discretion regarding training content shall remain with a Public Housekeeping Training Organization, subject to requirements set forth by the Division, or designee.

4. A Public Housekeeping Training Organization shall promptly issue a "Public Housekeeping Certificate" to any person who successfully completes its Public Housekeeping Training. A Public Housekeeping Certificate shall be valid for a period of five years.

D. A Hotel Employer shall document compliance with the training requirement set forth in this section by completing and signing a form as required by the City to certify that the training was conducted in accordance with this article.

E. A Public Housekeeping Training Organization that provides such training shall submit a report to the Division within five days of a training to document the date on which the training was held and the names of all Hotel Workers who received Public

Housekeeping Certificates.

F. No Hotel Employer shall employ a Hotel Worker to work as a Room Attendant for more than 120 days unless the Hotel Worker presents the Hotel Employer with a valid Public Housekeeping Certificate. For the sake of clarity, a Hotel Employer shall, within 120 days of expiration of a Hotel Worker's Public Housekeeping Certificate, ensure that the Hotel Worker attends a new "Public Housekeeping Training." Failure of a Hotel Employer to provide the specified Public Housekeeping Training in this subsection or in Subsection (B), above, shall not be grounds for terminating the employment or contract work of a Hotel Worker.

G. Each Hotel Employer shall retain records sufficient to demonstrate compliance with this section for a period of five years, including a copy of a valid Public Housekeeping Certificate for each Hotel Worker then assigned to work as a Room Attendant.

SEC. 182.23. EXEMPTION; LIMITED WAIVER FOR CERTAIN HOTEL EMPLOYERS.

A. **Waiver application.** The Division, or designee, shall grant a waiver from the Public Housekeeping Training requirement in Section 182.22, above, to any Hotel Employer who demonstrates that compliance would require the Hotel Employer, in order to avoid bankruptcy or a shutdown of the Hotel Employer's hotel, to reduce its workforce by more than 20 percent or curtail its hotel workers' total hours by more than 30 percent. The Division, or designee, shall grant such a waiver only after reviewing a Hotel Employer's financial condition at the Hotel Employer's expense. A waiver granted under this section shall be valid for no more than one year. A decision by the Division, or designee, to grant or deny a request for waiver under this section may be appealed to a hearing examiner in accordance with established city practices for hearing examiner review.

B. **Notice of waiver application.** Prior to submitting a waiver application pursuant to this section, a Hotel Employer shall provide written notice of the waiver application to all Hotel Workers who work as Room Attendants. Within three days of receiving a waiver determination from the Division, or designee, under this section, a Hotel Employer shall provide written notice of the determination to all Room Attendants employed by the Hotel Employer.

SEC. 182.24. NOTICE.

A Hotel Employer shall provide written notice of the Hotel Workers' rights set forth in this article to each Hotel Worker at the time of hire or within 30 days of the effective date of this article, whichever is later. Such written notice shall be provided in English, Spanish, and any other language known by the Hotel Employer to be spoken by ten percent or more of the Hotel Workers employed by the Hotel Employer.

SEC. 182.25. RETALIATORY ACTION PROHIBITED.

No person shall discharge, reduce in compensation, take Adverse Employment Action against, or otherwise discriminate against any Hotel Worker for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce their rights under this article by any lawful means, or for otherwise asserting rights under this article. A Hotel Employer taking any Adverse Employment Action against any Hotel Worker who is known to have engaged in any of the foregoing activities within one year preceding the Adverse Employment Action shall provide to the Hotel Worker at or before the time of the Adverse Employment Action a detailed written statement of the reason or reasons for the discharge or other Adverse Employment Action, including all the facts claimed to substantiate the reason or reasons.

SEC. 182.26. ADMINISTRATIVE REGULATIONS.

The Division is authorized to adopt rules and regulations that are consistent with and in furtherance of the provisions of this article. Violations of the rules and regulations adopted pursuant to this section shall constitute violations of this article and shall subject the violator to the penalties set forth in this article.

SEC. 182.27. JOINT CIVIL LIABILITY.

A Hotel Employer that contracts with another person, including, without limitation, another hotel employer, a temporary staffing agency, employee leasing agency or professional employer organization, to obtain the services of hotel employees shall share all civil legal responsibility and civil liability for violations of this article by that person for Hotel Workers performing work pursuant to the contract. For the purposes of this subsection, the term "person" shall not include:

- A. A bona fide nonprofit organization that provides services to workers.
- B. A bona fide labor organization, as defined in 29 U.S.C. § 152, or an apprenticeship program, training program, or hiring hall operated pursuant to a labor-management agreement.

SEC. 182.28. SUPERSESSION BY COLLECTIVE BARGAINING AGREEMENT.

The provisions of this article, or any part thereof, may be waived pursuant to a bona fide collective bargaining agreement, but only if the waiver is expressly set forth in clear and unambiguous written terms. Neither party to a collective bargaining relationship may waive or supersede any provision of this article by means of unilaterally imposed terms and conditions of employment.

SEC. 182.29. CIVIL REMEDIES.

A. **Civil action.** The City or any aggrieved person may enforce the provisions of this article by means of a civil action.

B. **Injunction.** Any person who commits an act, proposes to commit an act, or engages in any pattern or practice that violates this article may be enjoined therefrom by a court of competent jurisdiction. An action for injunction under this subsection may be brought by any aggrieved person, by the City Attorney, or by any person or entity who will fairly and adequately represent the interests of an aggrieved person or persons.

C. **Damages and penalties.** Any person who violates the provisions of this article is liable for actual damages suffered by any aggrieved person and for statutory damages of \$100 per aggrieved person per day, except that statutory damages for failure to maintain or provide records shall not exceed \$1,000 per day for all affected hotel workers. For willful violations, the amount of monies and penalties to be paid under this subsection shall be trebled.

D. **Attorneys' fees and costs.** In a civil action brought under this section, the court shall award the prevailing plaintiff reasonable attorneys' fees and costs, including expert witness fees.

E. **Cumulative remedies.** The remedies set forth in this article are cumulative. Nothing in this article shall be interpreted as restricting, precluding, or otherwise limiting a separate or concurrent criminal prosecution under this Code or State law.

SEC. 182.30. COEXISTENCE WITH OTHER AVAILABLE RELIEF.

The provisions of this article shall not be construed as limiting an Employee's right to obtain relief to which they may be entitled at law or in equity.

SEC. 182.31. CONFLICTS.

Nothing in this article shall be interpreted or applied to create any power or duty in conflict with any federal or state law.

SEC. 182.32. SEVERABILITY.

If any subsection, sentence, clause or phrase of this article is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this section, and each and every subsection, sentence, clause and phrase thereof not declared invalid or

unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

SEC. 182.33. OPERATIVE DATE.

The provisions of this article shall become operative on December 1, 2025.

Sec. 2. Section 186.00 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 186.00. PURPOSE.

After surviving the devastating impact of the pandemic on tourism in 2020, the hotels around Los Angeles International Airport (LAX) and throughout the City have thrived. Indeed, in 2023, the last full year for which statistics are available, an estimated 49.1 million people traveled to Los Angeles reaching 97 percent of pre-pandemic levels — with hotels reporting an average daily rate and revenue per room that were near record highs. This resulted in 30.2 million room-nights sold in 2023 and a record \$40.4 billion worth of economic activity for the year. The number of visitors to the City is only expected to rise in the coming years to more than 70 million by 2030, and is expected to create more than 400,000 new jobs and generate up to an additional billion dollars in tax revenue for the City.

In preparation for upcoming major global events such as the 2026 World Cup and the 2028 Olympics, the City is heavily investing in infrastructure and development projects. LAX is investing \$6 billion in an expansion, and Los Angeles is expected to lead the nation in the availability of new hotel rooms.

Though hotel workers are frequently the face of the industry, providing services directly to tourists, the economic benefits from the tourism industry are not evenly distributed to them. Hotel workers often live paycheck to paycheck and are frequently forced to work two or three jobs to provide food and shelter for their families. In many instances, they cannot take time to spend with their children or care for themselves or family when sick. They also rely on the public sector as a provider of social support services and, therefore, the City has an interest in promoting an employment environment that protects government resources. In requiring the payment of a higher minimum wage, this article benefits that interest.

In 2007, the Los Angeles City Council passed a living wage ordinance for workers employed in hotels near LAX, and in 2009 passed an ordinance that raised the wages for airport employees. In recognition of the commensurate need for fair wages for hotel workers throughout the City, the Hotel Worker Minimum Wage Ordinance went into effect in 2014.

The rapid increase in the cost of living in recent years has made income inequality one of the most pressing economic, social and civil rights issues facing

Los Angeles. While major events such as the 2026 World Cup and 2028 Olympics will likely result in record profits for employers in the tourism industry, the workers that keep the tourism industry functional, safe, and profitable are left languishing behind. Wages and health benefits have not kept up with steep inflation and the rising cost of living, and workers continue to face persistent wage disparities, worsened by inconsistent benefits. The ill effects of low wages and benefits have had a greater impact on hotel workers because, unlike the LWO which requires employers to provide workers with a healthcare benefit payment, the current Hotel Minimum Wage Ordinance does not. Through this Ordinance, the City seeks to remedy the disparity in how hotel workers are compensated with respect to other tourism workers.

This Ordinance increases the compensation for hotel workers by requiring a higher minimum cash wage and a new minimum health benefit payment. According to a 2023-2024 Berkeley Economic Advising and Research (BEAR) study, more than 40 percent of airport workers and more than 60 percent of hotel workers will receive a wage increase because of this policy, while 15 percent and 35 percent of those respective workers will receive expanded health coverage. Per the BEAR study, the compensation and health benefit improvements contained in this Ordinance will directly and indirectly impact approximately 23,000 hotel workers. These workers are expected to increase their purchase of goods and services, thereby stimulating the economies of the City, County, and neighboring jurisdictions, in turn.

By proceeding incrementally and applying an increased minimum wage to hotel workers at larger hotels, including a hardship waiver for certain affected hotels, the City seeks to promote the health, safety and welfare of thousands of hotel workers by ensuring they receive decent compensation for the work they perform.

Sec. 3. Subsection A of Section 186.01 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is deleted in its entirety.

Sec. 4. Subsections B through I of Section 186.01 of Article 6, Chapter XVIII of the Los Angeles Municipal Code are relettered (A) through (H), respectively, and the relettered Subsections B and C are amended to read as follows:

B. "Division" shall mean the Office of Wage Standards of the Bureau of Contract Administration within the Department of Public Works.

C. "Hotel" means a residential building or transient occupancy residential structure that is designated or used for lodging and other related services for the public, and containing 60 or more guest rooms, or suites of rooms (adjoining rooms do not constitute a suite of rooms), or dwelling units that may be rented for periods of 30 days or fewer. "Hotel" also includes any contracted, leased or sublet premises connected to or operated in conjunction with the building's purpose, or providing services at the building. "Hotel" does not include a Short-Term Rental, as defined in Municipal Code Section 12.22 A.32. The number of guest rooms, suites of rooms, or dwelling units shall be calculated based on the room count on the opening of the Hotel or on December 31,

2012, whichever is greater. "Hotel" also includes any hotel within the Airport Hospitality Enhancement Zone, which encompasses the boundaries of the Gateway to LA Property Business Improvement District (Gateway to LA PBID), established by Ordinance Number 177,211, containing 50 or more guest rooms, or suites of rooms located within that area, and includes any contracted, leased, or sublet premises connected to or operated in conjunction with the building's purpose, or providing services at the building. If the Gateway to LA PBID ceases to exist, the boundaries at the time of dissolution shall remain in effect for purposes of this article.

Sec. 5. Subsection A of Section 186.02 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended to read as follows:

A. **Wages.** A Hotel Employer shall pay a Hotel Worker a wage of no less than the hourly rates set under the authority of this article.

1. If a Hotel Employer provides a Hotel Worker with health benefits as provided in Section 186.04 of this article, the Hotel Worker shall be paid the following:

(a) Beginning on July 1, 2024, the wage rate for a Hotel Worker shall be no less than \$20.32 per hour.

(b) Beginning on July 1, 2025, the wage rate for a Hotel Worker shall be no less than \$22.50 per hour.

(c) Beginning on July 1, 2026, the wage rate for a Hotel Worker shall be no less than \$25.00 per hour.

(d) Beginning on July 1, 2027, the wage rate for a Hotel Worker shall be no less than \$27.50 per hour.

(e) Beginning on July 1, 2028, the wage rate for a Hotel Worker shall be no less than \$30.00 per hour.

(f) Beginning on July 1, 2029, and annually thereafter on July 1, the hourly wage rate for a Hotel Worker shall be adjusted higher by a percentage equal to the percentage increase, if any, in the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area, as measured from January to December of the preceding year. The Division shall announce the adjusted rates on February 1st, or within two weeks of the release of the prior year's CPI-W, whichever is later, and publish a bulletin announcing the adjusted hourly wage rates, which shall take effect on July 1st of each year.

2. Beginning on July 1, 2026, if a Hotel Employer does not provide a Hotel Worker with health benefits as provided in Section 186.04 of this article, the Hotel Worker shall be paid the applicable wage rate in Section 186.02.A.1 and an additional wage rate per hour equal to the health benefit payment in effect for an Employee of an Employer servicing the Airport pursuant to Section 10.37.3(a)(5) of the Los Angeles Administrative Code.

3. A Hotel Employer may not use gratuities, Service Charge distributions, or bonuses earned by a Hotel Worker to offset the wages required under this article.

Sec. 6. Section 186.04 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 186.04. HEALTH BENEFITS.

Beginning on July 1, 2026, the health benefits required by this article shall consist of the payment per hour, by a Hotel Employer towards the provision of health care benefits for a Hotel Worker and dependents, equal to the health benefit payment in effect for an Employee of an Employer servicing the Airport pursuant to Section 10.37.3(a)(5) of the Los Angeles Administrative Code.

A. To be exempt from having to pay Hotel Workers with health benefits the wage rate in Section 186.02.A.2, Hotel Employers shall keep proof of the provision of such health benefits on file at the Hotel, and such proof shall be provided to the Division upon request.

B. Health benefits include health coverage, dental, vision, mental health, and disability income. For purposes of this article, retirement benefits, accidental death and dismemberment insurance, life insurance and other benefits that do not provide medical or health related coverage will not be credited toward the cost of providing Hotel Workers with health benefits.

C. If the Hotel Employer's hourly health benefit payment is less than that required under this article, the difference shall be paid to the Hotel Worker as an additional hourly wage.

D. Health benefits are not required to be paid on overtime hours.

E. Beginning on July 1, 2027, and annually thereafter each July 1, the payment amount for health benefits provided to a Hotel Worker working for a Hotel Employer shall be adjusted by a percentage equal to the percentage increase, if any, in the California Department of Managed Healthcare's Large Group Aggregate Rates (LGAR) report, as measured from January to December of the preceding year. The Division shall announce the adjusted rates on April 1st, or within two weeks of the

release of the prior year's LGAR report, whichever is later, and publish a bulletin announcing the adjusted rates, which shall take effect on July 1st of each year.

Sec. 7. Section 186.07 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 186.07. IMPLEMENTATION.

This article, including any penalties, fines, and other remedies available herein, shall be enforced by the Division pursuant to Section 188, et seq., of this Code. The Division may promulgate rules and regulations consistent with this article for the implementation of the provisions of this article. Any rules or regulations shall have the force and effect of law, and may be relied upon by Hotel Employers, Hotel Workers, and other parties to determine their rights and responsibilities under this article.

Sec. 8. Section 186.08 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 186.08. PENALTIES AND REMEDIES PAYABLE TO THE HOTEL WORKER.

A. **Civil Enforcement Action by Hotel Worker, City, or Third Parties.** Any Hotel Worker aggrieved by a violation of this article, the City Attorney, or any other person or entity acting on behalf of the public as provided for under applicable state law, may bring a civil action in a court of competent jurisdiction against the Hotel Employer. A Hotel Worker or the City, upon prevailing, shall be entitled to such legal or equitable relief as may be appropriate to remedy the violation, including, without limitation, the payment or provision of any wages, health benefits, compensated time off, or Service Charges unlawfully withheld, the payment of penalties in the amount of up to \$120 for each day that the violation occurred or continued, reinstatement in employment and/or injunctive relief, and reasonable attorneys' fees and costs. Any other person or entity enforcing this article on behalf of the public as provided for under applicable state law, upon prevailing, shall be entitled only to equitable, injunctive and/or restitutionary relief, and reasonable attorneys' fees and costs. Nothing in this article shall be interpreted as restricting, precluding, or otherwise limiting a separate or concurrent administrative action by the Division under Article 8 of Chapter XVIII, of this Code or a criminal prosecution under the Municipal Code or state law.

B. **Restitution and Penalty Assessments by the Division Payable to the Hotel Worker.** Every Hotel Employer who violates this article, or any portion thereof, shall be liable to the Hotel Worker whose rights were violated for any and all relief, including, but not limited to, the payment or provision to each Hotel Worker of wages, health benefits, time off, or Service Charges unlawfully withheld and an additional penalty of up to \$120 per day that each of the violations occurred or continued. A violation for unlawfully withholding wages, health benefit payments, compensated time off, or Service Charges shall be deemed to continue from the date immediately following the date that the payments were due and payable as provided in Part 1 (commencing

with Section 200) of Division 2 of the California Labor Code, to the date immediately preceding the date the amounts owed are paid in full. For retaliatory action by the Hotel Employer, the Hotel Worker shall be entitled to reinstatement and a trebling of all wages, health benefits, compensated time off, or Service Charges, and penalties owed.

Sec. 9. Section 186.09 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 186.09. ADMINISTRATIVE FINES AND PENALTIES PAYABLE TO THE CITY.

A. **Penalties.** A Hotel Employer who violates this article, or any portion thereof, shall be liable to the City for a penalty of up to \$50 per day that wages, health benefit payments, compensated time off, or Service Charges are unlawfully withheld from a Hotel Worker. A violation for unlawfully withholding wages, health benefit payments, compensated time off, or Service Charges shall be deemed to continue from the date immediately following the date that the wages were due and payable as provided in Part 1 (commencing with Section 200) of Division 2 of the California Labor Code, to the date immediately preceding the date the wages are paid in full.

B. **Administrative Fines.** An administrative fine payable to the City may be assessed for a violation of any provision of this article as specified below. The administrative fine may be assessed by means of a Notice of Correction, as provided in Section 188.06, issued to the Hotel Employer by the Division.

VIOLATION AND FINE AMOUNT

Failure to post notice of the wage rates, health benefits, time off benefits, and Service Charge requirements under this article – Municipal Code Section 188.03.A.	Up to \$500
Failure to allow access to payroll records – Municipal Code Section 188.03.B.	Up to \$500
Failure to allow access to records required by this article – Municipal Code Section 186.04.A or 188.03.C.	Up to \$500
Failure to maintain payroll records or to retain payroll records for four years – Municipal Code Section 188.03.B.	Up to \$500
Failure to allow access for inspection of records or to interview employees – Municipal Code Section, 188.03.B or 188.03.C.	Up to \$500

Retaliation for exercising rights under this article – Municipal Code Section 186.06.	Up to \$1,000
Failure to provide employer's name, address, and telephone number in writing – Municipal Code Sections 188.03.A or 188.05.D.	Up to \$500
Failure to cooperate with the Division's investigation – Municipal Code Section 188.03.C or 188.05.D.	Up to \$500
Failure to submit documents or information to the Division within 30 days of the request – Municipal Code Sections 188.03.B or 188.05.D.	Up to \$500
Failure to post Notice of Correction to employees – Municipal Code Section 188.06.D.	Up to \$500

C. Calculation of Administrative Fines. Each and every day that a violation exists constitutes a separate and distinct violation. Any subsequent violation of the same provision by the same Hotel Employer within three years of a prior Notice of Correction, as defined in Section 188.06, may result in a 50 percent increase in the maximum administrative fine allowed.

D. Payments to the City; Due Date; Late Payment Penalty. Administrative fines and City penalties shall be payable to the City of Los Angeles and due within 30 days of the date of the Notice of Correction, as defined in Section 188.06. The failure of any Hotel Employer to pay an administrative fine or City penalty within 30 days may result in the assessment of an additional late fee. The additional late fee shall be ten percent of the total amount of the administrative fine or City penalty assessed for each month the amounts are unpaid, compounded to include already accrued late administrative fines and City penalties that remain unpaid.

E. Penalties and Fines under Section 186.08 and 186.09. The Division shall base its imposition of penalties and administrative fines for non-compliance with the City's laws after considering factors, including but not limited to: (1) the extent of harm caused by the violation; (2) the nature and persistence of the violation; (3) the length of time over which the violation occurs; (4) the frequency of past violations; (5) any action taken to mitigate the violation; and (6) the financial burden to the Hotel Employer.

Sec. 10. Section 186.10 of Article 6, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 186.10. WAIVERS.

A. **Collective Bargaining Agreement.** All the provisions of this article, or any part of the article, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in that agreement in clear and unambiguous terms. Unilateral implementation of terms and conditions of employment by either party to a collective bargaining relationship shall not constitute or be permitted as a waiver of all or any part of the provisions of this article.

B. **Limited Hardship Waiver for Hotel Employers.**

1. **Waiver application.** The Division shall grant a hardship waiver from the requirements of this article, subject to the limitation in subsection C below, to any Hotel Employer who demonstrates that compliance with this article would require the Hotel Employer, in order to avoid bankruptcy or a shutdown of the Hotel Employer's hotel, to reduce its workforce by more than 20 percent or curtail its Hotel Workers' total hours by more than 30 percent. The Division shall grant such a hardship waiver only after reviewing a Hotel Employer's financial condition at the Hotel Employer's expense. A hardship waiver granted under this section shall be valid for no more than one year. A determination by the Division to grant or deny a request for a hardship waiver under this section may be appealed to a hearing examiner in accordance with established city practices for hearing examiner review.

2. **Notice of waiver application.** Prior to submitting a waiver application pursuant to this section, a Hotel Employer shall provide written notice of the waiver application to all Hotel Workers employed by the Hotel Employer. Within three days of receiving a waiver determination from the Division under this section, a Hotel Employer shall provide written notice of the determination to all Hotel Workers employed by the Hotel Employer.

3. **Applicable minimum wage and health benefits upon granting of a hardship waiver.** A Hotel Employer that receives a hardship waiver under this section shall be granted a 12-month delay in providing any new wage and health benefit increases that occur after the date the completed hardship waiver application is received by the Division. A Hotel Employer granted a waiver must pay a Hotel Worker the minimum wage rate specified in Section 186.02.A.1 and provide the health care benefits specified in Section 186.04 (or the additional wage rate specified in Section 186.02.A.2 if health care benefits are not provided) that are in effect at the time the Hotel Employer submits a waiver application.

C. **Waiver by Employee** - The Division may waive the health care provisions in Section 186.04 with respect to and at the request of an individual Hotel Worker who is eligible for benefits under Medicare, a health plan through the U.S. Department of Veteran Affairs, or a health plan in which the Hotel Worker's spouse, domestic partner or parent is a participant or subscriber to another health plan. A Hotel Worker who receives this waiver shall only be entitled to the hourly wage pursuant to Section 186.02.A.1., and an additional wage rate of:

1. \$100 per month for a full-time employee as defined by the Affordable Care Act (ACA) and who works at least 30 hours per week or 130 hours per month; or
2. \$50 per month for a half-time employee as defined by the ACA and who works at least 30 hours per week or 130 hours per month.

Sec. 11. Section 188.00 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.00. TITLE AND CLAUSE.

This article shall be known as the "Los Angeles Office of Wage Standards Ordinance." Wage theft occurs when employees are not paid the wages they are owed by their employers. Studies have concluded that employees in Los Angeles are disproportionately affected by the crime of wage theft in the State of California. The Office of Wage Standards within the Bureau of Contract Administration of the Department of Public Works enforces violations of wage theft and sick time benefits of the Los Angeles Minimum Wage Ordinance. The ordinance also establishes penalties and grants authority to the City of Los Angeles Police Commission to deny, revoke or suspend a police permit issued or requested by an employer found to have committed wage theft.

This ordinance authorizes the Office of Wage Standards to enforce the rights and benefits provided by the Fair Work Week Ordinance and the Citywide Hotel Worker Minimum Wage Ordinance. By investigating complaints and holding employers accountable, the City will communicate to employers that wage theft and denial of a fair work week will not be tolerated in Los Angeles. Holding employers accountable further serves as a deterrent to future actions by employers who otherwise would violate California wage and labor provisions within the City's boundaries.

Moreover, imposing penalties and administrative fines for violations of the Los Angeles Minimum Wage Ordinance, the Fair Work Week Ordinance, the Citywide Hotel Worker Minimum Wage Ordinance, and the requirements of this article will also serve as a deterrent to employers who choose not to follow the law. The importance of correctly paying wages due and providing sick time to an employee is one of the highest mandates for the welfare of employees working in the City. Similarly, the welfare of employees working in the City requires that retail employers provide advance notice of

work schedules, the right to rest ten hours between shifts, opportunities for additional hours, and predictability pay for late schedule changes.

Sec. 12. Section 188.01 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.01. AUTHORITY.

This article is adopted pursuant to the powers vested in the City of Los Angeles under the laws and Constitution of the State of California and the City Charter, including but not limited to, the police powers vested in the City pursuant to Article XI, Section 7 of the California Constitution and Section 1205(b) of the California Labor Code, to ensure compliance with the Los Angeles Minimum Wage law, Los Angeles Municipal Code Section 187.00, et seq., the Fair Work Week law, Los Angeles Municipal Code Section 185.00, et seq, and the Citywide Hotel Worker Minimum Wage Ordinance, Los Angeles Municipal Code Section 186.00, et seq.

Sec. 13. Section 188.02 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.02. DEFINITIONS.

As used in this article, the following terms shall have the following meanings:

- A. **"City"** shall mean the City of Los Angeles.
- B. **"City of Los Angeles Police Commission"** is defined in Section 103.01 of this Code.
- C. **"Division"** shall mean the Office of Wage Standards of the Bureau of Contract Administration within the Department of Public Works.
- D. **"Employee"** shall have the same meaning as defined in Section 185.01.C of this Code for purposes of application of the Fair Work Week Ordinance; and shall have the same meaning as defined in Section 187.01.C of this Code for purposes of application of the Minimum Wage Ordinance; and shall have the same meaning as "Hotel Worker" as defined in Section 186.01.E of this Code for purposes of application of the Citywide Hotel Worker Minimum Wage Ordinance.
- E. **"Employer"** shall have the same meaning as defined in Section 185.01.D of this Code for purposes of application of the Fair Work Week Ordinance; and shall have the same meaning as defined in Section 187.01.D of this Code for purposes of application of the Minimum Wage Ordinance; and shall have the same meaning as "Hotel Employer" as defined in Section 186.01.D of this Code for purposes of application of the Citywide Hotel Worker Minimum

Wage Ordinance.

F. **“Los Angeles Minimum Wage”** means a minimum wage adopted by the Los Angeles City Council pursuant to Section 187.00, et seq. of this Code.

G. **“OWS-Enforced Ordinances”** means and refers to the ordinances for which the City of Los Angeles has conferred enforcement authority on the Office of Wage Standards of the Bureau of Contract Administration within the Department of Public Works, including the Fair Work Week Ordinance, Section 185.00, et seq. of this Code, the Citywide Hotel Worker Minimum Wage Ordinance, Section 186.00, et seq. of this Code, and the Los Angeles Minimum Wage Ordinance, Section 187.00, et seq. of this Code.

H. **“Police Permit”** means any permit identified in Section 103.12 of this Code.

I. **“Predictability Pay”** is defined in Section 185.01.H of this Code.

J. **“Sick Time Benefits”** is defined in Section 187.04 of this Code.

K. **“Work Schedule”** is defined in Section 185.01.J of this Code.

Sec. 14. Section 188.03 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.03. POSTINGS AND RECORDS.

A. Every Employer shall post in a conspicuous place at any workplace or job site where any Employee works, the notice published each year by the Division informing Employees of the current minimum wage rate, compensated time off, and their rights and other benefits under the OWS-Enforced Ordinances and this article. Every Employer shall post notices in English, Spanish, Chinese (Cantonese and Mandarin), Hindi, Vietnamese, Tagalog, Korean, Japanese, Thai, Armenian, Russian and Farsi, and any other language spoken by at least five percent of the Employees at the workplace or job site. Every Employer also shall provide each Employee at the time of hire the Employer's name, address, and telephone number in writing. If the information the Employer provided to the Employee changes, the Employer shall provide the updated information in writing within ten days of the change.

B. Every Employer shall retain payroll records pertaining to Employees for a period of four years, and shall allow the Division access to such records, with appropriate notice and during business hours, to monitor compliance with the requirements of the Minimum Wage Ordinance and the Citywide Hotel Worker Minimum Wage Ordinance. For purposes of the Fair

Work Week Ordinance, records must be retained pursuant to Section 185.09.

C. The head of the Division or their designee shall have access to all business sites and places of labor subject to the OWS-Enforced Ordinances, and this article during business hours to inspect books and records, interview employees and any other relevant witnesses, and investigate such matters as necessary or appropriate to determine whether an Employer has violated any provisions of the OWS-Enforced Ordinances, or this article.

Sec. 15. Section 188.05 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.05. ENFORCEMENT.

A. Cure Period For a Violation of The Fair Work Week Ordinance.

Before an Employee or the Employee's representative can file a complaint with the Division or file a civil action alleging a violation of the Fair Work Week Ordinance, the following requirements must be met:

1. The Employee provides written notice to the Employer of the provisions of the Fair Work Week Ordinance alleged to have been violated and the facts to support the alleged violations; and
2. The Employer does not, within 15 days from receipt of the written notice to cure, take action to cure the alleged violations.

B. Cure Period For a Violation of the Citywide Hotel Worker Minimum Wage Ordinance. Before an Employee or the Employee's representative can file a complaint with the Division or file a civil action alleging a violation of the Citywide Hotel Worker Minimum Wage Ordinance, the following requirements must be met:

1. The Employee or Employee's representative provides written notice to the Employer of the provisions of the Citywide Hotel Worker Minimum Wage Ordinance alleged to have been violated and the facts to support the alleged violations; and
2. The Employer does not, within 30 days from receipt of the written notice to cure, take action to cure the alleged violations.

C. Reporting Violations. An Employee or any other person may report to the Division any suspected violation of the OWS-Enforced Ordinances, or this article. The Division shall encourage reporting pursuant to this article by keeping confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the Employee or person reporting the violation. With the authorization of the Employee or person reporting a violation, the Division may disclose their name and identifying information as necessary to

enforce this article or for other appropriate purposes.

D. **Investigation.** The Division shall be responsible for investigating possible violations of the OWS-Enforced Ordinances, and this article by an Employer or other person. The Employer shall cooperate fully in any investigation by the Division. The Division shall have access to all business sites and places of labor subject to the OWS-Enforced Ordinances, during business hours to inspect and request copies of books and records, interview employees and any other relevant witnesses, investigate such matters necessary or appropriate and request the Board of Public Works to issue a subpoena for books, papers, records, or other items relevant to the enforcement of this article. The Employer is required to provide the Division with its legal name, address, and telephone number in writing.

Sec. 16. Subsection A of Section 188.06 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended to read as follows:

A. **Issuance of Notice of Correction.** After an investigation, if the Division determines that an Employer has violated one or more of the OWS-Enforced Ordinances, or this article, the Division shall issue a written Notice of Correction to the Employer.

Sec. 17. Subdivisions 6 and 7 of Section 188.06.C of Chapter XVIII of the Los Angeles Municipal Code are amended to read as follows:

6. The amount of wages, Predictability Pay, Sick Time Benefits, Time Off, health benefits or any other amount due and the amount of penalties and administrative fines imposed for any violation(s);

7. A statement informing the Employer that the wages, Predictability Pay, Sick Time Benefits, Time Off benefits, health benefits, or penalties and administrative fines shall be paid to the City of Los Angeles (or alternatively, to the Employee, if appropriate) within 30 days from the date on the Notice of Correction, the procedure for payment, and the consequences of failure to pay;

Sec. 18. Section 188.09 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.09. ADDITIONAL REMEDIES.

The City, when enforcing on behalf of an Employee, has the authority to require that payment of wages, Predictability Pay, Sick Time Benefits, Time Off benefits, health benefits, service fees and/or penalties found to be due and owing to the Employee, be paid directly to the City for disbursement to the Employee. The City, when enforcing on the behalf of an Employee, has the authority to require that payment of all amounts due under the OWS-Enforced Ordinances, and this article be paid directly to the City. The

failure of an Employer to pay any amounts due under the OWS-Enforced Ordinances, or this article shall constitute a debt to the City. The City, as plaintiff and/or judgment creditor, may file a civil action on behalf of an Employee and/or the City or, to the extent feasible under state law, create and impose a lien against any property owned or operated by an Employer or other person who fails to pay wages, Predictability Pay, Sick Time Benefits, Time Off benefits, health benefits, service fees, penalties, and administrative fines assessed by the Division, or pursue other legal and equitable remedies available to the City. The City shall be awarded reasonable attorney's fees and costs associated with pursuing a violation under this article.

The remedies, penalties, and procedures provided under this article are cumulative and are not intended to be exclusive of any other available remedies, penalties, and procedures. The City shall study and review the feasibility of enacting additional measures consistent with state law to enhance the Division's enforcement tools, including, but not limited to, pursuing a memorandum of understanding or referral process to the Chief of the Division of Labor Standards Enforcement for the recordation of a certificate of lien on behalf of an Employee, pursuant to California Labor Code Section 98.2(g), for amounts due under this article.

Sec. 19. Subsections D, H, and I of Section 188.10 of Article 8, Chapter XVIII of the Los Angeles Municipal Code are amended as follows:

D. Stay of Enforcement. If penalties and administrative fines payable to the City are the subject of administrative appeal or judicial review, then the accrual of such penalties and administrative fines shall be stayed until the determination of such appeal or review is final. The payment of the contested amount of wages, Predictability Pay, Sick Time Benefits, Time Off benefits, health benefits, and penalties owed to the Employee during the pendency of any appeal shall be stayed, but shall continue to accrue until a determination of such appeal is final.

H. Hearing Officer's Findings and Determinations. Within 15 days after the conclusion of the hearing, the hearing officer shall make findings based on the record of the hearing. The hearing officer may uphold or reject the violation(s) referenced in the Notice of Correction in whole or in part. The hearing officer also may uphold the Notice of Correction but reduce, waive, or conditionally reduce or waive the penalties and administrative fines stated therein if mitigating circumstances are shown and the hearing officer finds specific grounds for reduction or waiver in the evidence presented at the hearing. The hearing officer may impose penalties for any additional violations occurring during the pendency of the appeal. The hearing officer may impose conditions and deadlines for the correction of violations or the payment of outstanding wages, Predictability Pay, Sick Time Benefits, Time Off benefits, health benefits, penalties, and administrative fines.

I. **Wage Enforcement Order.** The hearing officer's findings pursuant to Section 188.10 H shall constitute the Wage Enforcement Order, which shall be issued by the hearing officer. The Wage Enforcement Order shall specify the amount of wages, Predictability Pay, Sick Time Benefits, Time Off benefits, health benefits, penalties, and administrative fines, if any, owed by the Employer. The Wage Enforcement Order shall be final and shall be served on the Employer, Employee, and Division by certified mail. Pursuant to California Code of Civil Procedure Section 1094.5, the Wage Enforcement Order shall be subject to judicial review in the appropriate superior court.

Sec. 20. Section 188.11 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.11. OTHER REMEDIES NOT AFFECTED.

The administrative enforcement procedures established in this article shall be in addition to any other criminal or civil remedy established by law that may be pursued to address violations of the OWS-Enforced Ordinances, or this article. Jeopardy shall not attach because of any administrative or civil enforcement action taken pursuant to this article. A Notice of Correction or Wage Enforcement Order issued pursuant to this article shall not prejudice or adversely affect any other action, civil or criminal, that may be brought to prosecute or abate a violation or to seek compensation for damages suffered.

Sec. 21. Section 188.13 of Article 8, Chapter XVIII of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 188.13. REGULATIONS.

The Division may promulgate rules and regulations and issue determinations and interpretations relating to the OWS-Enforced Ordinances, and this article. Any rules and regulations promulgated by the Division shall have the force and effect of law, and may be relied upon by Employers, Employees, and other parties to determine their rights and responsibilities under this article. The Division may amend the rules and regulations when necessary to administer and effectively enforce the OWS-Enforced Ordinances, and this article.

Sec. 22. Subdivision (2) of Section 10.36.1(d) of Article 10, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended to read as follows:

(2) a Public Lease or License as those terms are defined in Section 10.37.1 of the Los Angeles Administrative Code, but only if the lessee or licensee is subject to the Living Wage Ordinance and not otherwise exempt from its provisions.

Sec. 23. Section 10.37 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.37. Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to other firms for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. These expenditures serve to promote the goals established for the grant programs and for similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established and ensure that employers that receive City contracts and/or financial assistance pay a living wage to their employees.

Underpaying employees fosters high turnover, absenteeism and lackluster performance, and tends to inhibit the quantity and quality of services rendered by those employees to the City and to the public. Conversely, studies show that higher wages lead to increases in worker productivity, improves customer service, and results in a decline in worker turnover. Lowering employee turnover is particularly important at the airport, as it yields savings to the employers and alleviates potential security concerns. Through this article, the City intends to require service contractors to provide a minimum level of compensation which will improve the level of services rendered to and for the City. Further, due to the importance of maintaining a safe and secure airport, the City finds that a higher wage for airport employees is needed to reduce employee turnover and retain a qualified and stable workforce.

LAX is a major economic engine in Los Angeles, yet many workers at the airport are struggling to keep a roof over their heads and support their families. The airline industry benefited from significant government support during the COVID-19 pandemic, including more than \$45 billion in total payments to the top five domestic airline carriers through the CARES Act's Payroll Support Program (PSP), along with an additional \$5 billion to contractors and subcontractors. The airline industry is now rebounding to near pre-pandemic levels, and the City is investing in the industry's future growth as Los Angeles prepares to host the 2026 World Cup and the 2028 Olympics. This investment includes major infrastructure and development projects, including a \$6 billion expansion at LAX. Meanwhile, the airport workers who keep the tourism industry functioning, safe, and profitable – including janitors and security guards, airplane cabin cleaners, airline catering workers, airline passenger service workers, airport restaurant and retail workers, and others – are facing housing insecurity as Los Angeles grapples with an unprecedented housing and homelessness crisis.

While airport workers benefit from this article, the wage rates have not kept up with the rising tide of inflation and cost of living in Los Angeles. Further, according to an

April 2022 report presented by the City's Chief Administrative Office, the health benefits requirement for airport workers has not kept up with the rising costs of family health insurance coverage. As a result, many airport workers and their families, who were among the hardest hit during the pandemic, now lack quality, affordable health insurance.

Moreover, data gathered by the Los Angeles Alliance for a New Economy in 2024 demonstrates that airport workers, on average, do not work full time, and that approximately 25% of airport workers work part-time. Accordingly, the health benefits provided to airport workers must be increased to ensure more airport workers receive adequate healthcare benefits.

An analysis conducted by Berkeley Economic Advising and Research LLC ("BEAR") in 2024 revealed that modest adjustments in wage distribution for airport workers can substantially enhance equity for the tourism industry, especially for businesses that have proactively embraced fairer pay and comprehensive benefits. Furthermore, BEAR found that implementing minimum wage and health benefit adjustments for airport workers will provide substantial net benefits for the City of Los Angeles, the County of Los Angeles, and the neighboring areas. Indeed, BEAR found that, by 2028, increases to wages and health care benefits for tourism workers are projected to generate nearly \$700 million in additional income for the City of Los Angeles and nearly \$1.2 billion regionally, while also creating approximately 6,000 new full-time equivalent jobs in the City of Los Angeles and over 12,000 across the region.

The City holds a proprietary interest in the work performed by many employees of City lessees and licensees and by their service contractors, subcontractors, sublessees and sublicensees. The success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. By increasing the wage and health benefits for these employees, the City seeks to improve employee performance towards the success of the City's operations and airport enterprise.

Sec. 24. Subsections (c) through (n) of Section 10.37.1 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code are relettered (d) through (o), respectively, and a new subsection (c) is added to read as follows:

(c) **"Airport Concessionaire"** means any Employer, with respect to the Airport, which is engaged in the sale of goods or services to the public at the Airport under an agreement with the Airport, another Concessionaire, or the operator or lessee of a terminal.

Sec. 25. Subdivision (2) of Section 10.37.2(a) of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended to read as follows:

(2) Airport Employee Wages.

(i) If an Employer servicing the Airport provides an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the following:

a. Beginning on July 1, 2024, the wage rate for an Employee shall be no less than \$19.28 per hour.

b. Beginning on July 1, 2025, the wage rate for an Employee shall be no less than \$22.50 per hour.

c. Beginning on July 1, 2026, the wage rate for an Employee shall be no less than \$25.00 per hour.

d. Beginning on July 1, 2027, the wage rate for an Employee shall be no less than \$27.50 per hour.

e. Beginning on July 1, 2028, the wage rate for an Employee shall be no less than \$30.00 per hour.

f. Beginning on July 1, 2029, and annually thereafter on July 1, the hourly wage rate for an Employee of an Employer servicing the Airport shall be adjusted higher by a percentage equal to the percentage increase, if any, in the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area, as measured from January to December of the preceding year. The DAA shall announce the adjusted rates on February 1st, or within two weeks of the release of the prior year's CPI-W, whichever is later, and publish a bulletin announcing the adjusted hourly wage rates, which shall take effect on July 1st of each year.

(ii) If an Employer servicing the Airport does not provide an Employee with health benefits as provided in Section 10.37.3 of this article, the Employee shall be paid the applicable wage rate in Section 10.37.2(a)(2)(i) and an additional wage rate as follows:

a. Beginning on July 1, 2024, an Employer servicing the Airport shall pay an additional wage rate of \$5.95 per hour.

b. Beginning on July 1, 2025, an Employer servicing the Airport shall pay an additional wage rate of

\$7.65 per hour.

c. Beginning on July 1, 2026, an Employer servicing the Airport shall pay an Employee an additional wage rate per hour equal to the health benefit payment in effect for an Employee pursuant to Section 10.37.3(a)(5).

Sec. 26. Subsection (a) of Section 10.37.3 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended to read as follows:

(a) **Health Benefits.** The health benefits required by this article shall consist of the payment by an Employer of at least \$1.25 per hour to Employees towards the provision of health care benefits for an Employee and dependents. Beginning on July 1, 2024, the payment amount for health benefits provided to an Employee working for an Employer servicing the Airport shall be at least \$5.95 per hour. Beginning on July 1, 2025, the payment amount for health benefits provided to an Employee working for an Employer servicing the Airport shall be at least \$7.65 an hour.

(1) Proof of the provision of such benefits must be submitted to the Awarding Authority to qualify for the wage rate in Section 10.37.2(a) for Employees with health benefits.

(2) Health benefits include health coverage, dental, vision, mental health, and disability income. For purposes of this article, retirement benefits, accidental death and dismemberment insurance, life insurance and other benefits that do not provide medical or health related coverage will not be credited toward the cost of providing Employees with health benefits.

(3) If the Employer's hourly health benefit payment is less than that required under this article, the difference shall be paid to the Employee as an additional hourly wage.

(4) Health benefits are not required to be paid on overtime hours.

(5) Beginning on July 1, 2026, and annually thereafter each July 1, the payment amount for health benefits provided to an Employee working for an Employer servicing the Airport shall be adjusted by a percentage equal to the percentage increase, if any, in the California Department of Managed Healthcare's Large Group Aggregate Rates (LGAR) report, as measured from January to December of the preceding year. The DAA shall announce the adjusted rates on April 1st, or within two weeks of the release of the prior year's LGAR report, whichever is later, and publish a bulletin announcing the adjusted rates, which shall take effect on July 1st of each year.

Sec. 27. Subsection (a) of Section 10.37.6 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

(a) **Civil Enforcement Action by Employee.** An Employee claiming violation of this article may bring a civil action in the Superior Court of the State of California against an Employer.

(1) **Notice to Employer and Cure Period Before Filing a Civil Action.** Before an Employee or the Employee's representative can file a civil action alleging a violation of the Living Wage Ordinance, the following requirements must be met:

(i) The Employee or the Employee's representative must provide written notice to the Employer of the provisions of the Living Wage Ordinance alleged to have been violated and the facts to support the alleged violations; and

(ii) The Employer has not, within 30 days of receipt of the written notice, taken action to cure the alleged violations.

(2) **Remedies Payable to a Prevailing Plaintiff in a Civil Action.** An Employee, upon prevailing in a Civil Action, shall be entitled to such legal or equitable relief as may be appropriate to remedy the violation, including, without limitation:

(i) For failure to pay wages required by this article, back pay shall be paid for each day during which the violation occurred.

(ii) For failure to comply with health benefits requirements pursuant to this article, the Employee shall be paid the differential between the wage required by this article without health benefits and such wage with health benefits, less amounts paid, if any, toward health benefits.

(iii) For retaliation the Employee shall receive reinstatement, back pay or other equitable relief the court may deem appropriate.

(iv) For Willful Violations, the amount of monies to be paid under Subdivisions (i) – (iii), above, shall be trebled.

Sec. 28. The first paragraph of Subsection (e) of Section 10.37.6 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended to read as follows:

(e) An Employee claiming violation of this article may report the claimed violation to the DAA, which shall determine whether this article applies to the claimed

violation. There shall be no cure period required before an Employee may report the claimed violation to the DAA.

Sec. 29. The first paragraph of Section 10.37.7 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended to read as follows:

The DAA shall administer the requirements of this article and monitor compliance, including the investigation of claimed violations. The DAA shall promulgate rules and procedures consistent with this article for the implementation of the provisions of this article. The DAA shall also issue determinations that persons are City Financial Assistance Recipients, that particular contracts shall be regarded as "Service Contracts" for purposes of Section 10.37.1(m), and that particular leases and licenses shall be regarded as "Public Leases" or "Public Licenses" for purposes of Section 10.37.1(l), when it receives an application for a determination of non-coverage or exemption as provided for in Section 10.37.14 and 10.37.15.

Sec. 30. Section 10.37.8 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.37.8. City is a Third-Party Beneficiary of Contracts Between an Employer and Subcontractor for Purposes of Enforcement.

Any contract an Employer executes with a Contractor or Subcontractor, as defined in Sections 10.37.1(g) and (n), shall contain a provision wherein the Contractor or Subcontractor agrees to comply with this article and designate the City as an intended third-party beneficiary for purposes of enforcement directly against the Contractor or Subcontractor, as provided for in Section 10.37.6 of this article.

Sec. 31. Section 10.37.13 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 10.37.13. Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of "City Financial Assistance Recipient" in Section 10.37.1(f), of "Public Lease or License" in Section 10.37.1(l), and of "Service Contract" in Section 10.37.1(m) shall be liberally interpreted to further the policy objectives of this article. All City Financial Assistance Recipients meeting the monetary thresholds of Section 10.37.1(f), all Public Leases and Licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services shall be presumed to meet the corresponding definition mentioned above, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such transactions with the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

Sec. 32. A new Subsection (f) is added to Section 10.37.15 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code to read as follows:

(f) Hardship Waiver for Airport Concessionaires with Less than 50 Employees.

(1) Airport Concessionaires subject to a lease agreement at Los Angeles International Airport that is in effect at the time of the passage of the ordinance and who have less than 50 employees may apply for a one-year hardship waiver from the requirements of this article.

(2) Hardship Waiver Application. The DAA shall grant a waiver from the requirements of this article to any Airport Concessionaire who demonstrates that compliance with this article would require the Airport Concessionaire, in order to avoid bankruptcy or a shutdown of the Airport Concessionaire's enterprise, to reduce its workforce by more than 20 percent or curtail its employees' total hours by more than 30 percent. The DAA shall grant such a hardship waiver only after reviewing the Airport Concessionaire's financial condition at the Airport Concessionaire's expense. A waiver granted under this section shall be valid for no more than one year.

(3) Notice of hardship waiver application. Prior to submitting a hardship waiver application pursuant to this section, an Airport Concessionaire shall provide written notice of the waiver application to all Employees employed by the Airport Concessionaire. Within three days of receiving a waiver determination from the DAA under this section, an Airport Concessionaire shall provide written notice of the determination to all Employees employed by the Airport Concessionaire.

(4) An Airport Concessionaire that receives a hardship waiver under this Article shall be granted a 12-month delay in providing any new wage and health benefit increases that occur after the date the completed hardship waiver application is received by the DAA. An Airport Concessionaire that is granted a hardship waiver must continue to provide its Employees with the wage, health payment, and other benefits that were in effect on the date the DAA received the hardship waiver application.

Sec. 33. Subsection (e) of Section 10.37.15 of Article 11, Chapter 1, Division 10 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

(e) Nothing in this article shall limit the right of the DAA to waive the provisions herein with respect to and at the request of an individual Employee who is eligible for benefits under Medicare, a health plan through the U.S. Department of Veteran Affairs or a health plan in which the Employee's spouse, domestic partner or parent is a participant or subscriber to another health plan. An Employee who receives

this waiver shall only be entitled to the hourly wage pursuant to Section 10.37.2(a)(2)(i) and an additional wage rate of:

1. \$100 per month for a full-time employee as defined by the Affordable Care Act (ACA) and who works at least 30 hours per week or 130 hours per month; or
2. \$50 per month for a half-time employee as defined by the ACA and who works at least 30 hours per week or 130 hours per month.

Sec. 34. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By _____
DANIA MINASSIAN
Deputy City Attorney

Date _____

File No. _____

M:\GENERAL COUNSEL DIVISION\ORDINANCES AND REPORTS\ORDINANCES - DRAFT\Draft Revised Hotel-Lax Training, Wage, and OWS Ordinance 5.7.25.docx

The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____