

5.48.020 – Initiative ordinance.

AN INITIATIVE ORDINANCE
GRADUALLY INCREASING MINIMUM COMPENSATION TO HOTEL WORKERS;
APPLYING COST OF LIVING INCREASES STARTING JULY 1, 2029;
CLARIFYING THE TERMS “WAGES” AND “SERVICE” CHARGES; AND
AUTHORIZING THE CITY COUNCIL TO MAKE FUTURE AMENDMENTS TO MINIMUM
COMPENSATION STANDARDS STARTING JUNE 1, 2029

THE PEOPLE OF THE CITY OF LONG BEACH DO ORDAIN AS FOLLOWS:

5.48.020 Payment of minimum compensation and sick days to hotel workers.

- A. Except as otherwise provided in this Section, each hotel employer shall pay hotel workers a minimum hourly wage of not less than the following hourly rates:
 - 1. On July 1, 2024, twenty-three dollars (\$23.00) per hour.
 - 2. On July 1, 2025, twenty-five dollars (\$25.00) per hour.
 - 3. On July 1, 2026, twenty-six dollars and fifty cents (\$26.50) per hour.
 - 4. On July 1, 2027, twenty-eight dollars (\$28.00) per hour.
 - 5. On July 1, 2028, twenty-nine dollars and fifty cents (\$29.50) per hour.
- B. The City Manager, or their designee, shall publish a bulletin by April 1 of each year announcing the adjusted rates, which shall take effect the following July 1. Such bulletin will be made available to all hotel employers and to any other person who has filed with the City Manager, or their designee, a request to receive such notice but lack of notice shall not excuse noncompliance with this Subsection. A hotel employer shall provide written notification of the rate adjustments this Section to each of its hotel workers and make the necessary payroll adjustments by July 1 following the publication of the bulletin. Other forms of compensation, such as, service charges, commissions, bonuses, tips or gratuities, received by hotel workers shall not be credited as being any part of or offset against the wage rates required by this Section.
- C. Service charges shall not be retained by a hotel employer but shall be paid in the entirety by the hotel employer to the hotel worker(s) performing services for the customers from whom the service charges are collected. Service charges, or any part thereof, shall not be paid to supervisory or managerial employees. Service charges shall be paid to the hotel worker(s) in the next payroll following collection of a service charge from the customer. Without limitation of the foregoing:

1. Service charges collected for banquets or catered meetings shall be paid equally to the hotel worker(s) who actually work the banquet or catered meeting; and
2. Service charges collected for room service shall be paid to the hotel worker(s) who actually deliver food and beverage associated with the charge; and
3. Service charges collected for portage service shall be paid to the hotel worker(s) who actually carry the baggage associated with the charge.

This Subsection does not apply to any tip, gratuity, money, or part of any tip, gratuity, or money that has been paid or given to or left for a hotel worker by customers over and above the actual amount due for services rendered or for goods, food, drink, or articles sold or served to the customer.

D. A hotel employer shall pay every hotel worker sick pay out of the employer's general assets as follows:

1. At least five (5) compensated days off per calendar year for sick leave at the hotel worker's request. The hotel worker need not present certification of illness to claim compensated time off, provided that such hotel worker has accrued the requested days of compensated time at the time of the request. A hotel worker shall be paid his or her normal daily compensation for each compensated day off;
2. A hotel worker shall accrue five-twelfths (5/12) of a day of compensated time for each full month in a calendar year that the hotel worker has been employed by the hotel employer. A hotel worker is entitled to use any accrued days of compensated time as soon as those days have accrued;
3. If any hotel worker has not utilized all of his or her accrued compensated time by the end of any calendar year, the hotel employer shall pay that hotel worker a lump sum payment at the end of the calendar year equivalent to the compensation due for any unused compensated time.

E. The provisions of this Section may not be waived by agreement between an individual hotel worker and a hotel employer. All of the provisions of this Section, or any part hereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such 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 Section. A hotel employer shall not discharge, reduce the compensation of or otherwise discriminate against any hotel worker for using any civil remedies to enforce this Section or otherwise asserting his or her rights under this Section.

F. A hotel worker claiming violation of this Section may bring an individual or class action against his or her employer in Superior Court to enforce the provisions of this Section and shall be entitled to all remedies available under the law or in equity appropriate to remedy any violation of this Section, including but not limited to lost compensation, damages, reinstatement or injunctive relief. A hotel worker who prevails in any action to enforce this Section shall be awarded his or her reasonable attorney's fees and costs.

- G. If any provision of this Section is declared illegal, invalid or inoperative, in whole or in part, by the final decision of any court of competent jurisdiction, the remaining provisions and all portions not declared illegal, invalid or inoperative shall remain in full force or effect, and no such determination shall invalidate the remaining provisions or portions of the provisions of this Section.
- H. This Section may be amended from time to time by ordinance adopted by a two-thirds ($\frac{2}{3}$) vote of the members of the City Council upon a finding by the City Council that such amendment is consistent with and in furtherance of the purposes of this Section to ensure hotel workers receive fair compensation and benefits, such as, wages, service charges, and sick pay, for the work they perform. However, no action shall be taken by the City Council to increase the wages of hotel workers in this Section until on or after June 1, 2029. Thereafter, the City Council may amend this Section to increase the hourly wages of hotel workers five (5) years from the date of the last amendment by the City Council to increase such wages and after consideration of a labor market analysis.
- I. Definitions. The words set forth in this Subsection shall have the following meaning when used in this Section:
1. "Compensation" includes any wages, tips, bonuses, service charges, and other payments reported as taxable income paid by the hotel employer to the hotel worker.
 2. "Hotel" means a residential building that is designated or used for lodging and other related services for the public and containing one hundred (100) or more guest rooms, or suites of rooms. "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.
 3. "Hotel employer" means a person who owns, controls, and/or operates a hotel in the City of Long Beach, or a person who owns, controls, and/or operates any contracted, leased, or sublet premises connected to or operated in conjunction with the hotel's purpose, or a person, other than a hotel worker, who provides services at the hotel.
 4. "Hotel worker" means any individual (1) whose primary place of employment is at one or more hotels and (2) who is employed directly by the hotel employer or by a person who has contracted with the hotel employer to provide services at the hotel.
 5. "Person" means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.
 6. "Service charge" means all separately-designated amounts, regardless of name or label, charged and collected by an employer from customers, that is for service by employees, or is described in such a way that customers might reasonably believe that the amount is for those services or is otherwise to be paid or payable directly to employees or is used to pay for labor or worker protections, including those charges designated on receipts, invoices, or billing statements under the term "service

charge," "table charge," "portage charge," "automatic gratuity charge," "healthcare surcharge," "benefits surcharge," "hotel worker protection fee," "housekeeping fee," or similar language. Service charge does not include a tip or gratuity as defined under state or federal law, or taxes and fees levied by federal, state or local government.

7. "Wage" means all amounts for labor performed by hotel workers of hotel employers, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation, as defined by California Labor Code Section 200(a).