

# National Lawyers Guild

## Labor & Employment Committee

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April 3, 2009

Assembly Member Bill Monning, Chair  
Assembly Committee on Labor and Employment  
State Capitol Room 5150  
Sacramento, CA 95814

Re: SUPPORT FOR AB 236

Dear Assembly Member Monning:

On behalf of the National Lawyers Guild Labor & Employment Committee [L&EC], I am writing to express our strong support for Assembly Bill 236 which would extend the ***Car Wash Worker Law*** codified in Labor Code §§ 2050 et seq., which will be heard on April 22 in Committee. We urge you and all committee members to vote in favor of this bill, which will help improve working conditions for workers in an industry where labor law violations are rampant.

Since 1937, the National Lawyers Guild has provided legal support to movements for social change, principally on a volunteer basis. The Labor & Employment Committee focuses on struggles for economic and social justice. In the 1930s the Guild focused on workers' rights, supporting New Deal legislation to assist working people and the unemployed; in the 1950s the Guild defended labor leaders and others attacked for their progressive political views. Then and now, the Guild L&EC actively supports progressive labor and employment law struggles. The L&EC is comprised of several hundred labor and employment attorneys across the country.

With the passage of the ***Car Wash Worker Law*** in 2003, the Legislature acknowledged that existing laws did not adequately protect some of the state's most vulnerable low-wage workers and recognized the opportunity to level the competitive playing field for law-abiding businesses. The ***Car Wash Worker Law*** is clearly still needed. Labor violations in the industry continue to be severe and widespread. In March 2008 the **Los Angeles Times** reported that two-thirds of car washes inspected by the state's labor department since 2003 were out of compliance with one or more labor laws and that many owners pay less than half of the required minimum wage. Data from the Division of Labor Standards Enforcement also show that between 2003 and 2007 there have been over 700 carwash wage claims in 14 counties, including many in the Central Valley and the Bay Area.

If fully implemented, the ***Car Wash Worker Law*** provides strong protections and remedies for car wash workers who are exploited by unscrupulous employers. Among other provisions, the law requires all car washes to register with the state, enabling the state to prevent employers who have violated labor laws in the past from continuing to do so. It also requires that car wash employers post a surety bond and to pay a fee into the ***Car Wash Worker Restitution Fund***, both of which provide workers with a means to collect wages if an employer is unwilling or unable to pay. Enforcement of the law is funded through the registration fee and through civil fines for failure to register.

The **Car Wash Worker Law** has helped to increase enforcement, but in order to clean up this largely underground industry, the law must be extended and better enforced. Since implementation of AB 1688 began in 2006, the percentage of registered car washes has grown significantly. Nonetheless, as of February 2009, close to 40% of the applicable car washes in the state are out of compliance with the law. In the past two years state labor investigators have assessed more than \$8.5 million in fines and penalties for labor violations and failure to register. This has provided funding for the law and ensured the solvency of the worker restitution fund. However, more effective enforcement of the law is needed to deter abuses in the industry.

As advocates committed to protecting and advancing the rights of low-wage workers and immigrants, we have seen the devastating impact of a lack of regulation and enforcement in the car wash industry. AB 236 is a crucial tool in the effort to improve industry condition and much more needs to be done; allowing it to expire now would be devastating to these efforts.

AB 236 will allow the Legislature to achieve what it intended to do in 2003 when it passed the law - to ensure that car wash workers are protected and that there is a level playing field for legitimate law-abiding businesses. Please feel free to contact me with any questions.

Sincerely,

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cc:

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Assembly Member Fiona Ma  
Assembly Member Anthony Portantino