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AB-485 Labor Commissioner: unsatisfied judgments: nonpayment of wages. (2025-2026)

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Date Published: 07/01/2025 09:00 PM

AMENDED IN SENATE JULY 01, 2025

AMENDED IN ASSEMBLY MARCH 03, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 485

Introduced by Assembly Member Ortega

~~(Coauthor: Assembly Member Kalra)~~ *(Coauthors: Assembly Members Garcia and Kalra)*

February 10, 2025

An act to add Section 238.7 ~~to~~ *to, and to repeal Section 238.4 of*, the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as amended, Ortega. Labor Commissioner: unsatisfied judgments: nonpayment of wages.

Existing law establishes the Division of Labor Standards Enforcement, under the direction of the Labor Commissioner, within the Department of Industrial Relations and sets forth its powers and duties regarding the enforcement of labor laws. Existing law authorizes the Labor Commissioner to investigate employee complaints and to take various actions against an employer with respect to unpaid wages.

Existing law generally prohibits an employer with an unsatisfied final judgment for nonpayment of wages from continuing to conduct business in California, unless that employer has obtained a bond from a surety company and filed that bond with the Labor Commissioner, as prescribed. Under existing law, if an employer in the long-term care industry that is also required to obtain a license from the State Department of Public Health or the State Department of Social Services has violated the above provision governing unsatisfied judgments (unsatisfied judgment provision), either of those departments may deny a new license or the renewal of an existing license for that employer. Existing law further requires the Labor Commissioner, upon finding that an employer in the long-term care industry is violating the unsatisfied judgment provision, to notify those departments.

This bill would *repeal the above-described provision applicable to employers in the long-term care industry. The bill would* require a state agency, if an employer ~~in an industry~~ that is ~~also~~ required to obtain a license or permit from that state agency is found to have violated the unsatisfied judgment provision, to deny a new license or permit or the renewal of an existing license or permit for that employer. The bill would also require the Labor Commissioner, upon finding that an employer is conducting business in violation of that provision, to notify the applicable state agency with jurisdiction over that employee's license or permit.

The bill would additionally permit the State Public Health Officer to exempt a hospital employer from the bill's requirements upon a determination that a denial, suspension, or revocation of the hospital's license, permit, or renewal could have imminent or substantial adverse effects upon public health or safety or would violate constitutional law.

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

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

SECTION 1. *Section 238.4 of the Labor Code is repealed.*

~~238.4.(a) If an employer in the long-term care industry that is also required to obtain a license from the State Department of Public Health or the State Department of Social Services pursuant to Division 2 (commencing with Section 1200) of the Health and Safety Code, is found to be in violation of Section 238, the State Department of Public Health or the State Department of Social Services may deny a new license or the renewal of an existing license for that employer.~~

~~(b) If the Labor Commissioner finds that an employer in the long-term care industry is conducting business in violation of Section 238, the Labor Commissioner shall notify the State Department of Public Health or the State Department of Social Services.~~

~~(c) For purposes of this section "long-term care" means the operation of a skilled nursing facility, intermediate care facility, congregate living health facility, hospice facility, adult residential facility, residential care facility for persons with chronic life-threatening illness, residential care facility for the elderly, continuing care retirement community, home health agency, or home care organization, as those terms are used in Division 2 (commencing with Section 1200) of the Health and Safety Code.~~

SECTION 1. **SEC. 2.** Section 238.7 is added to the Labor Code, to read:

238.7. (a) Notwithstanding any other law, if an employer ~~in an industry~~ that is ~~also~~ required to obtain a license or permit from any state agency is found to have violated Section 238, the applicable state agency shall deny a new license or permit, or the renewal of an existing license or permit, for that employer.

(b) If the Labor Commissioner finds that an employer is conducting business in violation of Section 238, the Labor Commissioner shall notify the applicable state agency with jurisdiction over that employer's license or permit.

(c) The State Public Health Officer may exempt a hospital employer from the requirements of this section upon a determination that a denial, suspension, or revocation of the hospital's license, permit, or renewal could have imminent or substantial adverse effects upon public health or safety or would violate constitutional law.

~~(e)~~

(d) For purposes of this section, "state agency" ~~means any agency, department, division, commission, board, bureau, officer, or other authority of the State of California.~~ shall have the meaning prescribed by Section 11000 of the Government Code.