

Update: California Court Rules that California Rather than Louisiana Law Applies to Dispute between a Vessel Owner and Operator and Their Employees

Last year, we posted that a California court ruled that *Louisiana* law applied to *Louisiana* maritime workers who performed work on a vessel that provided maintenance services to offshore oil platforms off the coast of *California*. Late last year, the court reversed itself.

In *Gulf Offshore Logistics, LLC v. Superior Court*, the employees sued their *Louisiana*-based employers, Gulf Offshore Logistics, LLC and JNB Operating, LLC, alleging violations of *California* state wage and hour laws, including those relating to minimum wage and overtime, providing meal and rest periods, maintaining accurate work records and providing complete wage statements. The Defendants-Employers moved for summary judgment arguing that *Louisiana* law governed the employment relationships at issue. After the trial court ruled against the Defendants, the appellate court issued an order directing the superior court to grant the motion for summary judgment in favor of the Defendants.

The workers appealed the decision and the California Supreme Court directed the appellate court to reconsider its prior opinion that *Louisiana* law governed the employment relationships at issue. On reconsideration, the court of appeal concluded that *California* law applies and that the trial court correctly denied Defendants' motion for summary judgment.

In its initial opinion the court concluded that *Louisiana* had a greater interest in regulating these employment relationships because the employers were based in *Louisiana* and many of the administrative aspects of the employment relationship were centered in that state. The new opinion frankly states that "[i]n this regard, we were mistaken."

Under California law, the relevant consideration should have been and is the location in which work is performed. In the case at bar, that location was California. The court of appeal noted that other considerations, such as the residence of the employees or the location of the employer, are not relevant.

Accordingly, the court held that *California* law applies because the crew members' work was performed in *California*. *Louisiana* law does not apply for the same reason: the crew members did not perform work in *Louisiana*.

Tips

Navigating the wide range of California's complex wage and hour laws can be challenging for employers. If your non-California based business assigns employees to perform work in the State of California, California wage and hour laws are likely to apply. In order to minimize the risk of wage and hour liability, we recommend that you consult with an employment lawyer about how to properly pay employees.

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