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Strengthening California’s Car Wash Worker Law

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Issue

The car wash industry in the United States has close to 17,000 establishments with 163,178 paid employees.¹ Like other industries with predominantly immigrant workforces, employers in the car wash industry skirt minimum wage laws by paying workers in tips, keeping them on stand-by without pay, or paying per car and in daily rates. In 1999, a coalition of community groups and worker unions created the Community-Labor-Environmental-Action-Network (CLEAN) Car Wash Campaign to address a growing need for long-term solutions to labor violations reported by car wash workers. In response to the evolution of the car wash industry in recent years, CLEAN seeks to understand how the law has impacted the lived experiences of car wash workers in Los Angeles.

In 2003, California passed the Car Wash Worker Law that required car wash owners to register with the state’s Division of Labor Standards Enforcement (DLSE), also commonly referred to as the Labor Commissioner’s Office, or be fined for noncompliance. Requirements of registration included a registration fee of \$250, plus \$50 annual fee for each branch location, and a surety bond of at least \$15,000. In 2013, California amended the Car Wash Worker Law, increasing fines for noncompliance, as well as increasing the bond requirement to \$150,000. This amendment also exempted employers from the bond requirement if they had a Collective Bargaining Agreement in place that met specific criteria on wages, hours of work, working conditions and an expeditious process to resolve disputes concerning the nonpayment of wages. By 2008, only 65% of the estimated 1,600 car washes were registered and in compliance with the law.² The researchers sought to understand the role of California’s laws in addressing wage theft for car wash workers in the state.

Study Approach

The researchers conducted a quantitative data analysis of wage claim filings and collected qualitative interview data between January and March 2022. The DLSE provided data that included the number of annual registered car wash businesses, car wash citations reported by the Bureau of Field Enforcement (BOFE), and the number of wage claims filed by car wash workers from 2019 to 2021. To understand the law enforcement process, the researchers conducted interviews with 42 individuals across six stakeholder groups: car wash workers, employment attorneys, car wash owners, labor activists, government agencies, and law enforcement officials.

Key Findings

The researchers identified six key findings that speak to the challenges regarding the efficacy of the Car Wash Worker Law. Overall, the team found pervasive issues concerning unpaid wages, off-the-clock work, break-period violations, and a plethora of administrative issues that have hindered the efficacy of the law.

Finding 1: Lengthy processing times at the Labor Commissioner’s Office deter car wash workers from filing wage claims.

Finding 2: The most common labor law violations that car wash workers face when seeking legal services are related to “off-the-clock” work, such as not being allowed to clock in until two hours into their shift, or not being allowed lunch or breaks, leading to lost wages.

Finding 3: Shortages of enforcement employees are hampering the Labor Commissioner’s performance and causing stress for overworked employees.



Figure 1.

A *carwasherx* (car wash worker) dries a car at a mobile car wash in Los Angeles. (Photo courtesy of Marcus Gabbert, 2022).

Finding 4: There is a substantial rate of discrimination against female car washers. Women receive lower wages for the same work and face harassment from employers.

Finding 5: Many employers have closed their businesses and hidden their assets after judgements against them are handed down, preventing workers from collecting their due wages.

Finding 6: Many car wash businesses are unregistered, or avoid having the \$150,000 bond by providing proof of policy at registration and then canceling their bond agreements shortly after.

Recommendations

Based on the findings, the research team provided the following policy recommendations to optimize the existing Car Wash Worker Law and deter wage theft violations in the industry.

- » Budget change proposal to the state Legislature to hire more personnel at the DLSE.
- » Improve data collection and transparency by the DLSE.
- » Require car wash industry specific postings in English and Spanish to inform car wash workers of their rights.
- » Insert more punitive legislative language into the Car Wash Worker Law that penalizes “off-the-clock” wage theft.
- » Establish a lien system to ensure that car wash workers receive payment.
- » Create a task force unit within the Labor Commission that solely focuses on the car wash industry.

For More Information

Sánchez, K., Cain, L., Tan, S., and Cruz, A. (2022) Transforming car wash worker rights: an analysis of California’s car wash worker law (Master’s capstone, UCLA). Retrieved from: <https://escholarship.org/uc/item/79b8w81q>.

References

¹ U.S. Census Bureau (2022) “Car Washes Help Maintain What May Be the Second-Largest Investment Many Will Make.” Census.gov. April 12, 2022. <https://www.census.gov/library/stories/2021/06/americas-love-affair-with-clean-cars.html>.

² U.S. Census Bureau (2022)