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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2021 - 2022 Regular Session

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## AB 701 (Lorena Gonzalez) - Warehouse distribution centers

**Version:** July 15, 2021

**Urgency:** No

**Hearing Date:** August 26, 2021

**Policy Vote:** L., P.E. & R. 4 - 1, JUD. 9 - 2

**Mandate:** Yes

**Consultant:** Robert Ingenito

**Bill Summary:** AB 701 would (1) require warehouse employers to disclose quotas and pace-of-work standards to workers and state enforcement agencies, (2) prohibit employers from counting time that workers spend complying with health and safety laws as “time off task,” and (3) direct Cal/OSHA to create a standard to minimize injuries among warehouse workers.

### \*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\*

The following information is revised to reflect amendments  
adopted by the committee on August 26, 2021

**Fiscal Impact:** The Department of Industrial Relations (DIR) would likely incur annual costs in the low millions of dollars for workload, primarily related to enforcement (various DIR special funds).

**Author Amendments:** Among other things:

- Clarify that the bill does not apply to NAICS Industry Code for Farm Product Warehousing and Storage
- Provide employers 30 days to notify existing employees of the quotas they are subject to and any potential adverse employment actions associated with failing to meet the quota.
- Clarify that an employee cannot be required to meet a quota that prevents an employee from using the bathroom, including reasonable travel time to and from bathroom facilities.
- Directs the Labor Commissioner (LC) to enforce this bill through coordinated, strategic enforcement with other DIR agencies, including Cal/OSHA and Division of Workers' Compensation.
- Allow LC to access employer-reported injury data and other data sharing from other divisions of DIR for enforcement purposes.
- Direct the LC to collaborate with stakeholders to educate workers and employers about their rights and obligations under the bill to increase compliance.
- Report to the Legislature by January 1, 2023 on complaints filed under AB 701, data on warehouse production quotas, and number of enforcement actions, per employer.

- Amend existing Labor Code Section 138.7 to allow DIR's Division of Labor Standards Enforcement to access individually identifiable information for workers' compensation claims for enforcement purposes.
- Require the Labor Commissioner to investigate violations when the commissioner finds a pattern or practice of injuries or Cal/OSHA violations in a particular warehouse, or with a particular employer.
- Remove the Cal/OSHA standard on quotas and musculoskeletal injuries and disorders.

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