

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 2227 (Connolly) – As Amended April 9, 2026

SUBJECT: Farm labor contractors

SUMMARY: Adds additional requirements to the licensing process for a farm labor contractor including, but not limited to, information on unpaid wages, unsatisfied judgments, and prior citations and penalties for labor law violations, and the procurement of larger surety bonds. Requires the Labor Commissioner (LC) to include bond information on the farm labor contractor license database. Additionally requires, in the wage claim complaint process, the LC to issue default judgment if the farm labor contractor fails to answer or appear, as specified. Specifically, **this bill:**

- 1) Adds to the conditions that must be satisfied for a person to obtain from the LC a license to act as a farm labor contractor, the following pertaining to the written application:
 - a) Whether any person named as a person financially interested in the proposed operation as a farm labor contractor presently:
 - i) Owes any unpaid wages.
 - ii) Has unpaid judgments outstanding.
 - iii) Has any liens, unsatisfied sanction or contempt orders, or suits pending in court against them.
 - iv) Owes payroll taxes, personal, partnership, or corporate income taxes, social security taxes, or disability insurance.
 - b) A person who answers affirmatively to a) above shall provide additional information on the unpaid amounts or outstanding actions, including the name and address of the party owed, the amount owed, and any existing payment arrangements.
 - c) Whether any person named as a person financially interested in the proposed operation as a farm labor contractor has ever been charged, cited, or assessed any penalty for a violation of the Labor Code or federal labor law.
 - i) A person who answers affirmatively to c) above shall provide all of the following additional information, as applicable:
 1. The date, nature of citation, amount of penalties assessed for each citation, and the disposition of the citation, if any.
 2. A description of any appeal filed.
 3. If the citation was not appealed, or if it was upheld on appeal, the applicant shall state whether the penalty assessment was paid.

- d) Certificate of registration as a farm labor contractor with the United States Department of Labor.
- 2) Makes the following changes to the surety bond requirement for a person to obtain from the LC a license to act as a farm labor contractor:
- a) If the person is also registered as a foreign labor contractor, the surety bond is an amount based on the person's annual gross receipts from operations as a farm labor contractor.
 - b) If the person is not also registered as a foreign labor contractor, the surety bond is doubled and is also based on the person's annual gross receipts from operations as a farm labor contractor. The amounts are as follows:
 - i) For gross receipts up to five hundred thousand dollars (\$500,000), a fifty-thousand-dollar (\$50,000) bond.
 - ii) For gross receipts of five hundred thousand dollars (\$500,000) to two million dollars (\$2,000,000), a one-hundred-thousand-dollar (\$100,000) bond.
 - iii) For gross receipts greater than two million dollars (\$2,000,000), a one-hundred-fifty-thousand-dollar (\$150,000) bond.
- 3) Requires the LC to include bond information on the public farm labor contractor license database, as specified.
- 4) Requires the LC to disclose information about the availability of the surety bond and the process to access the surety bond to any worker that has filed a claim against a farm labor contractor during conferences and hearings.
- 5) Requires, if a grower, a farm labor contractor, or person acting in the capacity of a farm labor contractor fails to appear or answer within the time allowed after a wage complaint is filed under Section 98, (see existing law (6) below), the LC to issue an order, decision, or award in the amount stated in the notice, as specified.
- 6) States that the order, decision, or award described in 5) above may be appealed, as specified.

EXISTING LAW:

- 1) Defines "farm labor contractor" to mean 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. Labor Code §1682(b).

- 2) Requires, for the issuance of a license from the LC to act as a farm labor contractor, a person to satisfy a number of conditions, including submitting a written application, as specified. Labor Code §1684(a).
- 3) Requires the written application to contain, among other things, the following:
 - a) A statement by the person of all facts required by the LC concerning the applicant's character, competency, and responsibility, and the manner and method by which the person proposes to conduct operations as a farm labor contractor if the license is issued.
 - b) The names and addresses of all persons, except bona fide employees on stated salaries, financially interested, either as partners, associates, or profit sharers, in the proposed operation as a farm labor contractor, together with the amount of their respective interests.
 - c) The names and addresses of all persons who in the previous calendar year performed any services described in 1) above within the scope of their employment by the licensee on whose behalf they were acting, unless the person was employed as an independent contractor. Labor Code §1684(a)(1).
- 4) Requires for the issuance of a license from the LC to act as a farm labor contractor, a person to deposit with the LC a surety bond in an amount based on the size of the person's annual payroll for all employees, as follows:
 - a) For payrolls up to five hundred thousand dollars (\$500,000), a twenty-five-thousand-dollar (\$25,000) bond.
 - b) For payrolls of five hundred thousand dollars (\$500,000) to two million dollars (\$2,000,000), a fifty-thousand-dollar (\$50,000) bond.
 - c) For payrolls greater than two million dollars (\$2,000,000), a seventy-five-thousand-dollar (\$75,000) bond. Labor Code §1684(a)(3)(A).
- 5) Authorizes the LC to investigate employee complaints, including providing for a hearing in any action to recover wages, penalties, and other demands for compensation. Labor Code §98(a).
- 6) Requires, within 30 days of the filing of the complaint, the LC to notify the parties as to whether a hearing will be held. Within 10 days after service of the notice and the complaint, a defendant may file an answer with the LC in any form as the LC may prescribe, setting forth the particulars in which the complaint is inaccurate or incomplete and the facts upon which the defendant intends to rely. Labor Code §98(a),(c).
- 7) Requires, within 15 days after the hearing is concluded, the LC to file in the office of the Division of Labor Standards Enforcement a copy of the order, decision, or award. The order, decision, or award shall include a summary of the hearing and the reasons for the decision. Labor Code §98.1(a).

- 8) Authorizes, within 10 days after service of notice of an order, decision, or award, the parties to seek review by filing an appeal to the superior court, where the appeal shall be heard de novo. Labor Code §98.2(a).

FISCAL EFFECT: Unknown.

COMMENTS: Last year, the Legislature passed and the Governor signed AB 1362 (Kalra) to bring foreign labor contractors who solicit agricultural workers from outside the United States under the purview of the LC and subject them to a registration process. This change closed an important loophole in the oversight of foreign labor contractors and gave vulnerable foreign agricultural workers, known as H-2A workers, important workplace protections.

AB 2227 instead addresses the licensing process of farm labor contractors who recruit and supply much of the farmworker workforce used on California's farms. Farm labor contractors can also be foreign labor contractors. The measure requires, among other things, that the application for a license include information about the applicant's unpaid wages, outstanding judgments, labor related citations, and unpaid taxes. Importantly, it also requires that the surety bonds be increased¹ and tied to annual gross receipts. Opponents of this measure object to the provision of additional information, arguing it is overbroad and unclear. Committee staff notes that similar information is required for employer registration in other industries. Both the registration for car wash employers (Labor Code Section 2054 et seq.) and property service employers (Labor Code Section 1420 et seq.) requires disclosure of unpaid wages, taxes, and liens.

Across industries, workers in agriculture are highly vulnerable to workplace violations, especially wage theft. As a largely immigrant workforce, there is also a strong disincentive to report labor violations. A multi-year investigation by the federal Department of Labor found that farm labor contractors represent a higher share of wage and hour violations than their share of employment of farmworkers.² From 2005-2019, farm labor contractors accounted for half of all violations in California.³

According to the author, "Domestic farmworkers are the backbone of California's agricultural industry. Yet they often are the victims of labor violations, such as wage theft, at the hands of their employers. AB 2227 will provide comprehensive compensation protections for domestic farmworkers against wage theft. This bill will ensure that farmworkers can care for their families and get the pay they deserve."

The author continues, "Farmworkers are an immigrant workforce, and are at least 50% undocumented. They work in some of the most dangerous working conditions in our state, facing wildfire smoke, extreme heat, pesticide exposure, in addition to the grueling nature of farmwork.

¹ Note: The last time the amounts of the surety bonds for farm labor contractors were increased was in the year 2000.

² "Federal labor standards enforcement in agriculture: Data reveal the biggest violators and raise new questions about how to improve and target efforts to protect farmworkers." Economic Policy Institute, December 15, 2020. See here: [Federal labor standards enforcement in agriculture: Data reveal the biggest violators and raise new questions about how to improve and target efforts to protect farmworkers | Economic Policy Institute.](#)

³ *Ibid.*

In addition, they receive low-pay and lack a safety net to support them when seasonal work dries up or their worker impacts their health. In the current environment of fear created by federal immigration action, it is critically important for farmworkers—and all workers in high-risk industries who already face barriers to accessing state enforcement agencies—to have a resourced and capacitated agency.”

Arguments in Support

A coalition of worker advocates, including the California Farmworker Coalition, are in support, and state, “AB 2227 will take meaningful steps to reform the surety bond system for farm labor contractors to ensure stronger recovery rights for farmworkers by doing the following:

- Strengthening the review process for farm labor contractor license renewal to ensure abusive employers aren’t licensed. It applies requirements that already exist for other licensed industries to ensure that any officer of a business that has stolen wages in the past or failed to register with the Department of Labor aren’t licensed in California.
- Making the bond available when an FLC defaults during the wage claim process so that workers aren’t left without any recourse when their employer isn’t cooperating with legal processes.
- Making bond information more easily accessible to workers by requiring the Labor Commissioner to disclose information to workers who have filed wage claims FLCs and making more information available online.
- Creating parity between the foreign labor recruiter and FLC bonds by raising the FLC bond amount and using gross receipts to establish a consistent method for determining bond amounts.

In the current environment—where farmworkers face targeted attacks from immigration enforcement, increasing economic precarity, and federal rollbacks of worker protections—it is more critical than ever that California’s state enforcement mechanisms are robust, accessible, and meaningfully protective.”

Arguments in Opposition

A coalition of agricultural employer associations, including the Western Growers Association, are opposed and state, “The information sought in proposed Section 1684 (a)(1)(E) is unclear and potentially unnecessary, excessive and overly broad. For example, the FLC would be required to disclose details about whether any financially interested party, “owes any unpaid wages”. We believe the purpose of this requirement is to get information about unpaid PAST DUE wages, but is poorly drafted and unclear. As presently written, FLC would have to report whether the FLC owes wages once they are earned and until they are paid on pay day, even when those wages are paid on time.

Section 1684 (a)(1)(E) would also require an FLC to annually submit information about tax disputes, traffic tickets, marriage settlement agreements, child support orders, etc. None of this information is relevant to the business of farm labor contracting. Reporting would be required even before judgements or suits are final, including taxes BEFORE they become past due, and with no time limit of how many decades back must be reported. We appreciate that this is likely

not what the addition of Section 1684 (a)(1)(E) intended, but this is exactly what the exceedingly broad language does. These sweeping demands are then under the extreme potentially criminal penalty of perjury.

The requirements in proposed Section 1684 (a)(1)(E) apply to all persons who are “financially interested, either as partners, associates, or profit sharers, in the proposed operation as a farm labor contractor”. It is one thing to require the FLC to list who these people are in the annual renewal, but to then disclose the additional information sought by the bill seems entirely unnecessary, while in no way related to protecting the interests of employees and payment of wages.”

Related and Prior Legislation

AB 2646 (Krell) of 2026 would require the minimum hourly wage for an approved agricultural employee and corresponding employee, as defined, to be \$19.75 per hour. Commencing January 1, 2027, and each January thereafter, the bill would require the above-described minimum hourly wage to be adjusted by an amount equal to the cost-of-living adjustment for social security benefits, as specified. This bill is pending a hearing in this Committee.

AB 1362 (Kalra) Chapter 190, Statutes of 2025, applies, on and after July 1, 2027, the foreign labor contractor registration requirements to farm labor contractors of agricultural workers under the federal H-2A visa program. Also requires the Department of Industrial Relations to submit to the Legislature, by January 1, 2028, a study on how to extend foreign labor contractor registration requirements to those foreign labor contractors recruiting or soliciting workers authorized to work in the United States under visa programs not covered by the bill or existing law.

AB 364 (Rodriguez) of 2022 would add foreign labor contractors who recruit or solicit agricultural workers to coverage under the LC’s foreign labor contractor registration program. The bill was vetoed by Governor Newsom.

AB 1913 (Kalra) of 2018 was identical to AB 364 and died on the Assembly Floor.

SB 477 (Steinberg) Chapter 711, Statutes of 2014 required, among other things, on and after July 1, 2016, a foreign labor contractor to register with the LC and imposed certain conditions for registration, including payment of specified fees. It also required the LC to enforce and administer the registration and supervision of foreign labor contractors.

REGISTERED SUPPORT / OPPOSITION:

Support

Asian Pacific Islander Forward Movement
California Domestic Workers Coalition
California Environmental Justice Alliance Action
California Farmworker Coalition
California Food and Farming Network
California Rural Legal Assistance Foundation
Center for Farmworker Families

Central California Environmental Justice Network
Central Coast Alliance United for a Sustainable Economy
Central Valley Immigrant Integration Collaborative
Centro Binacional Para El Desarrollo Indigena Oaxaqueño
Centro Legal De LA Raza
Community Alliance With Family Farmers
Community Legal Services in East Palo Alto
Farm2people
Health in Partnership
Leadership Counsel for Justice & Accountability
Legal Aid At Work
Lideres Campesinas
Mixteco/indigena Community Organizing Project
Pesticide Action & Agroecology Network
San Diego Food System Alliance
Santa Clara County Wage Theft Coalition
Second Harvest of Silicon Valley
Todec Legal Center
Valley Improvement Project
Worksafe

Opposition

California Assn of Winegrape Growers
California Association of Winegrape Growers
California Avocado Commission
California Citrus Mutual
California Farm Bureau
California Farm Bureau Federation
California Farm Labor Contractor Association
California Strawberry Commission
California Tomato Growers Association
California Walnut Commission
Grower-shipper Association of Central California
Nisei Farmers League
Nisei Farmers League INC.
United Ag
Ventura County Agricultural Association
Western Growers
Western Growers Association

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