

Date of Hearing: April 22, 2021

**ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT**

Ash Kalra, Chair

AB 1506 (Kalra) – As Amended March 11, 2021

**SUBJECT:** Prevailing wage: locality

**SUMMARY:** Defines the term “locality in which public work is performed” to mean the county in which the public work is done for all cases.

**EXISTING LAW:**

- 1) Defines public works to mean, 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, except work done directly by a public utility company, as specified.
- 2) Defines “paid for in whole or in part of public funds” to mean all of the following:
  - a) The payment of money or the equivalent of money by the state or political subdivision directly to or on behalf of the public works contractor, subcontractor, or developer.
  - b) Performance of construction work by the state or political subdivision in execution of the project.
  - c) Transfer by the state or political subdivision of an asset of value for less than fair market price.
  - d) Fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the contract, that are paid, reduced, charged at less than fair market value, waived, or forgiven by the state or political subdivision.
  - e) Money loaned by the state or political subdivision that is to be repaid on a contingent basis.
  - f) Credits that are applied by the state or political subdivision against repayment obligations to the state or political subdivision.
- 3) Requires workers employed on public works costing over \$1,000 be paid not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holiday and overtime work, for work of a similar character in the locality in which the public work is performed.
- 4) Defines “locality in which public work is performed” as the county in which the public work is done, in cases in which the state awards the contract, and as the limits of the political subdivision on whose behalf the contract is awarded, in other cases.

**FISCAL EFFECT:** None

**COMMENTS:** According to the author, “this bill makes a simple, technical amendment to the definition of locality for purposes of capturing where public works are performed.”

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file.

**Opposition**

None on file.

**Analysis Prepared by:** Megan Lane / L. & E. /