
THIRD READING

Bill No: AB 1362
Author: Kalra (D), et al.
Introduced: 2/21/25
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 6/18/25
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE JUDICIARY COMMITTEE: 11-1, 7/8/25
AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,
Weber Pierson, Wiener
NOES: Niello
NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 57-12, 6/2/25 - See last page for vote

SUBJECT: Foreign labor contractor registration: agricultural workers

SOURCE: Coalition for Humane Immigrant Rights (CHIRLA), Farmworker Justice, Freedom United, Justice At Last, Pilipino Workers Center of Southern California, Santa Clara Wage Theft Coalition, and Sunita Jain Anti-Trafficking Initiative

DIGEST: This bill extends the foreign labor contractor registration requirements and oversight under the Labor Commissioner to all foreign labor contractors, including all foreign labor visas and farm labor contractors, as defined.

ANALYSIS:

Existing law:

- 1) Establishes within the Department of Industrial Relations (DIR), various entities including the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner, and empowers the Labor Commissioner with ensuring a just day's pay in every workplace and promotes economic justice through robust enforcement of labor laws. (Labor Code §79-107)
- 2) Requires, on and after July 1, 2016, a person acting as a foreign labor contractor to register with the Labor Commissioner, as specified. (Business and Professions Code §9998.1.5)
 - a) Requires the Labor Commissioner, by August 1, 2016, to post on its internet website the name and contact information for all registered foreign labor contractors and a list of the names and contact information for any foreign labor contractors denied renewal or registration. (Business and Professions Code §9998.1.5)
 - b) Prohibits the Labor Commissioner from registering a person to act as a foreign labor contractor, or renewing a registration, until specified conditions are met, including a written application, a surety bond, and a registration fee. (Business and Professions Code §9998.1.5)
 - c) Requires persons who know or should know that they are using a foreign labor contractor to procure foreign workers to disclose specified information to the Labor Commissioner. (Business and Professions Code §9998.2)
 - d) Requires a foreign labor contractor to disclose specified information in writing to each foreign worker, in that worker's primary language, at the time of the foreign worker's recruitment. The information, among other things, must include a form specified by the Labor Commissioner that informs workers about their rights, including a notice that workers cannot be forced to pay processing, placement, transportation, or legal fees, which, by law, are the responsibility of the foreign labor contractor. The statement must also inform workers of their contractual rights and protections afforded to them under the federal Trafficking Victims Protection Act of 2000. (Business and Professions Code §9998.2.5)
 - e) Prohibits a foreign labor contractor from engaging in certain activities, including making false or misleading claims about the terms and conditions of work, recruiting minors, intimidating or in any manner discriminating against a foreign worker or a member of the workers' family in retaliation

for the foreign worker's exercising a legal right under the foreign labor contractor law, or promising workers that they will be offered an opportunity for citizenship or legal permanent residence in the United States. (Business and Professions Code §9998.3-9998.7)

- f) Subjects any person who violates these provisions to civil penalties and civil actions for damages or injunctive relief. (Business and Professions Code §9998.8)
- 3) Defines, for purposes of the foreign labor contractor registration program, the following terms:
- a) “Person” as any natural person, company, firm, partnership or joint venture, association, corporation, limited liability company, or sole proprietorship. (Business and Professions Code §9998.1(a))
 - b) “Foreign labor contracting activity” to mean recruiting or soliciting for compensation a foreign worker who resides outside of the United States in furtherance of that worker’s employment in California, including when that activity occurs wholly outside the United States. (Business and Professions Code §9998.1(b))
 - i) Specifies that “foreign labor contracting activity” does not include the services of an employer, or employee of an employer, if those services are provided directly to foreign workers solely to find workers for the employer’s own use.
 - c) “Foreign worker” as any person seeking employment who is not a United States citizen or permanent resident but who is authorized by the federal government to work in the United States, including a person who engages in temporary nonagricultural labor pursuant to Section 101(a)(15)(H)(ii)(b) of the federal Immigration and Nationality Act (8 United States Code (U.S.C.) Sec. 1101(a)(15)(H)(ii)(b)). (Business and Professions Code §9998.1(c))
 - d) “Foreign labor contractor” as any person who performs foreign labor contracting activity, including any person who performs foreign labor contracting activity wholly outside the United States, except that the term does not include any entity of federal, state, or local government. (Business and Professions Code §9998.1(d))
 - i) “Foreign labor contractor” does not include a person licensed by the Labor Commissioner as a talent agency under Chapter 4 (commencing with Section 1700) of Part 6 of Division 2 of the Labor Code, or a

person who obtained and maintains full written designation from the United States Department of State under Part 62 of Title 22 of the Code of Federal Regulations.

- 4) Specifies that the provisions regulating foreign labor contractors only apply to “nonagricultural workers,” as defined by Section 1101(a)(15)(H)(ii)(b) of Title 8 of the federal Immigration and Nationality Act. (Business and Professions Code §9998)
- 5) Further specifies that the provisions regulating foreign labor contractors does not apply to:
 - a) Any person duly licensed as a “farm labor contractor,” as any person who, for a fee, employs workers to render personal services in connection with the production of any farm products to, for, or under the direction of a third person, or who recruits, solicits, supplies, or hires workers on behalf of an employer engaged in the growing or producing of farm products, and who, for a fee, provides in connection therewith one or more of the following services: furnishes board, lodging, or transportation for those workers; supervises, times, checks, counts, weighs, or otherwise directs or measures their work; or disburses wage payments to these persons,
 - b) Any person exempt from the licensing requirement in Section 1682.5 of the Labor Code, or
 - c) Any employer employing agricultural workers, as defined by Section 1101(a)(15)(H)(ii)(a) of Title 8 of the federal Immigration and Nationality Act.
(Business and Professions Code §9998)
- 6) Requires the Labor Commissioner to issue a license to any person acting as a farm labor contractor, as specified, and establishes civil penalties for any person who violates these provisions. (Labor Code §1683)
 - a) Prohibits the Labor Commissioner from issuing a license to a person to act as a farm labor contractor, or renewing that license, until specified conditions are met, including a written application, a surety bond, and a license fee, as specified. (Labor Code §1683-1699)
 - b) Permits the Labor Commissioner to revoke, suspend, or refuse to renew a license if the farm labor contractor fails to comply with specified state or federal laws, or has been found by a court or administrative agency to have committed sexual harassment of an employee. (Labor Code §1690)

- c) Requires every licensed farm labor contractor to, among other things, make specified disclosures to employers and workers, maintain specified records, promptly pay all moneys owed to workers, conspicuously post information related to workers' rights, provide mandated training, including sexual harassment prevention training for all supervisors and farm workers, and comply with all federal law requirements, including the Migrant and Seasonal Agricultural Workers Protection Act. (Labor Code §1695-1696)
- 7) Establishes, under the federal Migrant and Seasonal Agricultural Worker Protection Act (MSPA), employment standards for migrant and seasonal farmworkers related to wages, housing, transportation, disclosures and recordkeeping. The MSPA also requires farm labor contractors to register with the U.S. Department of Labor. (29 U.S.C. Sections 1801, et seq.; 29 C.F.R. Part 500.)
- 8) Authorizes, under the federal Immigration and Naturalization Act, the lawful admission of temporary foreign workers who have no intention of abandoning their country of origin or becoming citizens or legal permanent residents in the United States. Distinguishes between foreign temporary workers (H-2A workers) who perform agricultural labor or services of a temporary or seasonal nature, and foreign temporary workers who perform nonagricultural labor or services (H-2B workers) of a temporary or seasonal nature. (8 U.S.C. 1101 (a) (15) (H) (i)-(ii).)

This bill:

- 1) Repeals the provision specifically applying the foreign labor contractor registration requirements and oversight of the Labor Commission to only “nonagricultural workers” as defined.
- 2) Repeals the provision excluding any licensed farm labor contractors, any person currently exempt from the farm labor licensing requirement, and any employer employing agricultural workers, as defined in the federal Immigration and Nationality Act, from the foreign labor contractor registration requirements and oversight of the Labor Commissioner.
- 3) Makes a series of legislative findings and declarations related to foreign labor recruiters.

Background

Foreign Labor Visas. While employers in the United States may recruit foreign nationals to work in the country with the protection of specific visas granted by the

federal government on a temporary or permanent basis, the individuals must first obtain authorization to work in the U.S. A nonimmigrant visa provides temporary status and work authorization and immigrant visas grant permanent residency status.

Most employment-based nonimmigrant visas require employer sponsorship where the employer files for a specific visa with the U.S. Citizenship and Immigration Services (USCIS) on behalf of the prospective employee. Some circumstances also require U.S. Department of Labor (DOL) approval to demonstrate that the foreign national will not displace U.S. workers. Below are some of the most common visa classifications under which a foreign national may temporarily work or train in the U.S:

- H-1B: Specialty occupations in fields requiring highly specialized knowledge, specified fashion models, or certain services of an exceptional nature, as specified.
- H-2A: Temporary agricultural workers.
- H-2B: Temporary nonagricultural workers performing other services or labor.
- H-3: Trainees or special education exchange visitors.
- I: Representatives of foreign media.
- L-1A: Intra-company transferees (executives, managers).
- L-1B: Intra-company transferees (employees with specialized knowledge).
- O-1: Individuals with extraordinary ability or achievement in the sciences, arts, education, business, or athletics.
- P-3: Foreign nationals who perform, teach, or coach a program that is culturally unique.
- R-1: Temporary religious workers.

According to the Economic Policy Institute, California is the state with the largest number of migrant workers, with at least 300,000 nonimmigrants who were “temporary workers” in a list of visa programs included by U.S. Department of Homeland Security (DHS) in 2019.

Foreign Labor Contractors and the Legislative History on this Bill. California’s foreign labor contractor laws were enacted in 1988 to regulate individuals – i.e. foreign labor contractors – who, for compensation, recruited or solicited persons abroad to work as temporary migrant workers in the U.S.

Recruitment abuses are well-documented and temporary migrant workers often find themselves facing abuse before arriving in the U.S. by having to pay

exorbitant and illegal fees to labor recruiters to secure employment in the U.S. In 2013, SB 516 (Steinberg) was introduced to make several changes to foreign labor contractor laws aimed at strengthening the law and provide more protections to foreign workers. SB 516 was vetoed but later reintroduced and signed into law the next year with SB 477 (Steinberg, Chapter 711, Statutes of 2014).

Among other things, SB 477 required foreign labor contractors to register with the Labor Commissioner, which included payment of a licensing fee and the posting of a surety bond. Foreign labor contractors were also required to make certain disclosures to workers and employers about their rights and responsibilities and the law imposed penalties on any employer who used an unregistered foreign labor contractor. SB 477 also expanded the remedies available to foreign workers aggrieved by a violation of the law, and extended the prohibition against retaliation to include acts of retaliation against a worker's family members.

SB 477 expressly exempted two categories of foreign workers: foreign workers recruited by talent agencies, because talent agencies were already licensed and subject to protective regulations, and holders of J-1 visas that authorize persons participating in an educational or cultural program to work while they are in the United States. The changes enacted with SB 477 were to various codes within Chapter 21.5 of the Business and Professions Code including Section 9998.1, which amended the definitions of “foreign labor contractor,” “foreign labor contracting activity,” and “foreign worker” as noted under existing law above.

The changes made to the foreign labor contractor provisions under SB 477, however, did not amend section 9998, which limited the chapter’s applicability to only “nonagricultural workers” as defined by Section 1101(a)(15)(H)(ii)(b) of Title 8 of the federal Immigration and Nationality Act, which are H-2B visas. The chapter also expressly stated that it did *not* apply to a “farm labor contractor” or to any employer of H-2A agricultural workers.

This bill, AB 1362, would repeal Section 9998 from the Business and Professions Code to the foreign labor contractor requirements, deleting the limitations noted above and applying foreign labor contractor provisions to all visa categories, except those explicitly exempted, and to farm labor contractors engaging in foreign labor contracting.

Foreign Labor Contractors vs. Farm Labor Contractors. Although this bill would ensure that foreign labor contractor requirements cover all foreign visa categories, opponents argue that “H-2A visas were simply not intended to be covered by the program because of the lack of necessity to do so because the H-2A visa program is already regulated by a restrictive application and enforcement program at the

federal level and California has a specific farm labor contractor (FLC) licensing program that is managed by the California Labor Commissioner's Office."

While both foreign labor contractor and farm labor contractor provisions contain registration and bonding requirements with the Labor Commissioner, the laws appear to regulate two different steps in the process of engaging in foreign labor. Specifically, the foreign labor contractor statute contains provisions that are focused on the recruitment activities to bring foreign workers to the country, whereas the farm labor contractor provisions address processes and protections for workers once they are working in the country.

As the 2022 Senate Judiciary Committee analysis on AB 364 (Rodriguez, 2022), which is essentially identical to this bill, points out: "It is true that California law requires farm labor contractors to register with the Labor Commissioner, pay fees, and post a surety bond (Lab. Code § 1682 et seq.) Up to that point, the requirement of the existing farm labor contractor laws do match quite closely with what this bill asks of foreign labor contractors. Thus, to the degree that farm labor contractors are also engaging in the recruitment of H2-A workers abroad, these components of the two programs are at least arguably duplicative.

The rest of the requirements that this bill would impose on foreign labor contractors, however, diverge distinctly from what existing law demands of farm labor contractors. As detailed earlier in this analysis, the Foreign Labor Contractor Law addresses what happens during the recruitment process (prohibiting, for example, the charging of recruitment fees and falsely holding out the prospect of permanent immigration into the United States). The farm labor contractor law, by contrast, largely addresses what happens once the workers have already taken the job and are in California.

Among other things, the farm labor contractor law requires the farm labor contractor to register with the county agricultural commission, ensure that the workers are adequately covered by workers' compensation coverage, obtain training in the prevention of sexual harassment, assure that workers are paid appropriately, and maintain safe and healthy working conditions. (Labor Code § 1682 et seq.) None of these provisions relates to what happens when the farmworker is still living abroad and weighing the decision whether or not to accept a job in California.

Thus, [the sponsors of this bill] seem to be correct in its conclusion that: "[t]he simple fact is that no provisions in California law currently address the vulnerability of migrant workers coming to California at the point of recruitment."

For the same reason, even the bonding requirements that both the farm labor contractor law and the foreign labor contractor law contain are not as duplicative as they might at first appear. They insure against harms from that would emerge from abusive behavior at different stages of the process. As a result, though a California farm labor contractor who also recruits foreign workers from abroad could, under this bill, be required to put up two separate surety bonds with the Labor Commissioner, one bond would cover against harms resulting from unlawful behavior in the recruitment process, while the other bond would cover against harms arising during the work itself.”

Related/Prior Legislation

AB 364 (Rodriguez, 2022, Vetoed) was identical to this bill, but did not include findings and declarations. *This bill was vetoed by Governor Newsom.*

AB 1913 (Kalra, 2018) was identical to AB 364. *This bill failed passage on the Assembly floor.*

SB 477 (Steinberg, Chapter 711, Statutes of 2014) established a registration and oversight process for foreign labor contractors with the Labor Commissioner, including enumerated protections for temporary foreign workers who are recruited to work in California.

SB 516 (Steinberg, 2013, Vetoed) was nearly identical to SB 477, but it specified a contractor registration fee of \$500. *This bill was vetoed by Governor Brown.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- The Department of Industrial Relations (DIR) indicates that, absent an approved fee increase, at a minimum it would incur first-year costs of \$2.5 million, and \$1.4 million annually thereafter, to implement and maintain the Foreign Labor Contractor Registration Program under the bill. To the extent that the regulated community is larger than DIR’s estimate, resulting costs could be higher.
- The bill would result in an expansion of the Labor Commissioner’s (LC’s) foreign labor contractor registration requirement to apply to more contractors, a violation of which is punishable as a misdemeanor and subject to a civil penalty and other civil remedies through the courts. Consequently, this bill would result in potentially significant cost pressures;

the magnitude is unknown (Trial Court Trust Fund (TCTF)). The specific number of new actions that could be filed under the bill also is unknown; however, it generally costs about \$10,500 to operate a courtroom for an eight-hour day. Courts are not funded on the basis of workload, and increased pressure on TCTF may create a need for increased funding for courts from the General Fund. The enacted 2025-26 budget includes \$38 million in ongoing support from the General Fund to continue to backfill TCTF for revenue declines.

SUPPORT: (Verified 8/29/25)

Coalition for Humane Immigrant Rights (Co-Source)
 Farmworker Justice (Co-Source)
 Freedom United (Co-Source)
 Justice At Last (Co-Source)
 Pilipino Workers Center of Southern California (Co-Source)
 Santa Clara Wage Theft Coalition (Co-Source)
 Sunita Jain Anti-Trafficking Initiative (Co-Source)
 Attorney General Rob Bonta
 Ambassador (RET.) Cindy Dyer
 Ambassador (RET.) John Cotton Richmond
 Ambassador (RET.) Luis C.debaca
 Ambassador (RET.) Mark P. Lagon
 Ambassador (RET.) Nancy Ely-raphel
 Ambassador (RET.) Susan P. Coppedge
 American Apparel & Footwear Association
 Asian Americans Advancing Justice Southern California
 Bet Tzedek
 Bet Tzedek Legal Services
 California Federation of Labor Unions, Afl-cio
 California Food and Farming Network
 California Rural Legal Assistance
 California Rural Legal Assistance Foundation, INC.
 California State Council of Service Employees International Union
 Center for Human Rights and Constitutional Law
 Central California Environmental Justice Network
 Central Coast Alliance United for a Sustainable Economy
 Central Valley Justice Coalition
 Centro Binacional Para El Desarrollo Indigena Oaxaqueño
 Centro De Los Derechos Del Migrante
 Cierito

Coalition to Abolish Slavery and Trafficking
Community Legal Services in East Palo Alto
Economic Policy Institute
Farm2people
Former Mayor Steinberg
Hadassah
Jcc/Federation of San Luis Obispo
Jcrc Bay Area
Jewish Community Federation and Endowment Fund
Jewish Council for Public Affairs
Jewish Democratic Club of Marin
Jewish Family & Children's Service of Long Beach and Orange County
Jewish Family and Children's Services of San Francisco, the Peninsula, Marin and Sonoma Counties
Jewish Family Service of San Diego
Jewish Family Service of the Desert
Jewish Family Services of Silicon Valley
Jewish Federation of the Greater San Gabriel and Pomona Valleys
Jewish Free Loan Association
Jewish Long Beach
Jewish Public Affairs Committee
Justice in Motion
Jvs Social
LA Raza Centro Legal
Los Angeles County Democratic Party
Mixteco/indígena Community Organizing Project
National Domestic Workers Alliance
Pesticide Action Network
Praeveni U.S. INC.
San Francisco Safehouse
Sierra Harvest
Sister Warriors Freedom Coalition
South Asian Network
Teamsters California
The Women's Employment Rights Clinic
United Food and Commercial Workers - Western States Council
Verité
Worksafe

OPPOSITION: (Verified 8/29/25)

California Association of Winegrape Growers
California Chamber of Commerce
California Farm Bureau
Nisei Farmers League

ARGUMENTS IN SUPPORT: According to the sponsors, the Sunita Jain Anti-Trafficking Initiative, Pilipino Workers Center of Southern California, Santa Clara Wage Theft Coalition, Coalition for Humane Immigrant Rights (CHIRLA), Farmworker Justice, Freedom United, and Justice At Last:

“The temporary visa program creates a specific vulnerability to trafficking. Based on false promises made by fraudulent foreign labor recruiters (FRLs), workers often take on exorbitant debt to pay for a legal visa to come to California and then, due to false promises and coercion, are trafficked into exploitative situations. AB 1362 provides a vital framework for addressing this systemic exploitation and ensuring California remains a leader in combating human trafficking.

The Agriculture Community and business communities' assertions that the protections under AB 1362 for H-2A workers are duplicative or unnecessary are deeply flawed. Farm Labor Contractors have consistently been documented as some of the worst offenders in cases of wage theft and worker abuse across California. AB 1362 is specifically designed to protect workers at the critical point of recruitment, where they face the highest risk of exploitation. It is essential to note that the provisions governing Farm Labor Contractors and the unique protections outlined in AB 1362 for Foreign Labor Recruiters are distinct and complementary, with no overlap.

Farm Labor Contractors involved in the recruitment of foreign H-2A workers must be required to register under AB 1362. This ensures consistent and uniform protections for all temporary visa workers entering California. Furthermore, the fact that the National Human Trafficking Hotline reports H-2A workers as the largest category of abuse cases underscores the pervasive exploitation by Foreign Labor Recruiters and the glaring inadequacies in the enforcement of current laws regarding H-2A workers.

Without these critical protections, such exploitation will undoubtedly persist. AB 1362 is a necessary and timely measure to uphold workers' rights and reaffirm California's leadership in combating labor trafficking and abuse.”

ARGUMENTS IN OPPOSITION: According to the opposition, including the California Association of Winegrape Growers, California Chamber of Commerce, California Farm Bureau, and Nisei Farmers League:

“This bill unnecessarily expands the provisions of California’s foreign labor contracting regulations to include agricultural workers under the H-2A visa program. The H-2A visa program was NOT overlooked during the discussion and negotiations of SB 477 (Steinberg) in 2014 which created the foreign labor contracting registration program. H-2A visas were simply not intended to be covered by the program because of the lack of necessity to do so because the H-2A visa program is already regulated by a restrictive application and enforcement program at the federal level and California has a specific farm labor contractor (FLC) licensing program that is managed by the California Labor Commissioner’s Office.

Under the present federal regulations employers must, among other requirements, demonstrate the need to hire an H-2A visa holder, pay the highest of the Adverse Effect Wage Rate (AEWR), the prevailing wage determined by a prevailing wage survey, or the applicable statutory minimum wage, guarantee work hours, and provide housing at no cost to the worker. H-2A employees must also receive a copy of their work contract in a language that they understand.

In addition, California also has a unique FLC licensing program that is managed and enforced by the California Labor Commissioner’s Office and already covers farm labor contractors and, in fact, served as a model for the creation of SB 477. This program was specifically referenced as a model in the Assembly Committee on Judiciary analysis for SB 477, ‘currently California law requires licensing of farm labor contractors only. This has curtailed human trafficking-related abuses...’ As a result, expanding the California foreign labor contracting regulation to cover agricultural workers – who are already covered federally and are already covered by a program that preceded and inspired the foreign labor contracting regulation – makes little sense.”

ASSEMBLY FLOOR: 57-12, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers,

Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Valencia,
Ward, Wicks, Zbur, Rivas

NOES: Alanis, Castillo, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez,
Hadwick, Hoover, Patterson, Sanchez, Wallis

NO VOTE RECORDED: Bains, Chen, Davies, Flora, Lackey, Macedo, Soria, Ta,
Tangipa, Wilson

Prepared by: Jazmin Marroquin / L., P.E. & R. / (916) 651-1556
8/30/25 17:32:28

**** **END** ****