

WYNTK

Update on Trailer Bill to Revoke BAR License

On Tuesday, March 21, ASCCA's Lobbyist Jack Moldanof attended an Assembly Budget Subcommittee to address ASCCA's concerns about the proposed addition of Labor Code Section 238.6. Below is his summary of the committee hearing.

The harmful proposal would allow the Labor Commissioner, through the Bureau of Automotive Repair (BAR), to revoke or suspend an automotive repair dealer's license for failure to pay a wage order judgment due to an employee.

The trailer bill language is being proposed by the Labor Commissioner because it addresses many investigative and administrative process inefficiencies that burden the Division staff in their investigations, enforcement actions, and payment of final wage judgments to workers.

The Labor Commissioner testified that being able to revoke/suspend a license will assist the Division in obtaining payment from employers who refuse to pay. Apparently, this is similar to an existing process at the Contractors State License Board. Several labor union groups and members testified in support.

I testified in opposition, stating that this is a bad policy, and suspending/revoking an auto repair dealer license takes away the employer's ability to earn income to pay the wage order judgment. Moreover, revoking the licenses essentially closes the business and will leave other employees unemployed.

I requested that the Labor Commissioner looks at alternative ways to enforce judgments rather than revoking licenses. The Assembly Members on the committee also expressed concerns that revoking business licenses would displace employees, and this policy decision should be addressed in a regular bill, not in a budget trailer bill. The California Chamber of Commerce and other business groups also testified in opposition.

The Committee left the item open to allow the Labor Commissioner to work with the stakeholders, and determine if there are others ways to address concerns surrounding enforcement inefficiencies. Overall, I think we made very good arguments, and we will continue to monitor this closely and provide you with any important updates.