

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

SB 909 (Smallwood-Cuevas)  
Version: January 26, 2026  
Hearing Date: April 14, 2026  
Fiscal: Yes  
Urgency: No  
ID

**SUBJECT**

Public works

**DIGEST**

This bill permits the Director of the Department of Industrial Relations to establish and annually adjust based upon the change in the consumer price index the registration and renewal fee for a contractor or subcontractor conducting work on a public works project, increases various penalties for violations of rules relating to workers on public works projects, and specifies that 50 percent of penalties collected by the Labor Commissioner be deposited in the State Public Works Enforcement Fund, 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. All contractors and subcontractors must generally register with the Department of Industrial Relations (DIR) in order to work on public works projects, and the annual registration or renewal fee is set by the Director of DIR at no more than \$800. A contractor or subcontractor on a public works project must pay all workers employed on the public works project a prevailing wage for the locality set by the Director. A contractor or subcontractor on a public works project also must comply with overtime rules for such workers, hire apprentices, and maintain and provide payroll records within 10 days of a request from the employee, the employee’s representative, the awarding body, DIR, or the public. A violation of these various requirements subjects the contractor or subcontractor to specified penalties assessed by the Labor Commissioner. SB 909 increases these penalties and eliminates the cap for the annual registration or renewal fee, instead requiring the Director of DIR to establish the registration and renewal fee and annually adjust it based on the change in the consumer price index. SB 909 also requires that 50 percent of any assessments issued by the Labor Commissioner be deposited in the State Public Works Enforcement Fund.

SB 909 is sponsored by the California-Nevada Conference of the International Union of Engineers, the District Council of Iron Workers, and the California Federation of Labor Unions. It is supported by a number of other worker organizations. It is opposed by the Western Electrical Contractors Association. SB 909 previously passed out of the Senate Labor, Public Employment and Retirement Committee by a vote of 4 to 1.

### **PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Establishes the Labor Commissioner (Commissioner) within the Department of Industrial Relations (DIR), to enforce, among other things, wage and hour law, anti-retaliation provisions, and employer notice requirements. (Lab. Code §§ 79 et seq.)
- 2) Defines a “public work” as construction, alteration, demolition, installation, or repair work done under contract and paid in part or in whole out of public funds, except for work done directly by a public utility company pursuant to the Public Utilities Commission or another public authority. Includes work done for irrigation, utility, reclamation, improvement districts and other similar districts, street, sewer, or other improvement work, laying of carpet in specified circumstances, tree removal work, and public transportation demonstration projects. (Lab. Code § 1720.)
- 3) Requires contractors and subcontractors to register with the DIR, as specified, to be qualified to bid on, be listed in a bid proposal for, or engage in the performance of any public work contract. Authorizes the Director of DIR to establish and adjust annual registration and renewal fees of up to \$800 by publishing the fees on the DIR’s internet website, and specifies that any action taken to establish or adjust annual registration and renewal fees in excess of \$800 shall be subject to the rulemaking provisions of the Administrative Procedure Act. Requires that registration fees shall be deposited in the State Public Works Enforcement Fund. (Lab. Code §1725.5.)
- 4) Establishes the State Public Works Enforcement Fund as a special fund in the State Treasury that is available upon appropriation of the Legislature. Requires all public works registration fees and any other moneys, as designated by statute or order, be deposited in the Fund for the purposes of covering: the reasonable costs of administering the registration of contractors and subcontractors to perform public works projects; the costs and obligations associated with the administration and enforcement of the requirements of public works laws by DIR; and the monitoring and enforcement of any requirement of the Labor Code for a public works project by the Commissioner, as specified. (Lab. Code §1771.3.)

- 5) Requires the Director of DIR (Director) to determine the general prevailing rate of per diem wages, as specified, and specifies that the Director's determination shall be final, except as specified. (Lab. Code § 1770.)
- 6) Requires that, when a public agency contracts for a public works project, except for public works projects of \$1,000 or less, all workers on the public works project be paid at least a prevailing rate of per diem wages for work of a similar character in the locality in which the public project is performed, including the prevailing rate for any holiday or overtime work. (Lab. Code § 1771.)
- 7) Provides that a contractor and any subcontractor under the contract shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than \$200 for each calendar day, or portion thereof, for each worker paid less than the prevailing wage for any public work, as specified. Directs the Commissioner to determine the amount of the penalty based on specified criteria. (Lab. Code § 1775.)
- 8) 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. Requires the contractor or subcontractor to comply with a request for payroll records within 10 days of receipt of the request, and requires they pay a penalty of \$100 per day or a portion thereof for every worker until the contractor or subcontractor complies. (Lab. Code § 1776.)
- 9) Requires, for public works contracts in excess of \$30,000, a contractor to employ apprentices who are active participants in an approved apprenticeship program, at specified ratios. (Lab. Code § 1777.5.)
- 10) Provides that if the Commissioner or their designee determines after an investigation that a contractor or subcontractor knowingly violated apprenticeship obligations, the contractor and any subcontractor responsible for the violation shall forfeit, as a civil penalty to the state or political subdivision on whose behalf the contract is made or awarded, up to \$100 for each full day of noncompliance. Directs the Commissioner to determine the amount of the penalty based on specified criteria. (Lab. Code § 1777.7.)
- 11) Provides that a contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit \$25 for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or

permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week. (Lab. Code § 1813.)

- 12) Authorizes work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, if the work is compensated at not less than time and one-half the basic rate of pay. (Lab. Code § 1815.)
- 13) Requires the Commissioner to issue, with reasonable promptness, a civil wage and penalty assessment to the contractor or subcontractor, or both, if the Commissioner or their designee determines after an investigation that there has been a violation of public works laws. Specifies that interest shall accrue for any due and unpaid wages from the time the wages were due and payable. (Lab. Code § 1741 (a).)
- 14) States that the Commissioner's assessment must be served not later than 18 months after the filing of a valid notice of completion in the office of the county recorder in each county in which the public work or some part thereof was performed, or not later than 18 months after the acceptance of the public work, whichever occurs last. Requires the period of service of assessments to be tolled for the period of time required by the Director to determine whether a project is a public work, as specified. Requires the body awarding the contract for a public work to furnish, within 10 days after receipt of a written request from the Commissioner, a copy of the valid notice of completion for the public work, as described. (Lab. Code § 1741.)
- 15) Permits an affected contractor or subcontractor to request a review of a civil wage and penalty assessment and withholding to the Commissioner, if requested within 60 days after they are served with the notice of the assessment. Requires, upon the contractor's request, a hearing before an impartial hearing officer be held within 90 days, at which the contractor will have the burden of proving that the basis for the civil wage and penalty assessment was incorrect. Requires the Director to issue a written decision regarding the assessment within 45 days of the conclusion of the hearing. An affected contractor or subcontractor may obtain review of this decision by filing a petition for a writ of mandate to the appropriate superior court. (Lab. Code § 1742.)
- 16) Specifies that, before an awarding agency makes payments to a contractor of the money due under a public works contract, the agency must withhold and retain all amounts required to satisfy any civil wage and penalty assessment issued by the Commissioner for a prevailing wage violation. (Lab. Code § 1727.)
- 17) Provides that a joint labor-management committee, as established under federal law, may bring an action against an employer for a failure to pay a prevailing wage to its employees within 18 months after the filing of a valid notice of completion, or within 18 months after the acceptance of the public work, whichever occurs last. A court must award restitution to an employee for unpaid wages, plus interest, and

liquidated damages equal to the amount of unpaid wages owed, and may impose civil penalties, injunctive relief, or any other appropriate form of equitable relief. (Lab. Code § 1771.2.)

This bill:

- 1) Eliminates the \$800 limit on the annual registration and renewal fee for contractors and subcontractors working on public works projects, and requires the Director of DIR to establish the annual registration and renewal fees and annually adjust them based on the increase or decrease in the Bureau of Labor Statistics Consumer Price Index to support the costs specified in law. Eliminates the requirement that any action by the Director to establish or adjust the registration and renewal fee above \$800 be subject to the rulemaking process of the Administrative Procedure Act.
- 2) Increases the maximum penalty for a contractor or subcontractor who pays a worker less than the prevailing wage rates from \$200 to \$280 for each day or portion thereof for each worker underpaid. Increases minimum penalty from \$40 to \$56 per day or a portion thereof. Increases the minimum penalty from \$80 to \$112 per day or a portion thereof when the contractor or subcontractor has been assessed penalties within the previous three years for violating the prevailing wage rules. Increases the minimum penalty from \$120 to \$168 per day or a portion thereof when the Labor Commissioner determines that the violation was willful.
- 3) Requires the Labor Commissioner to annually adjust the penalty amounts described in (2), above, based on the increase or decrease in the Bureau of Labor Statistics Consumer Price Index.
- 4) Increases the penalty for a contractor or subcontractor failing to provide payroll records within 10 days of the request from \$100 to \$140 per day or a portion thereof for each worker.
- 5) Increases the maximum penalty for a contractor or subcontractor who knowingly violates the apprenticeship requirements from \$100 to \$140, and increases the maximum penalty for a contractor or subcontractor who knowingly commits a second or subsequent violation within a three-year period from \$300 to \$420.
- 6) Increases the penalty for a contractor or subcontractor who fails to comply with the overtime rules from \$25 to \$35.
- 7) Requires 50 percent of any penalties received through a civil wage and penalty assessment to be deposited in the State Public Works Enforcement Fund to be used only for the purposes specified in specified provisions.

## COMMENTS

### 1. Author's statement

According to the author:

California invests billions of taxpayer dollars in public infrastructure, yet too often workers on those projects still face wage theft and weak enforcement. SB 909 strengthens enforcement of public works laws by modernizing outdated penalties and ensuring enforcement funding keeps pace with inflation. These updates help ensure workers are paid fairly and responsible contractors can compete on a level playing field.

### 2. Wage theft is a major issue in California

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 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 the largest form of theft in the nation.<sup>1</sup> Reports state that workers lost at least 338 million dollars to wage theft in 2021, and one of the top industries for wage theft was construction.<sup>2</sup> In 2021, the most recent year for which there is data, the Labor Commissioner, who is charged with investigating complaints of violations of prevailing wage and apprenticeship laws that protect the wages of workers on public works projects, conducted 1,964 audits of employers for prevailing wage and other public works rules, out of which they issued 516 prevailing wage and penalty assessments and collected over \$9 million in unpaid wages and another \$12.6 million in penalties against employers for violations.<sup>3</sup>

### 3. The regulation of public works projects

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. (Lab. Code § 1720.) When a California state or local agency initiates a public works project, the agency often lacks the staff and expertise to

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<sup>1</sup> Brady Meixell & Ross Eisenbrey, Wage theft is a much bigger problem than other forms of theft – but workers remain mostly unprotected, Economic Policy Institute (Sept. 18, 2014), available at <https://www.epi.org/publication/wage-theft-bigger-problem-forms-theft-workers/>.

<sup>2</sup> Alejandro Lazo et al, When employers steal wages from workers, CalMatters (Jul. 25, 2022), available at <https://calmatters.org/explainers/when-employers-steal-wages-from-workers/?series=unpaid-wages-california-workers>.

<sup>3</sup> Cal. Labor Commissioner's Office, 2020-2021 *The Bureau of Field Enforcement Fiscal Year Report*, Dept. of Industrial Relations (2021), available at <https://www.dir.ca.gov/dlse/DLSEReports.htm>.

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.

Every contractor or subcontractor on a public works project must be registered with the DIR. (Lab. Code § 1725.5.) In order to be registered, a contractor or subcontractor must: submit an application with an application fee of \$800; have workers' compensation coverage for its workers; be licensed with the Contractors State Licensing Board, if applicable; not have any delinquent liability to an employee or the state for previous final wage theft judgements; not be debarred from working on public works projects for violations of the public works laws; and must not have worked on any public works projects in the past year while not registered. (Lab. Code § 1725.5.) A contractor's registration lasts for a year, but can be pre-registered for up to three years at a time. While the registration fee is set by the Director of DIR to no more than \$800, the establishing and adjusting of the fee by the Director is not subject to the rulemaking provisions of the Administrative Procedure Act. (Lab. Code § 1725.5(a)(1).) Moreover, registration fees must be deposited in the State Public Works Enforcement Fund to be used to fund enforcement of the public works laws. (Lab. Code § 2725.5(b).)

#### 4. Prevailing wage and other rules for workers in public works projects

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 Director of DIR. (Lab. Code § 1771.) 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.

Contractors on public works projects must also follow a variety of other requirements. They must pay any worker who works more than eight hours a day or 40 hours per week overtime, at time-and-a-half of their base wage. (Lab. Code §§ 1813, 1815.) If the public works contract is for \$30,000 or more, the contractor also must hire apprentices. (Lab. Code § 1777.5.) Apprentices must be paid a prevailing wage as well, and the contractor must maintain a certain ratio of apprentice work to journeyman work. (Lab. Code § 1777.5(b), (i).) Additionally, contractors are required to maintain and certify accurate payroll records for their employees that contain specified information. (Lab. Code § 1776.) These payroll records must be made available for inspection to an employee, a representative of the public agency that awarded the public works contract, or the public through the awarding agency or the Division of Labor Standards Enforcement of DIR, upon request, within 10 days of the request. (Lab. Code § 1776(b).)

A violation of these various requirements subjects a contractor to specified penalties. For failing to pay a worker a prevailing wage, the contractor is subject to a penalty of no more than \$200 per calendar day per worker not paid a prevailing wage, though the penalty may not be less than \$40, unless the failure was a good faith mistake that the contractor promptly and voluntarily corrected. (Lab. Code §1775.) If the contractor has been assessed a prevailing wage penalty within the past three years, the penalty may be no less than \$80, and the penalty may be no less than \$120 when the Labor Commissioner determines that the violation was willful. For a violation of the overtime rules, the contractor is subject to a penalty of \$25 per calendar day during which the worker works overtime without receiving overtime pay. (Lab. Code § 1813.) If the contractor violates the apprentice hiring requirements, it must pay a civil penalty of no more than \$100 per day of noncompliance, though the Labor Commissioner may reduce this penalty if the penalty is not proportionate to the severity of the violation. (Lab. Code § 1777.7.) If the contractor knowingly commits a second violation within a three year period that results in an apprenticeship not being provided, this civil penalty can be as high as \$300 per day of noncompliance. Finally, if the contractor fails to provide its payroll records within the required 10-day period, they are subject to a \$100 penalty for every day, per worker, that they are not in compliance. (Lab. Code § 1776.)

#### 5. Civil wage and penalty assessments for labor violations

When there has been a violation of any of these public works laws, the Labor Commissioner may conduct an investigation. If after that investigation they determine that there has been a violation, the Labor Commissioner issues a civil wage and penalty assessment (CWPA) for wages due, plus interest, and the penalties specified in statute, such as those described above. The CWPA must be issued within 18 months after the filing of notice of completion of the project, or within 18 months after the acceptance of the public work, whichever occurs last. (Lab. Code § 1741.) If a contractor wishes to contest the CWPA, they may make a written request within 60 days after service of the CWPA. (Lab. Code § 1742.) Upon the contractor's request, the Director of DIR will appoint an impartial hearing officer to hold a hearing on the CWPA within 90 days of the request for review. In this hearing, the contractor bears the burden of proving that the basis for the CWPA is incorrect. Within 45 days after the conclusion of the hearing, the Director must issue a written decision affirming, modifying, or dismissing the CWPA.

If the contractor still contests the CWPA, they may further appeal it in court. They must file a petition for a writ of mandate to the appropriate superior court within 45 days of service of the Director's decision. (Lab. Code § 1742(c).) If no petition is filed within 45 days, or if the contractor does not contest the CWPA when originally issued by the Labor Commissioner within 60 days, the CWPA will become final and enforceable by the Labor Commissioner.

6. SB 909 would increase and tie to inflation penalties for violations of prevailing wages rules

SB 909 adjusts the maximum and minimum amounts of penalties for violations of the public works laws described above. For penalty for failing to provide payroll records, SB 909 increases the penalty from \$100 to \$140 per day per worker. For violating public works overtime rules, the penalty increases from \$25 to \$35. For a violation of the apprenticeship requirements, the maximum penalty increases from \$100 to \$140, and the maximum penalty for a knowing second violation within three years increases from \$300 to \$420. Finally, for violations of the prevailing wage rules, the maximum penalty increases from \$200 to \$280, and the minimum penalty amounts increase as well. For the prevailing wage penalties, the bill also requires the Labor Commissioner to adjust the amounts annually based on the consumer price index.

The penalty amounts for violations of the prevailing wage rules and the payroll records were last adjusted in 2011 by AB 551 (Campos, Ch. 677, Stats. 2011). The penalty for violating the apprenticeship requirements has not been increased since 1999 (AB 921, Keeley, Ch. 903, Stats. 1999). And finally, the penalty for violating the overtime rules has not been updated since 1963 (AB 1616, Monagan, Ch. 964, Stats. 1963). According to the Federal Reserve Bank of Minneapolis' inflation calculator, the increases in the penalty amounts under SB 909 are all relatively in line with the subsequent increases in inflation since the penalties were last adjusted, except for the overtime and apprenticeship penalties.<sup>4</sup> Those two penalties would actually be substantially greater than the increase under SB 909 if adjusted for inflation.

7. SB 909 would permit DIR to set and annually adjust the registration fee and earmarks CWPA revenues for enforcement

SB 909 also adjusts the registration fee that contractors must pay to register with the Labor Commissioner. It eliminates the maximum fee of \$800 in current law, and instead requires the Director of DIR to establish the registration fee. After this initial registration fee is established, SB 909 requires the fee to be annually adjusted based on the consumer price index.

The last change that SB 909 makes to the public works laws is to designate that CWPA penalties go toward enforcement. Specifically, it requires that 50 percent of all CWPA penalties, including the penalties discussed above, be deposited in the State Public Works Enforcement Fund for the purposes of conducting enforcement of the public works laws.

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<sup>4</sup> See, "Inflation calculator," Fed. Reserve Bank of Minneapolis (accessed Mar. 29, 2026), <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator>.

8. Arguments in support

According to the California-Nevada Conference of Operating Engineers, the District Council of Iron Workers, and the California Federation of Labor Unions, which are the sponsors of SB 909:

Currently, the only true dedicated source of funding in statute for the enforcement of public works violations is generated through public works contractor registration fees. These fees are collected from contractors working on publicly funded construction projects by the Department of Industrial Relations and placed into the "Public Works Enforcement Fund", which is mandated in statute to utilize collected revenue to monitor and enforce the requirements of labor code that are subject to prevailing wage or skilled and trained workforce requirements.

Despite this dedicated source of funding, wage theft remains rampant in the construction industry; with a recent UC Berkeley study showing that theft, especially from misclassification or payments made under the table, can occur for up to 1 and 5 construction workers. Increasing cases of wage theft has additionally led to an increased workload for the State's Labor Commissioner. A recent audit of the Labor Commissioner's Office found that the state had 47,000 backlogged wage theft claims and was taking a median of 854 days to issue decisions, which is more than six times longer than the 135-day timeline required under state law to process wage theft claims.

Additionally, public works penalties that are intended to deter contractors from abusing workers and misusing taxpayer dollars haven't been increased in over 13 years, while the value of California's public works construction market has increased 37% and is now valued at \$47 billion. According to NorCal Construction Industry Compliance, if public works penalties had been adjusted to keep pace with inflation since they were last increased in 2013, the California Department of Industrial Relations could have generated an additional \$7.3 million in penalties and funded over 40 new positions at the understaffed Division of Labor Standards Enforcement.

While public works penalties have failed to keep pace with inflation and contractor profits in the industry have soared, penalties that have been levied and secured by the State for violations of public works laws are currently not being utilized for further enforcement activity. Rather, these funds are undesignated and routed to the General Fund, where there is no guarantee that they will be used for further enforcement. Legislation is needed to ensure that state policy prioritizes the protection of workers and taxpayer dollars on public works construction projects.

Furthermore, SB 909 (Smallwood-Cuevas) seeks to ensure the protection of construction workers and the proper utilization of taxpayer dollars by modernizing contractor registration fees for the first time since 2017, increasing prevailing wage penalties for the first time since 2013, and ensuring that penalties that are collected by the State for violations of public works laws are being utilized for further public works enforcement activity.

#### 9. Arguments in opposition

According to the Western Electrical Contractors Association, which opposes SB 909:

[SB 909's] provisions create a troubling structure: the Department of Industrial Relations would have authority to increase registration fees and penalties, without APA review, without statutory limits, and with a direct financial incentive to use penalties to fund its own operations.

That is not sound public policy.

The Administrative Procedure Act exists to ensure transparency, public input, economic analysis, and accountability when state agencies impose financial burdens on regulated parties. Exempting DIR from the APA while simultaneously removing fee caps and expanding penalty authority effectively grants unchecked discretion.

No state agency should have unilateral authority to raise revenue from the very community it regulates in order to fund itself, particularly when that authority is uncapped and insulated from procedural safeguards.

This is especially concerning in the public works arena, where contractors already operate under complex compliance regimes, escalating material costs, bonding requirements, and workforce mandates. Adding unlimited, annually adjustable financial exposure creates uncertainty that will ultimately increase project costs for taxpayers.

The opposition is concerned that SB 909 provides unchecked authority to the DIR to increase the registration fee and penalties. However, SB 909 does not provide DIR unfettered discretion to set penalties; rather, it raises the penalties to specified amounts, and ties future adjustments to inflation. For the required annual registration fee, SB 909 does eliminate the current statutory cap, and eliminates the current requirement that any fee amount higher than that cap must be subject to review under the administrative procedure act (APA). Currently however, any fee set at or below the current limit of \$800 is not subject to the APA.

The APA (Gov. Code §§ 11340 et seq.) governs state agencies' rulemaking processes, and requires that agencies follow specified procedures for notifying the public of

proposed regulations and receiving public feedback. This process provides the public with a meaningful opportunity to participate in the rulemaking process. The APA also permits any person to petition a state agency to change a regulation. However, certain agency actions are exempt from the APA's rulemaking procedures. One such exemption is for a regulation that establishes or fixes rates, prices, or tariffs. (Gov. Code § 11340.9(g).) The DIR's annual prevailing wage determinations have been found to fall within this exemption.<sup>5</sup>

Under SB 909, like current law in most circumstances, the public would not have the opportunity to participate in DIR's decision-making in setting the initial registration fee. Yet, while the establishing of the registration fee would be exempt from the rulemaking process, subsequent adjustments would be determined by the change in the consumer price index. It should also be noted that the registration fee also may only be used to cover certain costs: the reasonable costs of administering the registration of contractors and subcontractors for public works projects; the costs and obligations to DIR from administering and enforcing the public works laws; and for the monitoring and enforcement of any statutory requirement for a public works project. (Lab. Code § 1771.3.) DIR would be guided by these requirements in setting the registration fee.

### **SUPPORT**

California-Nevada Conference of the International Union of Operating Engineers (co-sponsor)

District Council of Iron Workers (co-sponsor)

California Federation of Labor Unions, AFL-CIO (co-sponsor)

California State Association of Electrical Workers

California State Pipe Trades Council

State Building and Construction Trades Council

Teamsters California

Western States Council Sheet Metal, Air, Rail and Transportation

### **OPPOSITION**

Western Electrical Contractors Association

### **RELATED LEGISLATION**

#### **Pending Legislation:**

AB 1859 (Ortega, 2026) requires an awarding body of a public works contract to give reasonable access to the worksite to a representative of a joint-labor management committee for the monitoring of compliance with prevailing wage and apprenticeship

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<sup>5</sup> *Vector Resources, Inc. v. Baker* (2015) 237 Cal. App. 4th 46.

requirements, and authorizes the committee to bring an action against the awarding body, contractor, or subcontractor for willfully denying the representatives access. AB 1859 is currently pending before the Assembly Appropriations Committee.

AB 1198 (Haney, 2025) beginning July 1, 2027, makes any determination by the director of DIR, if they determine within a semiannual period that there is a change in any prevailing rate of per diem wages in a locality, applicable to any public works contract that is awarded or which a notice to bidders is published after July 1, 2027, and permits a contractor, awarding body, or a specified representative affected by the change to file a petition to review the change, if filed within 20 days of the Director's determination, as specified. AB 1198 is currently pending before the Senate Rules Committee.

Prior Legislation:

AB 2135 (Schiavo, 2024) would have increased from 18 to 24 months the time period the Labor Commissioner their designee has to issue a CWPA on a public works project. AB 2135 died in the Senate Appropriations Committee.

SB 854 (Committee on Budget and Fiscal Review, Ch. 28, Stats. 2014) established, among other things, a public works contractor registration program to replace prior Compliance Monitoring Unit and Labor Compliance Program requirements for bond-funded and other specified public works projects.

AB 1336 (Frazier, Ch. 792, Stats. 2013) increased from 180 days to 18 months the time period that the Labor Commissioner has to issue a CWPA, as specified.

AB 551 (Campos, Ch. 677, Stats. 2011) increased penalties for prevailing wage and payroll record violations on public works projects to their current levels.

AB 1023 (Wagner, Ch. 378, Stats. 2011) repealed and recast provisions of the Labor Code that established the State Public Works Enforcement Fund.

SB 45 (Padilla, 2009) would have increased the penalties for prevailing wage violations and permanently debarred contractors that willfully violate prevailing wage requirements. SB 45 was vetoed by Governor Schwarzenegger.

SB X2-9 (Padilla, Ch. 296, Stats. 2009) established what would later become the State Public Works Enforcement Fund, and specified that money in the Fund shall be used for public works enforcement, as specified.

AB 921 (Keeley, Ch. 903, Stats. 1999) increased the penalty for violating the apprenticeship requirements to their current amount of \$100 per day of noncompliance, and added the \$300 per day penalty for subsequent violations within a three-day period.

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SB 1328 (Brulte, Ch. 757, Stats. 1997) made the penalty for violating the overtime rules apply to subcontractors as well as contractors.

AB 1616 (Monagan, Ch. 964, Stats. 1963) renumbered the Labor Code provision related to the penalties for not paying a worker overtime on a public works contract and increased the penalty from \$10 per day to the current rate of \$25 per day.

**PRIOR VOTES:**

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

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