

## **GENERAL SUMMARY**

The City of Los Angeles has officially approved a <u>wage ordinance</u> for hotels (and at airports) which will, over the course of the next three years, adjust hotel minimum wages to \$30.00 per hour by July 2028. Significantly, the ordinance also includes \$7.65 per hour in required healthcare benefits starting in 2026. This ordinance utilizes multiple definitions of "Employees" and "Hotel Workers," but generally applies to all hotel employees, excluding managerial, supervisory, or confidential positions. While wage increases, healthcare payments, and enforcement of the ordinance were delayed pending the outcome of a hotel-led referendum effort, the ordinance is now in effect.

# MINIMUM WAGE REQUIREMENTS

The timeframe for wage increases is as follows:

Hotel Wage Per Hour	Effective Date
\$22.50	September 8, 2025
\$25.00	July 1, 2026
\$27.50	July 1, 2027
\$30.00	July 1, 2028

Annually, beginning on July 1, 2029, the hourly wage rate will be adjusted by the CPI-W for the Los Angeles metropolitan area. The adjusted rates will be announced on February 1st, or within two weeks of the release of the prior year's CPI-W, whichever is later.

## **Healthcare Benefit Payments**

In addition to increasing the minimum hourly wage, the ordinance also mandates a \$7.65 hourly healthcare benefit (excluding overtime) beginning July 1, 2026, which may be paid as a direct employee payment or via health benefits which are categorized as health coverage, dental, vision, mental health, and disability income. If the value of the paid benefits is less than the healthcare payment mandate, the difference is to be paid directly to the employee. If an employee waives coverage because of existing 3<sup>rd</sup>-party coverage, employers must pay an additional \$100/month for full-time employees, or \$50 /month for part-time employees.

## REQUIRED WORKPLACE POSTINGS AND DISCLOSURES

Under the ordinance, employers must post the wage rates, compensated time off standards, other OWS-enforced ordinances, and other benefits under this ordinance in a conspicuous place. Posters must be provided in any language spoken by more than 5% of the workforce. Additionally, the employer must provide the employer's name, address, and telephone number in writing at the time of hire, with updated notices within 10 days of a change in the provided information. Payroll records must be retained for four years and shall be made available to city enforcement staff.

# This is an information service of CHLA. It does not purport to serve as legal or other professional advice, and the counsel of competent legal professionals should always be sought.

# **ORDINANCE SCOPE**

This ordinance applies to hotels with 60+ guest rooms, as well as any contractors/subcontractors working at the properties. Under the ordinance, hotels and contractors are jointly liable for alleged violations. Additionally, this ordinance applies, under separate heading, to airport workers.

## HOUSEKEEPING TRAINING

Room attendants must, within 120 days of hiring or and every five years thereafter, receive a minimum of six (6) hours of housekeeping training, paid at regular rate of pay, from a certified "Public Housekeeping Training Organization" identified by the city. The course must be paid for by the hotel and the training must include several specified elements (see ordinance (pg. 4). A hotel may not terminate employment using failure to train as a justification for separation, and must maintain training records for five years from the date of training.

## **WAIVERS**

For hotels with collective bargaining agreements, agreed upon waivers by parties to the CBA's will supersede this ordinance. Additionally, hotels may petition for hardship waivers to avoid bankruptcy, shutdown, 20% or greater reductions in workforce, or 30% or greater reductions in hours.

## **CURING & ENFORCEMENT**

The ordinance permits hotels to cure an alleged violation of the ordinance within 30 days. Enforcement can be instigated by an employee, the city, or a third party.

#### **Questions or Concerns?**

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