

## Notes on Santa Monica Wage Law for Hotels

SMTT and City staff have received several similar questions about the new minimum wage for hotel workers that went into effect July 1, 2016. The hotel worker living wage is set to match that of the City of Los Angeles starting July 1, 2017. Moving forward, it will increase annually by CPI.

Working with City staff, we have put together the following notes to clarify frequent questions related to the hotel wage:

### **Hotel Definition & Law Application**

- **The hotel wage applies to all contractors providing hotel-related services on hotel premises.**
  - Examples could include valet, maintenance, cleaning, etc.
  - Employees whose primary place of employment is at one or more Santa Monica hotel are eligible.
  - These contractors providing hotel related services on hotel premises must pay their qualifying employees the hotel wage.
  
- **The hotel wage does not apply to contractors providing services offsite.**
  - Examples could include an offsite cleaning service whose staff performs all work at a location separate from the hotel.
  
- **The hotel wage provisions may be waived in a collective bargaining agreement (CBA).**
  - The waiver must be in a bona fide CBA, must be express, and must be in clear and unambiguous terms.
  - The parties to a CBA are free to negotiate any language they desire, and the City will not interfere with or participate in the negotiation of such language.
  - Even if the hotel's direct employees are subject to a CBA, contractors who provide on-site, hotel-related services must pay the hotel minimum wage, unless a contractor's employees are also subject to a CBA.
  
- **The hotel wage applies to businesses that contract, lease, or sublet premises which operate in connection with the hotel.**
  - Examples could include a restaurant connected to a hotel that provides room service or other amenities to hotel patrons as part of the hotel services.
  
- **The hotel wage does not apply to businesses that contract or sublet premises from a hotel, and operate independently from the hotel.**
  - Examples could include a restaurant that provides no services for the hotel or hotel guests, and is unconnected to hotel operations.

*Reference: Municipal Code Section [4.63.045](#)*

## Hotel Wage and Sick leave

- Hotel employers must provide the paid sick leave required under the general minimum wage.
- Paid sick leave goes into effect on January 1, 2017 at 40 hours per year (for businesses with 26 or more employees). Paid sick leave hours increase to 72 hours on January 1, 2018.

*Reference: Municipal Code Section [4.63.025](#)*

The City has established a website that has a list of Frequently Asked Questions (FAQs), a fact sheet and other resource materials such as the legal notices for employers which can be downloaded at:

[www.smgov.net/minimumwage](http://www.smgov.net/minimumwage)

In addition, the City has a dedicated email for businesses or workers to pose questions regarding the minimum wage ordinance at: **[minimum.wage@smgov.net](mailto:minimum.wage@smgov.net)**.