

For Immediate Release

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COURT REJECTS LOS ANGELES GROCERY WORKER RETENTION ORDINANCE

SACRAMENTO, CA – (July 31, 2009) – The Second District Court of Appeal on July 30, 2009, upheld a trial court ruling that the City of Los Angeles Grocery Worker Retention Ordinance is unconstitutional.

The ordinance was the first attempt in the nation to require a certain class of supermarket retailers to retain workers when a store changed ownership.

California Grocers Association President and CEO Ronald Fong said the Association was pleased and satisfied with the ruling. “We were confident our arguments against the ordinance were sound and the majority of the court agreed,” Fong said.

In a 2-1 decision, the majority ruled in CGA’s favor on two separate bases:

- The court found that the California Retail Food Code (CRFC) preempted this local attempt at creating a health and safety standard both because of the ordinance’s express statement that it was adopted for health and safety purposes and because its provisions impose more onerous standards for retaining employees than the CRFC.
- The court found that the ordinance intrudes into the collective bargaining process as outlined by the National Labor Relations Act by subjecting employers to successorship obligations not provided for in the Federal Act.

The City of Los Angeles passed its controversial grocery worker retention ordinance in December of 2005. The cities of Santa Monica, San Francisco and Gardena also passed similar ordinances.

In May of 2006, CGA mounted a legal challenge to the ordinance labeling it improper, unlawful and unenforceable. The case went to trial in August 2007.

Los Angeles County Superior Court Judge Ralph W. Dau issued a final ruling in February of 2008 finding the ordinance to be unconstitutional.

Community and business leaders opposed the ordinance because it encouraged supermarkets and potentially other businesses to locate outside the city limits and to avoid communities where the need is greater.

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The California Grocers Association is a non-profit, statewide trade association representing the food industry since 1898. CGA represents approximately 500 retail members operating over 6,000 food stores in California and Nevada, and approximately 200 grocery supplier companies. Retail membership includes chain and independent supermarkets, convenience stores and mass merchandisers.