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AB-244 Quick-Service Restaurant Young Workforce Apprenticeship Program: tax credits. (2025-2026)

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AMENDED IN ASSEMBLY MARCH 24, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 244

Introduced by Assembly Member Alanis

January 14, 2025

~~An act to amend Section 1475 of the Labor Code, relating to private employment.~~ *An act to add Article 7 (commencing with Section 3130) to Chapter 4 of Division 3 of, and to repeal Section 3133 of, the Labor Code, and to add and repeal Sections 17053.92 and 23684 of the Revenue and Taxation Code, relating to apprenticeships.*

LEGISLATIVE COUNSEL'S DIGEST

AB 244, as amended, Alanis. ~~Fast Food Council.~~ *Quick-Service Restaurant Young Workforce Apprenticeship Program: tax credits.*

Existing law provides for the establishment of apprenticeship programs in various trades, to be approved by the Chief of the Division of Apprenticeship Standards within the Department of Industrial Relations in any trade in the state or in a city or trade area whenever the apprentice training needs justify the establishment.

This bill would require the division, upon appropriation by the Legislature, to establish and administer a Quick Service Restaurant Young Workforce Apprenticeship Program to provide grants, reimbursements, or other funding to apprenticeship programs for the support of quick-service restaurant youth apprenticeship programs, as described.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill, for taxable years beginning on or after January 1, 2026, and before January 1, 2031, would allow a credit against those taxes in the amount of \$1,000 for each registered apprentice employed for at least 6 months by a qualified taxpayer, as defined, not to exceed 100 registered apprentices per taxable year per qualified taxpayer.

Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements.

This bill also would include additional information required for any bill authorizing a new tax expenditure. The bill would require the Franchise Tax Board to provide information to the Division of Apprenticeship Standards to complete a report relating to the tax

credit that would be established by the bill. The bill would make any information shared by the Franchise Tax Board subject to limitations relating to the sharing of taxpayer information, the violation of which is a crime. By expanding the scope of a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law, until January 1, 2029, establishes the Fast Food Council and prescribes the council's purposes, duties, and limitations:~~

~~This bill would make nonsubstantive changes to those provisions.~~

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: ~~no~~yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Article 7 (commencing with Section 3130) is added to Chapter 4 of Division 3 of the Labor Code, to read:

Article 7. Quick-Service Restaurant Young Workforce Apprenticeship Program

3130. This article shall be known, and may be cited, as the Quick-Service Restaurant Young Workforce Apprenticeship Program.

3131. The Legislature finds and declares all of the following:

- (a) Recruiting and retaining skilled employees can be challenging and costly for employers.
- (b) Apprenticeship programs can reduce the need for expensive recruitment programs by creating a flow of candidates who are already screened and trained.
- (c) Apprentices who complete an apprenticeship program often feel a commitment to their work and loyalty to their employer.
- (d) To assist quick-service restaurants in this state, a young workforce apprenticeship program should be created in this state to provide a pipeline of potential workers.
- (e) In order to create an incentive for employers in the quick-service restaurant industry, a tax credit is necessary to help offset some of the costs of employment, including a higher minimum wage than in most other industries.
- (f) Prioritizing policies that enhance affordability for businesses and residents ensures economic growth and job accessibility.
- (g) A recognition that on April 1, 2024, the state mandated a 25-percent increase in the minimum wage for all quick-service restaurant employees while offering zero assistance to affected family-owned businesses in managing affordability for California residents.

3132. (a) The Division of Apprenticeship Standards shall, upon appropriation by the Legislature, establish and administer the Quick-Service Restaurant Young Workforce Apprenticeship Program to provide grants, reimbursements, or funding through other appropriate funding mechanisms to apprenticeship programs for the support of quick-service restaurant youth apprenticeship programs or for the training of qualified apprentices. Grants, reimbursements, or funding from other appropriate funding mechanisms pursuant to the Quick-Service Restaurant Young Workforce Apprenticeship Program shall be awarded using funding appropriated by the Legislature for this purpose.

(b) For the purposes of this article, all of the following definitions shall apply:

- (1) "Certified Apprenticeship Program" means a structured training and education program in the fast food industry that is approved by the Division of Apprenticeship Standards.
- (2) "Eligible entity" means an entity that has registered apprentices with the division, including, but not limited to, public educational institutions, public and private nonprofit organizations, local workforce development boards specified in Section 14200 of the Unemployment Insurance Code, labor organizations, as defined in Section 1117, private for-profit organizations, education and training providers, tribal organizations, faith-based organizations, community-based organizations, industry associations, and parties to a collective bargaining agreement.
- (3) "Participating small franchisee employer" means a fast food restaurant operator which owns fewer than 50 stores that elects to participate in the apprenticeship program and complies with the requirements of this article.

(4) "Public educational institutions" includes local educational agencies, community colleges, the University of California, and the California State University.

(5) "Qualified apprentice" means a fast food restaurant employee who is less than 22 years of age, with no previous fast food employment, and who is enrolled in an apprenticeship program certified pursuant to this act.

(c) A certified apprenticeship program or eligible entity may submit an application to the division to request funds under this act in a manner specified by the division.

(d) Funding provided to a certified apprenticeship program or eligible entity can be passed on to whichever entity is performing eligible activities with the funding that are consistent with this act, provided that the entities are associated with an approved apprenticeship program.

(e) Any entity receiving funding pursuant to this article is subject to evaluation by the division under Section 3073.1. If the entity is found to have violated the provisions of this act, those violations are deemed imputed to the associated apprenticeship program, and the division may take any appropriate action against that apprenticeship program.

(f) If a certified apprenticeship program or other entity is found to be using funding received pursuant to this article for purposes other than those for which the funds were granted, or is found to have obtained the funds improperly, then the program or other entity shall not be eligible to receive any funding pursuant to this article and the division or entity authorized to provide funding shall cease providing funds.

(g) The division shall require that recipients of funding received pursuant to this article demonstrate a commitment to high road principles, as described in subdivision (s) of Section 14005 of the Unemployment Insurance Code, and shall evaluate the performance of recipients based on those principles.

3133. (a) The Division of Apprenticeship Standards shall prepare reports on the apprenticeship income tax credits allowed under Sections 17053.92 and 23684 of the Revenue and Taxation Code. The reports shall be for each of the five calendar years beginning on January 1, 2026, and before January 1, 2031, and shall include, but not be limited to, all of the following information:

(1) The number of companies or businesses taking advantage of the apprenticeship income tax credit.

(2) The number of apprentices participating in the apprenticeship programs and the number of apprentices who completed an apprenticeship program which was the basis of the apprenticeship income tax credits allowed under Sections 17053.92 and 23684 of the Revenue and Taxation Code.

(3) The number of apprentice program graduates hired by the taxpayer after the apprenticeship training was completed for which the taxpayer was allowed a credit under Section 17053.92 or 23684 of the Revenue and Taxation Code for training that apprentice.

(4) Information on the employment status of individuals who have completed an apprenticeship to the extent the information is available.

(5) The fiscal impact of the apprenticeship income tax credits.

(b) Notwithstanding Section 19542 of the Revenue and Taxation Code, the Division of Apprenticeship Standards may request any information necessary from the Franchise Tax Board to complete the report required by this section. Any information shared with the division shall be subject to the provisions of Section 19542 of the Revenue and Taxation Code.

(c) (1) The report required by subdivision (a) shall be submitted to the Assembly and Senate Rules Committees, on or before December 1 of the following calendar year, commencing December 1, 2027.

(2) The report required by subdivision (a) shall be treated as an exception to Section 19542.

(d) This section shall remain operative only until December 1, 2031, and as of that date is repealed.

SEC. 2. Section 17053.92 is added to the Revenue and Taxation Code, to read:

17053.92. (a) For each taxable year beginning on or after January 1, 2026, and before January 1, 2031, there shall be allowed a credit against the "net tax," as defined in Section 17039, in an amount equal to one thousand dollars (\$1,000) for each registered apprentice continuously employed for at least six months by a qualified taxpayer in the taxable year, not to exceed 100 registered apprentices per taxable year per qualified taxpayer.

(b) For purposes of this Section, both of the following definitions shall apply:

(1) "Registered apprentice" means an individual who meets all of the following requirements:

(A) Is between 16 and 22 years of age, inclusive, at the time of application into the program.

(B) Is paid at least 85 percent of the state-mandated fast food minimum wage.

(C) Meets one of the following requirements:

(i) Has not obtained a high school diploma and is enrolled in high school or a general education degree (GED) preparation program.

(ii) Has obtained a high school diploma or passed the GED while participating in the apprenticeship.

(D) Is trained by the taxpayer through an apprenticeship program that meets all of the following requirements:

(i) The apprenticeship program is approved by the Chief of the Division of Apprenticeship Standards pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code and is also registered with the Office of Apprenticeship in the United States Department of Labor.

(ii) The program is provided pursuant to an apprenticeship agreement as described in Section 3077 of the Labor Code.

(iii) A minimum term of six months of part-time employment for the program.

(2) "Qualified taxpayer" means a participating small franchisee employer, as that term is defined in Section 3132 of the Labor Code.

(c) (1) (A) A credit shall only be allowed under this section for the taxable year if the taxpayer has received the certificate described in subparagraph (B) from the Division of Apprenticeship Standards in the Department of Industrial Relations. A certificate is required for each taxable year. The taxpayer shall provide a copy of the certificate to the Franchise Tax Board upon request.

(B) The Division of Apprenticeship Standards shall do all of the following:

(i) Establish a procedure for qualified taxpayers, in the form and manner jointly prescribed by the Division of Apprenticeship Standards and the Franchise Tax Board, to apply and receive a certificate for purposes of this section.

(ii) Verify that the qualified taxpayer is training during the taxable year an individual that meets the requirements to be a registered apprentice.

(iii) Provide the qualified taxpayer with a certificate for the registered apprentice. The certificate shall contain the name of the qualified taxpayer and the name of the apprentice, a brief description of the apprenticeship, the primary location of the apprenticeship, and any other information the Division of Apprenticeship Standards or the Franchise Tax Board requires.

(iv) Annually provide the Franchise Tax Board with a list of the names of the qualified taxpayers that received certificates and the names of the registered apprentices of the taxpayer. The list may also contain any other information from the certificates as required by the Franchise Tax Board.

(v) Inform the Franchise Tax Board if the Division of Apprenticeship Standards has knowledge that the training of a registered apprentice is terminated prior to the completion of the apprenticeship program after the taxpayer has received a certificate.

(2) The Division of Apprenticeship Standards may adopt rules and regulations as reasonably necessary to effectuate this subdivision, but shall consult with the Franchise Tax Board.

(d) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding three years, if necessary, until the credit is exhausted.

(e) (1) The Franchise Tax Board may prescribe rules, guidelines, procedures, or other guidance to carry out the purposes of this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(2) The Franchise Tax Board may prescribe any regulations necessary or appropriate to carry out the purposes of this section, including any regulations to prevent improper claims from being filed.

(f) (1) Except as provided in paragraph (2), if the training of a registered apprentice is terminated prior to the completion of the apprenticeship program, any unused carryover of the credit shall be canceled and any previously claimed credit that reduced net tax shall be recaptured by increasing the tax imposed by this part for the taxable year in which the training is terminated.

(2) Paragraph (1) shall not apply if the training of a registered apprentice was terminated due to any of the following:

(A) The registered apprentice voluntarily leaves the apprenticeship program.

(B) The registered apprentice, before the end of the completion of the apprenticeship program, becomes disabled and unable to perform the services of that program, unless that disability is removed before the close of the period of that program and the taxpayer fails to offer reinstatement to the program for that apprentice.

(C) The training of a registered apprentice was terminated due to the apprentice's misconduct, as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations.

(D) The training of a registered apprentice was terminated due to a substantial reduction in the trade or business operations of the taxpayer.

(g) A deduction otherwise allowed under this part for any amount paid or incurred by the qualified taxpayer in training a registered apprentice as a trade or business expense shall be reduced by the amount of the credit allowed by this section.

(h) For purposes of Section 41, as it relates to the credit allowed pursuant to this section and Section 23684, the Legislature finds and declares as follows:

(1) The specific goal of the credit is to provide financial incentives to quick-service restaurants that employ those individuals enrolled in youth workforce apprenticeship programs.

(2) The performance indicators for the Legislature to use in determining if the credit achieves the stated goal shall be the number of taxpayers claiming the credit, the total dollar value of credit claimed per taxpayer, and the number of employees enrolled in a youth workforce apprenticeship program.

(3) The reporting requirements of Section 3133 of the Labor Code shall be used to fulfill the reporting requirements of Section 41, as it relates to the credit allowed by this section and Section 23684.

(i) This section shall remain operative only until December 1, 2031, and as of that date is repealed.

SEC. 3. Section 23684 is added to the Revenue and Taxation Code, to read:

23684. (a) For each taxable year beginning on or after January 1, 2026, and before January 1, 2031, there shall be allowed a credit against the "tax," as defined in Section 23036, in an amount equal to one thousand dollars (\$1,000) for each registered apprentice continuously employed for at least six months by a qualified taxpayer in the taxable year, not to exceed 100 registered apprentices per taxable year per qualified taxpayer.

(b) For purposes of this section, both of the following definitions shall apply:

(1) "Registered apprentice" means an individual who meets all of the following requirements:

(A) Is between 16 and 22 years of age, inclusive, at the time of application into the program.

(B) Is paid at least 85 percent of the state-mandated fast food minimum wage.

(C) Meets one of the following requirements:

(i) Has not obtained a high school diploma and is enrolled in high school or a general education degree (GED) preparation program.

(ii) Has obtained a high school diploma or passed the GED while participating in the apprenticeship.

(D) Is trained by the taxpayer through an apprenticeship program that meets all of the following requirements:

(i) The apprenticeship program is approved by the Chief of the Division of Apprenticeship Standards pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code and is also registered with the Office of Apprenticeship in the United States Department of Labor.

(ii) The program is provided pursuant to an apprenticeship agreement as described in Section 3077 of the Labor Code.

(iii) A minimum term of six months of part-time employment for the program.

(2) "Qualified taxpayer" means a participating small franchisee employer, as that term is defined in Section 3132 of the Labor Code.

(c) (1) (A) A credit shall only be allowed under this section for the taxable year if the taxpayer has received the certificate described in subparagraph (B) from the Division of Apprenticeship Standards in the Department of Industrial Relations. A certificate is required for each taxable year. The taxpayer shall provide a copy of the certificate to the Franchise Tax Board upon request.

(B) The Division of Apprenticeship Standards shall do all of the following:

(i) Establish a procedure for qualified taxpayers, in the form and manner jointly prescribed by the Division of Apprenticeship Standards and the Franchise Tax Board, to apply and receive a certificate for purposes of this section.

(ii) Verify that the qualified taxpayer is training during the taxable year an individual that meets the requirements to be a registered apprentice.

(iii) Provide the qualified taxpayer with a certificate for the registered apprentice. The certificate shall contain the name of the qualified taxpayer and the name of the apprentice, a brief description of the apprenticeship, the primary location of the apprenticeship, and any other information the Division of Apprenticeship Standards or the Franchise Tax Board requires.

(iv) Annually provide the Franchise Tax Board with a list of the names of the qualified taxpayers that received certificates and the names of the registered apprentices of the taxpayer. The list may also contain any other information from the certificates as required by the Franchise Tax Board.

(v) Inform the Franchise Tax Board if the Division of Apprenticeship Standards has knowledge that the training of a registered apprentice is terminated prior to the completion of the apprenticeship program after the taxpayer has received a certificate.

(2) The Division of Apprenticeship Standards may adopt rules and regulations as reasonably necessary to effectuate this subdivision, but shall consult with the Franchise Tax Board.

(d) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding three years, if necessary, until the credit is exhausted.

(e) (1) The Franchise Tax Board may prescribe rules, guidelines, procedures, or other guidance to carry out the purposes of this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(2) The Franchise Tax Board may prescribe any regulations necessary or appropriate to carry out the purposes of this section, including any regulations to prevent improper claims from being filed.

(f) (1) Except as provided in paragraph (2), if the training of a registered apprentice is terminated prior to the completion of the apprenticeship program, any unused carryover of the credit shall be canceled and any previously claimed credit that reduced tax shall be recaptured by increasing the tax imposed by this part for the taxable year in which the training is terminated.

(2) Paragraph (1) shall not apply if the training of a registered apprentice was terminated due to any of the following:

(A) The registered apprentice voluntarily leaves the apprenticeship program.

(B) The registered apprentice, before the end of the completion of the apprenticeship program, becomes disabled and unable to perform the services of that program, unless that disability is removed before the close of the period of that program and the taxpayer fails to offer reinstatement to the program for that apprentice.

(C) The training of a registered apprentice was terminated due to the apprentice's misconduct, as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations.

(D) The training of a registered apprentice was terminated due to a substantial reduction in the trade or business operations of the taxpayer.

(g) A deduction otherwise allowed under this part for any amount paid or incurred by the qualified taxpayer in training a registered apprentice as a trade or business expense shall be reduced by the amount of the credit allowed by this section.

(h) This section shall remain operative only until December 1, 2031, and as of that date is repealed.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of

the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

~~SECTION 1. Section 1475 of the Labor Code is amended to read:~~

~~1475.(a)(1) The Fast Food Council is hereby established within the Department of Industrial Relations and shall consist of the following nine voting members:~~

~~(A) Two representatives of the fast food restaurant industry.~~

~~(B) Two representatives of fast food restaurant franchisees or restaurant owners.~~

~~(C) Two representatives of fast food restaurant employees.~~

~~(D) Two representatives of advocates for fast food restaurant employees.~~

~~(E) One unaffiliated member of the public who is not an owner, franchisee, officer, or employee in the fast food industry; who is not an employee or officer of a labor organization or a member of a labor organization representing fast food restaurant employees; and who has not received income from the fast food industry or any labor organization for a period of two years prior to appointment.~~

~~(2) In addition to the voting members, the council shall include the following nonvoting members:~~

~~(A) One representative from the Department of Industrial Relations.~~

~~(B) One representative from the Governor's Office of Business and Economic Development.~~

~~(3) The Governor shall appoint the representatives of fast food restaurant employees, fast food restaurant franchisees or restaurant owners, the fast food restaurant industry, and the member of the public. The Speaker of the Assembly and the Senate Committee on Rules shall each appoint one representative of an advocate for fast food restaurant employees.~~

~~(4) The appointments shall be at the will of each appointing power and each member of the council shall serve for a term of four years, except that all terms shall end on the date this section becomes inoperative. All terms that end prior to the date that this section becomes inoperative shall end on January 1. Vacancies occurring prior to the expiration of the term shall be filled by appointment for the unexpired term. A council member shall not serve more than two consecutive terms.~~

~~(5) The unaffiliated member of the public shall be the chairperson of the council. The chairperson shall be responsible for convening the council. The chairperson shall designate a member of the council to act as chairperson in their absence.~~

~~(6) Each member of the council shall receive one hundred dollars (\$100) for each day of their actual attendance at meetings of the council and other official business of the council, in addition to their actual necessary traveling expenses incurred in the performance of their duties as a member.~~

~~(7) The council may employ necessary assistants, officers, experts, and other employees as it deems necessary, subject to appropriation. All personnel of the council shall be under the supervision of the chairperson or an executive officer to whom the chairperson delegates that responsibility. All of those personnel shall be appointed pursuant to the State Civil Service Act (Part 2 (commencing with Section 19500) of Division 5 of Title 2 of the Government Code), except for the one exempt deputy or employee allowed by subdivision (e) of Section 4 of Article VII of the California Constitution.~~

~~(8) All meetings of the council shall be subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).~~

~~(b) The council's purposes are to establish fast food restaurant minimum standards on wages, and develop fast food restaurant minimum standards on working hours, and other working conditions adequate to ensure and maintain the health, safety, and welfare of, and to supply the necessary cost of proper living to, fast food restaurant workers and to ensure and effect interagency coordination and prompt agency responses regarding issues affecting the health, safety, and employment of fast food restaurant workers.~~

~~(c)(1) The council shall provide direction to, and coordinate with, state agencies regarding the health, safety, and employment of fast food restaurant workers.~~

~~(2) The council shall convene its first meeting by no later than March 15, 2024.~~

~~(d)(1)(A) The council is charged with developing minimum fast food restaurant employment standards, including, as appropriate, standards on wages, working conditions, and training, as are reasonably necessary or appropriate to protect and ensure the welfare, including the physical well-being and security, of fast food workers or to otherwise meet the purposes of this section;~~

subject to the limitations of subdivisions (e) and (f). In developing these standards, the council may take account of regional differences. Any change developed by the council to existing standards, rules, or regulations shall not be less protective of or less beneficial to health, safety, or fast food restaurant worker employment terms, conditions, or privileges, including wages, than the immediately preceding standard, rule, or regulation. To the extent there is a conflict between standards, rules, or regulations issued pursuant to this subdivision and those previously issued by another state agency, the standards, rules, or regulations issued pursuant to this subdivision shall apply to fast food restaurant employees, and the conflicting standards, rules, or regulations of the other state agency shall not have force or effect with respect to fast food restaurant employees:

~~(B)Decisions by the council regarding standards, rules, or regulations shall be made by an affirmative vote of at least five of the council members:~~

~~(C)All standards, rules, and regulations developed by the council shall be issued, amended, or repealed, as applicable, in the manner prescribed in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, subject to the provisions of clause (i) to (iii), inclusive, of this subparagraph, and with the exception of standards issued pursuant to the procedures identified in subparagraph (D) of paragraph (2) of this subdivision:~~

~~(i)With the exception of standards subject to subdivision (e) or (f), the Labor Commissioner shall be responsible for issuing, amending, or repealing, as applicable, standards developed by the council pursuant to the requirements of this subparagraph.~~

~~(ii)The council shall send proposed written standards to the Labor Commissioner and request that the commissioner prepare a notice of proposed rulemaking action regarding the proposed regulatory text:~~

~~(iii)Upon receiving a request to prepare a notice of proposed rulemaking action, the Labor Commissioner shall determine whether the proposed written standards are consistent with the council's authority and consistent with the criteria identified in subdivision (a) of Section 11349.1 of the Government Code, and, if it so determines, the commissioner shall prepare and submit to the Office of Administrative Law a notice of proposed rulemaking action and the required materials identified in Section 11346.2 of the Government Code. If the commissioner determines either that the proposed standards are not consistent with the council's authority, or not consistent with the criteria identified in subdivision (a) of Section 11349.1 of the Government Code, the commissioner shall, within 60 days of receiving the council's request to issue a notice of proposed rulemaking, provide the council with a written explanation of the reasons for that determination so the council may modify its proposed standards as appropriate. The commissioner shall also have responsibility and authority to carry out the requirements of Sections 11346.8 and 11346.9 of the Government Code:~~

~~(D)The council may develop written emergency standards and send the proposed written emergency standards to the Labor Commissioner and request that the commissioner promulgate those standards pursuant to Sections 11346.1 and 11349.6 of the Government Code:~~

~~(2)(A)The hourly minimum wage for fast food restaurant employees shall be twenty dollars (\$20) per hour, effective April 1, 2024. Thereafter, the council may establish, pursuant to this subdivision, minimum wages for fast food restaurant employees that take effect on an annual basis, beginning on January 1, 2025:~~

~~(B)The hourly minimum wage established by the council may increase on an annual basis by no more than the lesser of the following, rounded to the nearest ten cents (\$0.10):~~

~~(i)3.5 percent:~~

~~(ii)The rate of change in the averages of the most recent July 1 to June 30, inclusive, period over the preceding July 1 to June 30, inclusive, period for the United States Bureau of Labor Statistics nonseasonally adjusted United States Consumer Price Index for Urban Wage Earners and Clerical Workers (U.S. CPI-W):~~

~~(C)In establishing minimum wage increases subject to paragraph (B), the council may elect to set minimum wage standards that vary by region or to set a statewide minimum wage increase:~~

~~(D)The hourly minimum wage established pursuant to subparagraph (A), and all future hourly minimum wages established pursuant to subparagraph (B), shall constitute the state minimum wage for fast food restaurant employees for all purposes under this code and the wage orders of the Industrial Welfare Commission. It shall be enforceable by the Labor Commissioner through the procedures set forth in Sections 98, 98.1, 98.2, 98.3, 98.7, 98.74, or 1197.1, or by a covered worker through a civil action, through the same means and with the same relief available for violation of any other state minimum wage requirement. The Department of Industrial Relations shall update Wage Order No. 5-2001 and the Minimum Wage Order to be consistent with any minimum hourly wage adopted by the council and any other standards or requirements developed by the council and adopted by the commissioner pursuant to this chapter, except that any existing provision in Wage Order 5-2001 or the Minimum Wage Order providing greater protections or benefits to fast food restaurant employees shall continue in full force and effect, notwithstanding any provision of this part. Hourly minimum wages established by the council pursuant to subparagraphs (A) and (B) shall be~~

treated as wage orders and shall be exempt from Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code.

~~(E) Any minimum wage established by the council must be equal to or greater than any otherwise generally applicable state hourly minimum wage.~~

~~(F) The council shall not establish any minimum wage increase that takes effect commencing on a date after the 2029 calendar year. However, the council may provide advice to any appropriate state agencies regarding minimum wage increases that would take effect commencing on a date on or after January 1, 2030.~~

~~(3) Minimum wage standards established by the council shall be subject to any suspension of increases in the statewide minimum wage made pursuant to subdivision (d) of Section 1182.12.~~

~~(4) Standards developed pursuant to paragraphs (1) and (2) shall not alter or amend the requirements in the California Retail Food Code (Part 7 (commencing with Section 113700) of Division 104 of the Health and Safety Code).~~

~~(5) The council shall provide information as requested by the appropriate committees of the Legislature on labor to facilitate a review of the council's performance and standards under this section, which review may be conducted in a joint hearing held every three years or as otherwise designated by the appropriate committees of the Legislature on labor.~~

~~(6) This section shall not be construed to give the council the authority to create or amend statutes.~~

~~(7) This section shall not be construed to permit the council to develop or promulgate regulations creating new paid time off benefits, such as paid sick leave or paid vacation. For purposes of this paragraph, paid time off benefits do not include paid rest periods.~~

~~(8) This section shall not be construed to permit the council to develop or promulgate regulations regarding predictable scheduling. Predictable scheduling does not include reporting time pay.~~

~~(e) To the extent that any minimum standards that the council finds are reasonably necessary to protect fast food restaurant employee health and safety fall within the jurisdiction of the Occupational Safety and Health Standards Board, the council shall petition the Occupational Safety and Health Standards Board for the adoption, amendment, or repeal of any occupational safety and health standard. The Occupational Safety and Health Standards Board shall consider and respond to the petition no later than six months following receipt of the petition in accordance with Section 142.2, or no later than three months if the petition relates to an emergency, as defined in Section 11342.545 of the Government Code. The Occupational Safety and Health Standards Board shall not adopt a standard recommended by the council if it reduces occupational safety and health protections for employees.~~

~~(f) To the extent that any minimum standards that the Fast Food Council finds are reasonably necessary fall within the jurisdiction of the Civil Rights Council under Section 12935 of the Government Code, the Fast Food Council shall petition the Civil Rights Council for the adoption, amendment, or repeal of any regulation under the jurisdiction of the Civil Rights Council. The Civil Rights Council shall consider and respond to the petition no later than six months following receipt of the petition, or within no more than three months if the petition relates to an emergency, as defined in Section 11342.545 of the Government Code. The Civil Rights Council shall not adopt a recommended standard that would reduce protections provided under the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code) or other law within the Civil Rights Council's jurisdiction.~~

~~(g) The council shall conduct a full review of the adequacy of the minimum fast food restaurant health, safety, and employment standards at least once every three years. Upon that review, the council shall develop and seek the issuance of any fast food employment, health, or safety standard applicable to fast food restaurants, or a portion of any such standard, as appropriate to meet the purposes of this section, pursuant to the procedures set forth in subdivision (d) and subject to subdivisions (e) and (f).~~

~~(h) The council shall hold meetings or hearings no less than every six months that are open to the public, at which the public, including fast food restaurant employees, shall have the opportunity to be heard on issues of fast food restaurant health, safety, and employment conditions. The council shall provide advance public notice of these meetings or hearings that is reasonably calculated to advise fast food restaurant workers, fast food restaurant operators and owners, franchisors, franchisees, community members, and other stakeholders of the opportunity to participate in the meetings or hearings. The location of the meetings or hearings shall rotate among major metropolitan areas throughout the state to provide fast food restaurant workers, fast food restaurant operators and owners, franchisors, franchisees, community members, and other stakeholders throughout the state a reasonable opportunity to participate in a meeting or hearing at least once per each three year review.~~

~~(i) The council may coordinate with local agencies and request that they hold meetings or hearings that are open to the public, at which the public, including fast food restaurant employees, shall have the opportunity to be heard on issues of fast food~~

restaurant health, safety, and employment conditions. After these meetings or hearings, the council may request information from the local agencies, including any recommendations for action by the council.

~~(j)(1)The minimum wage, maximum hours of work, and other working conditions developed by the council in standards promulgated pursuant to subdivision (d) shall be the minimum wage, maximum hours of work, and the standard conditions of labor for fast food restaurant employees or a relevant subgroup of fast food restaurant employees for purposes of state law. Except as provided in subdivision (m), this section shall not restrict local jurisdictions' exercise of police powers to establish more protective local standards. The employment of a fast food restaurant employee for lower wages or for longer hours than those fixed by the minimum standards promulgated pursuant to subdivision (d), or under any other working conditions prohibited by the minimum standards promulgated pursuant to subdivision (d), is unlawful. Compliance with the minimum fast food restaurant employment standards promulgated pursuant to subdivision (d) shall be enforced by the Labor Commissioner pursuant to the procedures and provisions set forth in Chapter 4 (commencing with Section 79) of Division 1, Division 2 (commencing with Section 200), Division 3 (commencing with Section 2700), and Division 5 (commencing with Section 6300), and standards, orders, or regulations promulgated pursuant to subdivision (d).~~

~~(2)Other than occupational safety and health violations, which shall be enforced by the Division of Occupational Safety and Health under Division 5 (commencing with Section 6300), and other than protections against discrimination, harassment, and other violations of Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code, which shall be enforced by the Civil Rights Department, the Labor Commissioner shall enforce this part, including any standards promulgated by the appropriate agency pursuant to subdivision (d), including by investigating an alleged violation, and ordering appropriate temporary relief to mitigate the violation or to maintain the status quo pending the completion of a full investigation or hearing, through the procedures set forth in Chapter 4 (commencing with Section 79) of Division 1 and Section 1197.1, including by issuance of a citation against an employer, a fast food restaurant operator, or any other liable person under this part, and by filing a civil action. If a citation is issued, the procedures for issuing, contesting, and enforcing judgments for citations and civil penalties issued by the Labor Commissioner shall be the same as those set out in Section 98.74 or 1197.1, as appropriate. In any successful civil action to enforce this section by the Labor Commissioner or an employee, the court may grant injunctive relief in order to obtain compliance with this part, and shall award costs and reasonable attorney's fees.~~

~~(3)A standard promulgated pursuant to subdivision (d) shall not supersede a standard covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of the employees, and a regular hourly rate of pay not less than 30 percent more than the state minimum wage for those employees, if the agreement provides equivalent or greater protection than the standards established by the council and if state law on the same issue authorizes an exception for employees covered by a collective bargaining agreement. This section shall not be construed to allow a collective bargaining agreement to waive any occupational health and safety protections.~~

~~(4)This section shall not be construed to require local health departments to enforce standards issued by the council.~~

~~(k)The Labor Commissioner is authorized to issue any other rules, regulations, and guidance necessary for the enforcement of this part consistent with its authority under Section 98.8.~~

~~(l)(1)No ordinance or regulation applicable to fast food restaurant employees that sets the amount of wages or salaries for fast food restaurant employees shall be enacted or enforced by any city, county, or city and county, including charter cities, charter counties, and charter cities and counties.~~

~~(2)This subdivision does not preclude a city, county, or city and county, including charter cities, charter counties, and charter cities and counties, from establishing a minimum wage that is generally applicable to all industries.~~

~~(3)This subdivision does not preclude any employer that employs fast food restaurant employees from establishing higher wage or compensation rates for its employees or contracted employees.~~

~~(4)(A)Subject to subdivision (m), this subdivision shall become inoperative if the hourly minimum wage established pursuant to subparagraph (A) of paragraph (2) of subdivision (d) does not take effect on April 1, 2024, or by a later date arising from a delay or other temporary pause in the implementation of that hourly minimum wage that is forced by an injunction or other proper judicial or administrative action, whichever is later.~~

~~(B)Subject to subparagraph (A) of this paragraph and subdivision (m), this subdivision shall remain in effect only so long as the council maintains authority to establish minimum wage increases pursuant to subparagraphs (A) and (B) of paragraph (2) of subdivision (d).~~

~~(m)Subject to Section 1477, subdivisions (a) to (i), inclusive, and (l) of this section shall become inoperative as of January 1, 2029, and the council shall cease operations. Any standards adopted by the appropriate agencies pursuant to this section shall not be impacted by the cessation of the council.~~