

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 963 (Petrie-Norris)
Version: February 20, 2025
Hearing Date: July 15, 2025
Fiscal: Yes
Urgency: No
AM

SUBJECT

Public works: prevailing wages: access to records

DIGEST

This bill requires an owner or developer undertaking any public works project to make certain records available to the Division of Labor Standards Enforcement (DLSE), multi-employer Taft-Hartley trust funds, and joint labor-management committees (JLMCs), as specified.

EXECUTIVE SUMMARY

When a state or local agency completes any construction or similar work through the use of public funds, it is considered a “public works” project. Under state law, when a public agency contracts for a public works project, all workers employed by a contractor or subcontractor on the public works project must be paid a prevailing wage for the locality. The proponents of the bill argue that access to records relating to publicly-funded projects is critical to ensuring proper use of taxpayer dollars, to prevent public funds from being used by contractors with a history of labor violations, and to ensure proper classification of construction and apprentices. This bill seeks to provide access to certain records, such as certified payroll records and final executed construction contracts for public works projects, from an owner or developer of a public works project.

The bill is sponsored by the International Union of Painters and Allied Trades, District Council 16 and District Council 36. It is supported by numerous labor organizations, including the California Federation of Labor Unions, AFL-CIO and the State Building and Construction Trades Council. The bill is opposed by various non-profit housing organizations and organizations representing the building industry, including the California Building Industry and Housing California. The bill passed the Senate Labor, Public Employment and Retirement Committee of a vote of 4 to 1.

PROPOSED CHANGES TO THE LAW

Existing federal law:

- 1) Authorizes, pursuant to the Labor Management Cooperation Act of 1978, the establishment of plant, area, and industrywide labor management committees (JLMCs), which have been organized jointly by employers and labor organizations representing employees in that plant, area, or industry, as specified. (29 U.S.C. §175a.)
- 2) Establishes labor management committees for the purpose of improving labor management relationships, job security, organizational effectiveness, enhancing economic development, or involving workers in decisions affecting their jobs. (29 U.S.C. §175a.)
- 3) Establishes multiemployer Taft-Hartley trust funds, which are collectively bargained pension, health, or welfare benefit trusts jointly administered by an equal number of employer and employee representatives, as specified. (29 U.S.C. §186(c)(5)-(c)(8))

Existing state law:

- 1) Provides all people have inalienable rights, including the right to pursue and obtain privacy. (Cal. Const., art. I, Sec. 1.)
- 2) Establishes within the Department of Industrial Relations (DIR) the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC to ensure a just day's pay in every work place and to promote justice through robust enforcement of labor laws. (Lab. Code §§ 79-107.)
- 3) Defines "public works," for the purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds. (Lab. Code § 1720(a).)
- 4) Specifies that if the state or political subdivision reimburses a private developer for costs that would normally be borne by the public, or provides directly or indirectly a public subsidy to a private development project that is de minimis in the context of the project, an otherwise private development project is not subject to public works law. (Lab. Code § 1720(c)(3).)
- 5) Defines "de minimis" for purposes of 4), above, to mean the following:

- a) A public subsidy is de minimis if it is both less than \$600,000 and less than 2 percent of the total project cost.
 - b) Notwithstanding a), above, a public subsidy for a project that consists entirely of single-family dwellings is de minimis if it is less than 2 percent of the total project cost. (Lab. Code § 1720(c)(3).)
- 6) Requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a “public works” project costing over \$1,000 dollars and imposes misdemeanor penalties for violation of this requirement. (Lab. Code § 1771.)
- 7) Requires each contractor and subcontractor to keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. (Lab. Code § 1776(a).)
- 8) Requires the payroll records in 6), above, to be certified and made available for inspection to all of the following:
 - a) An employee or an employee’s authorized representative, upon request.
 - b) A representative of the body awarding the contract and DLSE.
 - c) Requests by the public shall be made through either the body awarding the contract or DLSE. (Lab. Code § 1776(b).)
- 9) Requires contractors or subcontractors to file a certified copy of payroll records with the entity that requested the records within 10 days after receipt of written request. (Lab. Code § 1776(d).)
- 10) Requires contractors and subcontractors, in the event that they do not comply within the 10- day period, to pay to the state or subdivision on whose behalf the contract was made or awarded a penalty of \$100 per day or portion thereof for every worker until strict compliance is effectuated. A contractor is not subject to a penalty due to the failure of a subcontractor to comply with this section. (Lab. Code § 1776(h).)
- 11) Specifies that any records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or DLSE shall be marked or obliterated to prevent disclosure of an individual’s name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. (Lab. Code § 1776(e).)

- 12) Requires any copy of payroll records in 6), above, made available for inspection by, or furnished to, JLMCs to be marked or obliterated only to prevent disclosure of an individual's social security number. Records made available to a multiemployer Taft-Hartley trust fund shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits. (Lab. Code § 1776(e).)
- 13) Requires contractors and subcontractors, while performing public works, to furnish specified payroll records at least once a month directly to the LC, in an electronic format, in the manner prescribed by the LC, on the department's internet website. (Lab. Code § 1771.4(a)(3).)
- 14) Requires a contractor, bidder, or other entity to provide to the public entity or other awarding body, on a monthly basis while the project or contract is being performed, a report demonstrating compliance with skilled and trained workforce requirements. (Pub. Cont. Code § 2602.)

This bill:

- 1) Requires an owner or developer undertaking any public works project to make the following records available upon request to DLSE, to multiemployer Taft-Hartley trust funds, and to JLMCs, as specified:
 - a) Final executed construction contracts.
 - b) A certified copy of payroll records, as described in Section 1776 of the Labor Code, if the owner or developer has possession, custody, or control of these records.
 - c) If the owner or developer were required to provide an enforceable commitment that a skilled and trained workforce will be used to complete a contract or project, the monthly reports required under Section 2602 of the Public Contract Code.
- 2) Applies the records requirements in 1), above, to any owner or developer that undertakes a development project that includes work subject to public works law, regardless of whether the project is in its entirety a public work.
- 3) Provides that any records of work performed that are made available under the requirements of 1), above, be redacted only to prevent disclosure of social security numbers, but allows an owner or developer to redact pricing information from contracts and subcontracts if that information has not been made public.
- 4) Requires an owner or developer to reasonably assist in identifying responsive records when the requesting department, trust fund, or JLMC has identified the documents or information sought with specificity.

- 5) Provides that an owner or developer has 10 days in which to comply with a written request for records enumerated in 1), above, and, in the event that the owner or developer fails to comply with a request from a multi-employer Taft-Hartley trust fund or JLMC, requires the fund or JLMC to submit a complaint to DLSE within 10 days after compliance was required. Requires DLSE to promptly investigate any complaints.
- 6) Provides that if DLSE determines that an owner or developer has failed to comply with the provisions of this bill, the owner or developer shall be subject to a penalty by the LC until strict compliance is effectuated.
- 7) Provides that the penalty for an owner or developer's failure to provide certified payroll records, as specified, shall be one hundred dollars \$100 for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated.
- 8) Provides that the penalty for an owner or developer's failure to provide final executed construction contracts and monthly reports demonstrating compliance with skilled and trained requirements, as specified, shall be \$500 for each calendar day, or portion thereof, until strict compliance is effectuated.
- 9) Requires penalties received pursuant to 7) and 8), above, to be deposited in the State Public Works Enforcement Fund, as specified.
- 10) Requires the Director of DIR to adopt rules consistent with the California Public Records Act and the Information Practices Act of 1977 governing the release of records enumerated in 1), above, including the establishment of reasonable fees to be charged for reproducing copies of records.
- 11) Provides that "owner or developer" includes a corporation, limited liability company, partnership, joint venture, or other legal entity but does not include the state or a political subdivision.
- 12) Governs the disclosure of information collected and maintained by public agencies pursuant to the CPRA. (Gov. Code §§ 7920.000 et seq.)
 - a. States that the Legislature, mindful of the individual right to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Gov. Code § 7921.000.)
 - b. Defines "public records" as any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. (Gov. Code § 7920.530.)

- c. Provides that all public records are accessible to the public upon request, unless the record requested is exempt from public disclosure. (Gov. Code § 7922.530.)

COMMENTS

1. Stated need for the bill

The author writes:

The California Public Records Act (CPRA) is a fundamental transparency pillar of state and local government, granting the public access to information that enables it to monitor the functioning of its government, including the appropriate and honest use of taxpayer dollars.

While exhaustive in nature, the CPRA does not cover private entities that own, undertake, or develop a project funded, in whole or in part, by public financing. To ensure that workers on these projects are being paid their due wages, are being classified accurately, and are being treated fairly, this measure will extend to private entities a very limited set of accountability measures to ensure compliance with existing state laws.

2. California's protections for workers' wages and equity in public works projects

Many of California's labor laws aim to protect the state's workers and ensure they are paid fairly and adequately for their work. These laws are of significant importance, as they ensure that workers can meet their basic needs and protect their right to just compensation for their labor. However, wage theft, in which an employer does not pay a worker the amount the worker is due, or does not pay the worker for all of their working hours, is a major problem across the nation.¹

When a state or local agency completes any construction, demolition, installation, alteration, or repair work, or work on any irrigation, utility, or street, sewer, public transportation, or other infrastructure project through the use of public funds, it is considered a "public works" project. (Labor Code § 1720.) When a California state or local agency initiates a public works project, the agency often lacks the staff and expertise to carry out the project itself. Instead, it turns to contractors to which it awards funds and a contract to complete the project for the agency. Under state law, when a public agency contracts for a public works project, all workers employed on the public works project must be paid a prevailing wage for the locality, as determined by the

¹ Margaret Poydock & Jiayi (Sonia) Zhang, *More than \$1.5 billion in stolen wages recovered for workers between 2021 and 2023*, Economic Policy Institute, (Dec. 20, 2024), available at <https://www.epi.org/publication/wage-theft-2021-23/>.

Director of DIR. (Labor Code § 1771.) Furthermore, in any call for bids for a public works contract, as well as in the final contract for the contracted-for work, the agency must specify the prevailing wage rate for each type of worker needed for the project, or otherwise make the rate available upon request. (Labor Code § 1773.2.) The prevailing wage is based on the standard wages for a particular work or position, and is often based on the rate in local collective bargaining agreements. The function of prevailing wage laws is to ensure that a contractor's ability to obtain a public works contract is not based on paying lower wage rates than competing bidders. Thus, all bidders on a public works project are required to use the same wage rates when bidding for a public works project, and contractors cannot squeeze their employees or rely on non-unionized workers in order to outbid another contractor for the project.

However, for such a public works project, ensuring compliance with the prevailing wages law requires a variety of mechanisms as well as enforcement from the Labor Commissioner. An awarding agency is supposed to "take cognizance" of a violation of the prevailing wage and public works laws and promptly report any suspected violations to the Commissioner. (Labor Code § 1726.) The awarding agency is empowered to withhold contract payments until the violations are resolved when the contractor has not paid a prevailing wage. (Labor Code §§ 1726, 1771.6.) The Commissioner will investigate and determine whether there has been a violation of the prevailing wage laws, whether by notification of a suspected violation from the awarding agency or from a worker. If the Commissioner's investigation determines there has been a violation, the Commissioner must, with reasonable promptness, issue an assessment of the wages and civil penalty stating the wages, penalties, and forfeitures due. (Labor Code § 1741.) The law provides the Commissioner 18 months from the completion of the public works project (when a notice of completion for the project is recorded, or upon acceptance by the awarding agency of the public work) to serve the assessment on the project's contractor or subcontractor. (Labor Code § 1741.) This timeline may additionally be tolled if DIR must investigate whether the project is in fact a public works project. (Labor Code § 1741.1.) If the public awarding agency has not disbursed all of the funds under the public works contract when the Commissioner issues an assessment, the agency must withhold from any disbursements the amounts needed to satisfy the Commissioner's civil wage and penalty assessment, which the agency can disburse when the Commissioner's assessment order is final. (Labor Code § 1727.)

A joint labor-management committee (JLMC) is an organization jointly organized by management and labor organizations representing employees in the area for the purpose of improving labor-management relationships, job security, organizational effectiveness, and economic opportunity pursuant to Title 29 of the United States Code, Section 175a. A JLMC also may enforce the prevailing wage requirements for public projects by bringing a civil action against the contractor that failed to pay the required prevailing wage. (Labor Code § 1771.2.) A JLMC may request copies of certified payroll records from a contractor, which are to redact the first five numbers of an employees'

social security number. (Labor Code § 1776.) Contractors and subcontractors on public works projects are also required to pay prevailing rate of per diem wages, which generally are employer payments toward a worker's healthcare, pension, vacation, travel, subsistence, and other payments for training or assistance programs and fees. (Labor Code § 1773.1.) As noted by the Senate Committee on Labor, Public Employment and Retirement analysis of this bill, certified public records "are an essential tool for combatting wage theft. DLSE and JLMCs use the records to confirm that contractors and subcontractors pay prevailing wages. JLMCs can bring an action in any court of competent jurisdiction against an employer that fails to pay prevailing wages or that fails to provide [certified payroll records] CPRs. Multiemployer Taft-Hartley trust funds use the records to allocate contributions to pension, health, or welfare benefit trusts."²

3. This bill seeks to require an owner or developer undertaking any public works project to turn over certified payroll documents, executed contracts, and information regarding an enforceable commitment to use a skilled and trained workforce, upon request, to the DLSE, a Taft-Hartley trust fund, or a JLMC

This bill requires an owner or developer undertaking any public works project to make the following documents available upon request of DLSE, a Taft-Hartley trust fund, and JLMCs within 10 days:

- a certified copy of payroll records already required to be disclosed by contractors under Section 1776 of the Labor Code;
- a final executed construction contract; and
- an existing report already required to be disclosed under existing law if an enforceable commitment was made that a skilled and trained workforce will be used to complete a contract or project available upon request to DLSE.

The payroll records are to have the social security numbers of the employees redacted, but their name, address, salary and any other information will be visible when provided. In regards to the executed construction contract, the bill authorizes the redaction of pricing information from contracts and subcontracts if that information has not been made public. The bill provides a penalty for an owner or developer's failure to provide certified payroll records, at \$100 for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Additionally, the bill provides a penalty for an owner or developer's failure to provide final executed construction contracts and monthly reports demonstrating compliance with skilled and trained requirements at \$500 for each calendar day, or portion thereof, until strict compliance is effectuated.

² Sen. Comm. on Lab., Pub. Empl. and Retirement Comm. analysis of AB 963 (2025-26 reg. sess.) as amended Feb. 20, 2025 at p. 6.

As noted by the Senate Labor Committee analysis of this bill, most of the information this bill requires to be provided by an owner or developer undertaking any public works project is already required to be provided under existing law by a contractor pursuant to Section 1776 of the Labor Code and Section 2602 of the Public Contract Code. To this extent, it is unclear why existing law is not sufficient to provide access to this information. The Committee may wish to consider whether placing a burden on an owner or developer undertaking any public works project to provide this information, when it is already readily accessible from contractors under existing law will actually lead to better enforcement for workers. The major piece of information that this bill provides access to that existing law does not is the final executed construction contracts.

The proponents of the bill argue that this bill is needed because “private entities currently have no oversight through the California Public Records Act.” The California Public Records act is explicitly designed to apply to public records held by a *public agency*—it was never designed nor intended to apply to private persons or private entities. The proponents argue that since public works projects are financed by public funds, private entities receiving these funds should be required to provide access to records to ensure they are complying with prevailing wage provisions as required under existing law. In this vein, Section 1776 of the Labor Code mandates contractors on public works projects provide access to certified payroll records to not only DSLE, Taft-Hartley trust funds, and JMLCS, but also the public. This section provides that payroll records disclosed to the public must have the social security number, name, and address of the employee redacted. For payroll records provided to Taft-Hartley trust funds under that section, the records are to have the social security number redacted, except for the last four digits. For payroll records provided to JMLCs, only the social security number is to be redacted. This bill is modeled off Section 1776 of the Labor Code.

4. The California Public Records Act and the right to privacy

An integral component of the California Public Records Act is the recognition that individuals have a right to privacy.³ The California Constitution provides that all people have inalienable rights, including the right to pursue and obtain privacy. (Cal. Const., art. I, Sec. 1.) The California Supreme Court writes:

The right of privacy is vitally important. It derives, in this state, not only from the protections against unreasonable searches and seizures guaranteed by the Fourth Amendment and article I, section 13, but also from article I, section 1, of our State Constitution. Homage to personhood is the foundation for

³ See Gov. Code § 7921.000 stating that the Legislature, mindful of the individual right to privacy, finds and declares that access to information concerning the conduct of the people’s business is a fundamental and necessary right of every person in this state.

individual rights protected by our state and national Constitutions. (*In re William G.* (1985) 40 Cal.3d 550, 563.)

This bill implicates privacy concerns as it mandates a private entity provide personally identifiable information to another private entity without any guardrails on how that other entity can use the information or to keep it confidential. This Committee has consistently been concerned about how both government and private entities use, store, share, and maintain sensitive private information. The current federal administration's disregard for privacy protections for citizens and non-citizens alike has only amplified these concerns.

5. Amendments

In order to ensure the purpose of the bill is effectuated, while also providing privacy protections for the personal information the bill requires to be shared, the author has agreed to amend the bill to require a Taft-Hartley trust fund or a JLMC to not disclose or share a certified copy of payroll or an executed construction contract and keep them confidential except for sharing this information with DLSE or an awarding agency to provide evidence of a violation of the prevailing wage laws. Additionally, the author has agreed to amend the bill to also allow an owner or developer to redact other proprietary or confidential information when providing a final executed construction contract. However, the names of contractors and subcontractors, the scope of work, and any contractual requirements to pay prevailing wages or use a skilled and trained workforce are not to be redacted.

The specific amendments are as follows:⁴

SECTION 1. Section 1776.1 as added to the Labor Code, is amended to read:

1776.1. (a) An owner or developer undertaking any public works project subject to the requirements of this chapter shall make the following records available upon request to the Division of Labor Standards Enforcement of the Department of Industrial Relations, to multiemployer Taft-Hartley trust funds (29 U.S.C. Sec. 186(c)), and to joint labor-management committees established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a):

(1) Final executed construction contracts.

(2) A certified copy of payroll records described in Section 1776 if the owner or developer has possession, custody, or control of these records.

⁴ The amendments may also include technical, nonsubstantive changes recommended by the Office of Legislative Counsel.

(3) If the owner or developer were required to provide an enforceable commitment that a skilled and trained workforce will be used to complete a contract or project, the monthly reports required under Section 2602 of the Public Contract Code.

(b) The requirements of subdivision (a) shall apply to any owner or developer that undertakes a development project that includes work subject to the requirements of this chapter, regardless of whether the project is in its entirety a public work, as defined in Article 1 (commencing with Section 1720).

(c) (1) Any records of work performed that are made available under this section shall be redacted only to prevent disclosure of any individual's social security number.

(2) The owner or developer may redact pricing information *and other proprietary or confidential information* from contracts and subcontracts if that information has not been made public. *The names of contractors and subcontractors, the scope of work, and any contractual requirements to pay prevailing wages or use a skilled and trained workforce shall not be redacted.*

(d) Where the requesting department, trust fund, or joint labor-management committee has identified the documents or information sought with specificity, the owner or developer shall reasonably assist in identifying responsive records.

(e) (1) An owner or developer has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a).

(2) In the event that the owner or developer fails to comply with a request from a multiemployer Taft-Hartley trust fund or a joint labor-management committee, the fund or committee shall submit a complaint to the Division of Labor Standards Enforcement within 10 days after compliance was required. The Division of Labor Standards Enforcement shall promptly investigate any complaints.

(3) If the Division of Labor Standards Enforcement determines that the owner or developer has failed to provide any records subject to disclosure pursuant to subdivision (a) or (b), or failed to comply with subdivisions (c) to (e), inclusive, the owner or developer shall be subject to a penalty by the Labor Commissioner until strict compliance is effectuated. The penalty shall be one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated with respect to records described by paragraph (2) of subdivision (a). For records described by paragraphs (1) and (3) of subdivision (a), the penalty shall be five hundred dollars (\$500) for each calendar day, or portion thereof, until strict compliance is effectuated. Penalties received pursuant to this paragraph shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(4) The director shall adopt rules consistent with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

(f) For purposes of this section, an “owner or developer” includes a corporation, limited liability company, partnership, joint venture, or other legal entity but does not include the state or a political subdivision.

(g)(1) A multiemployer Taft-Hartley trust fund or a joint labor-management committee shall not disclose or share a certified copy of payroll records or an executed construction contract received under this section and shall maintain them as confidential.

(2) Notwithstanding paragraph (1), a multiemployer Taft-Hartley trust fund or a joint labor-management committee may share a certified copy of payroll records or an executed construction contract with the Division of Labor Standards Enforcement or an awarding agency to provide evidence of a violation this chapter.

6. Statements in support

The bill is sponsored by the International Union of Painters and Allied Trades, District Council 16 and District Council 36. They write in support, stating:

Often, on construction projects, workers are underpaid and or misclassified and, without oversight, this growing problem will only continue to get worse. Existing law provides the Division of Labor Standards Enforcement (DLSE), multiemployer Taft-Hartley trust funds, and joint labor management committees with the ability to request documents from contractors when they are using public funds to develop public works projects. It is imperative that the Public Contract Code, the California Labor Code, and prevailing wage requirements are met on every public works project.

It is understood that private entities are just that, private. However, private entities using public funds also should be held to the same standards and accountability as governmental bodies when it comes to producing project documents and information. Private entities currently have no oversight through the California Public Records Act.

AB 963 will grant the ability to the DLSE, multiemployer Taft-Hartley trust funds, and joint labor management committees to request a limited scope of documents from a corporation, limited liability company, partnership, joint venture, or other legal entity when developing projects that utilize public funds regardless of whether

the project is in its entirety a public works project. AB 963 will provide oversight to publicly funded projects to ensure that the Public Contract Code, the California Labor Code, and prevailing wage requirements are being enforced on all public works projects that utilize public funds.

7. Statements in opposition

The California Building Industry Association (CBIA) writes in opposition, stating:

The California Building Industry Association (CBIA) opposes AB 963 and has listed this bill as a Housing Killer. CBIA represents the state's approximately 3,000 member companies within the home construction industry who collectively produce over 80% of all new homes built and sold annually in California. The purpose of CBIA's Housing Killer list is to identify legislation that will significantly exacerbate the current housing crisis for Californians in dire need of affordable places for individuals and their families to live. AB 963 is a bill that is unnecessary, unfair, and will drive up the cost of housing in California.

For more than two months, we have requested a meeting with the bill's author and sponsors to discuss our concerns. Those requests have been ignored, despite our efforts to engage constructively and share proposed amendments.

Key Concerns:

- Unreasonable Burden on Owners and Developers:

AB 963 requires owners and developers to collect detailed payroll records from general contractors and all subcontractors within 10 days of a public request – a timeline that is unworkably short.

- Penalizes the Wrong Parties:

These payroll records pertain to workers who are not employees of the owner or developer, yet failure to provide them within 10 days results in massive fines levied against the owner or developer, not the contractors responsible for the records.

- No Accountability for Contractors:

If a general contractor or subcontractor fails to respond, there are no penalties for them – only for the project owner or developer.

- Redundant and Unnecessary:

The public already has the right to request and obtain this information directly from the general contractor. AB 963 simply creates an additional layer of liability without improving transparency or enforcement.

- Bottom Line:

AB 963 is unnecessary, increases legal and administrative risks for housing providers, and will contribute to higher housing costs in California.

SUPPORT

District Council 16, International Union of Painters and Allied Trades (sponsor)
District Council 36, International Union of Painters and Allied Trades (sponsor)
California Federation of Labor Unions, AFL-CIO
California State Association of Electrical Workers
California State Council of Laborers
California State Pipe Trades Council
International Brotherhood of Boilermakers, Western States Section
International Union of Operating Engineers, Cal-Nevada Conference
State Building and Construction Trades Council
Western States Council Sheet Metal, Air, Rail and Transportation

OPPOSITION

California Building Industry Association
California Housing Consortium
California Housing Partnership
California Solar & Storage Association
Housing California
Non-Profit Housing Association of Northern California
San Diego Housing Federation
Southern California Association of Non-Profit Housing

RELATED LEGISLATION

Pending Legislation: None known.

AB 538 (Berman, 2025) would require an awarding body, upon request by the public, to obtain certified payroll records from a contractor and make them available to the requesting entity. Contractors would have 10 days to comply upon receipt of a written notice. This bill is currently pending in the Senate Appropriations Committee.

Prior Legislation:

AB 3186 (Petrie-Norris, 2024) was nearly identical to this bill. AB 3186 was held in the Senate Rules Committee.

AB 2439 (Quirk-Silva, 2024) would have required an owner, developer, or the agent of an owner or developer, that, among other things, receives public funds from a public agency to perform specified public works projects, to make available specified records to JLMCs, multiemployer Taft-Hartley trust funds, and nonprofits established to ensure compliance within the building and construction trades. AB 2439 was held in the Assembly Appropriations Committee.

AB 2182 (Haney, 2024) would have, among other things, specified that when the LC requests to review a contractor's payroll records to verify their accuracy, the contractor must make available all of the items specified in the California Code of Regulation's definition of payroll records. This bill was vetoed by Governor Newsom stating: "While I am a steadfast supporter of prevailing wage law, the adjustments proposed by this measure would likely lead to uncertainty in the cost of public works projects, potentially creating significant cost pressures on the state budget."

AB 587 (Robert Rivas, Ch. 806, Stats. 2023) required any copy of records requested by, and made available for inspection by or furnished to, a Taft-Hartley trust fund or JLMC to be on forms provided by the DLSE or contain the same information as the forms provided by the DLSE, and clarified that copies of electronic certified payroll records do not satisfy payroll records requests made by Taft-Hartley trust funds and JLMCs.

SB 954 (Archuleta, Ch. 824, Stats. 2022) required the DIR to develop and implement an online database of certified payroll records submitted to comply with public works requirements.

AB 1023 (Flora, Ch. 326, Stats. 2021) revised the requirement to furnish payroll records monthly to require that the contractor or subcontractor furnish those records at least once every 30 days while work is being performed on the project and within 30 days after the final day of work performed on the project, as specified.

PRIOR VOTES

Senate Labor, Public Employment and Retirement Committee (Ayes 4, Noes 1)

Assembly Floor (Ayes 69, Noes 4)

Assembly Appropriations Committee (Ayes 12, Noes 2)

Assembly Labor and Employment Committee (Ayes 7, Noes 0)
