



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** BOARD OF SUPERVISORS  
DISTRICT 3  
**File #:** 25-495

Board Meeting Date: 6/10/2025

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Supervisor Ray Mueller, District 3  
Supervisor Jackie Speier, District 1

**Subject:** Adoption of an Ordinance Amending Chapter 5.158 of the San Mateo County Ordinance Code to Clarify and Strengthen Minimum Wage Enforcement Procedures

### **RECOMMENDATION:**

Adopt an ordinance amending Chapter 5.158 of the San Mateo County Ordinance Code to clarify and strengthen minimum wage enforcement procedures by authorizing the Office of Labor Standards and Enforcement (OLSE) to implement and enforce the minimum wage in the unincorporated areas of the County, previously introduced on May 20, 2025, and waive the reading of the ordinance in its entirety.

### **BACKGROUND:**

On December 6, 2022, the Board of Supervisors adopted an ordinance adding Chapter 5.158 to Title 5 of the Ordinance Code ("Minimum Wage Ordinance"), establishing a minimum wage for workers in the unincorporated areas of the County that exceeded the minimum set by California law, beginning with an hourly rate of \$16.50 in 2023 and taking into account CPI increases in subsequent years. The Minimum Wage Ordinance was intended to improve consistency with previously enacted local ordinances in San Mateo County cities and to improve the well-being of workers living and working within the unincorporated areas of the county.

Currently, workers may enforce their rights under the Minimum Wage Ordinance by filing a claim with the California Labor Commissioner or through a lawsuit. The County may also enforce the Minimum Wage Ordinance, but the existing code does not provide any specific enforcement procedures.

On October 10, 2023, the State of California enacted Assembly Bill 594 (AB 594), which expressly grants local public prosecutors, including District Attorneys and County Counsel, the authority to initiate civil or criminal actions against employers for specified violations of the California Labor Code. This expanded authority reinforces the County's broader policy objectives of strengthening labor protections and deterring wage theft.

On December 12, 2023, the Board of Supervisors voted unanimously to launch an Office of Labor Standards and Enforcement (OLSE) with specific attention to low-income workers and workers from vulnerable populations (Resolution No. 080073). The Board approved a proposed structure and phased implementation plan for the OLSE on June 25, 2024. The OLSE is a collaborative partnership between the County Executive's Office of Racial and Social Justice, the County Attorney's Office, and the District Attorney's Office. OLSE's core functions include the enforcement of the Minimum Wage Ordinance and other labor standards that protect San Mateo County workers.

### **DISCUSSION:**

The purpose of this ordinance amendment is to facilitate the efficient enforcement of San Mateo County's minimum wage ordinance, ensure fair and equitable enforcement, and promote transparency for both workers and employers. A review of minimum wage ordinances in comparable jurisdictions conducted by the County Attorney's Office revealed that granting explicit enforcement authority to a designated local agency, including the ability to issue citations and impose administrative penalties, significantly improves minimum wage compliance, and reduces wage theft.

The ordinance would support the effective and just enforcement of the Minimum Wage Ordinance through the following key actions:

- **Integrate the OLSE into the enforcement framework of the Minimum Wage Ordinance.** The ordinance establishes and defines OLSE's role in the implementation of the Minimum Wage Ordinance, authorizing OLSE to investigate suspected minimum wage violations and take other appropriate actions to enforce the ordinance.
- **Provide for the assessment of citations and penalties.** The ordinance sets forth a schedule of penalties and damages employers who violate the Minimum Wage Ordinance will face and allows the County to impose an administrative citation where an employer is found to have committed a violation.
- **Clarify administrative procedures for investigating violations and assessing penalties.** The ordinance establishes clear parameters for the administrative procedures that the OLSE will implement to investigate possible violations of the Minimum Wage Ordinance, assess penalties and impose administrative citations when violations are found.
- **Establish transparent and efficient due process mechanisms for employers found to have violated the Minimum Wage Ordinance.** The ordinance creates a streamlined appeal process for employers found to have violated the Minimum Wage Ordinance, ensuring that employers are provided a fair process by providing access to an administrative hearing and judicial review to employers who wish to contest OLSE determinations.

The ordinance would set forth the following schedule of penalties and citation amounts.

<b>VIOLATION</b>	<b>CITATION AMOUNT</b>
Failure to maintain payroll records or to retain payroll records for four years -Ordinance Code Section 5.158.070 (a)	\$500.00
Failure to allow the Office of Labor Standards Enforcement to inspect payroll records -Ordinance Code Section 5.158.070 (c)	\$500.00
Retaliation -Ordinance Code Section 5.158.100	\$1,000.00
Failure to post notice of Minimum Wage rate - Ordinance Code Section 5.158.060 (a)	\$500.00
Failure to provide notice of investigation to employees -Ordinance Code Section 5.158.090 (f)	\$500.00
Failure to post notice of violation to public -Ordinance Code Section 5.158.090 (i)	\$500.00
Failure to provide employer's name, address, and telephone number in writing -Ordinance Code Section 5.158.060 (b)	\$500.00

The Board voted to approve the introduction of the ordinance at the May 20, 2025 Board meeting. Upon adoption at the June 10, 2025 Board meeting, the Ordinance takes effect 30 days thereafter.

**COMMUNITY IMPACT:**

This ordinance will positively impact equitable outcomes by facilitating the enforcement of the County's minimum wage ordinance. This will be especially impactful for low-wage workers, who struggle to make ends meet in San Mateo County given the high cost of living. When employers do not pay lawful and fair wages, it exacerbates the economic challenges low-wage workers face, resulting in housing insecurity or homelessness, food insecurity, stress and other mental health impacts. San Mateo County's minimum wage ordinance will best realize its promise for workers if it is accompanied by strong enforcement mechanisms to ensure that workers are paid the wages they are owed and are counting on to pay their bills.

**FISCAL IMPACT:**

No new impacts. Fiscal impacts of staffing and implementing enforcement through the new Office of Labor Standards and Enforcement was approved during the 24/25 budgeting process and this ordinance amendment does not have any new fiscal impacts.