

## CONCURRENCE IN SENATE AMENDMENTS

AB 2227 (Connolly)

As Amended August 13, 2026

Majority vote

**SUMMARY**

Raises the amount of the surety bond for a person to obtain from the Labor Commissioner (LC) a license to act as a farm labor contractor who is not also registered as a foreign labor contractor. Requires the LC to include bond information on the farm labor contractor license database. Additionally provides that a licensed farm labor contractor is liable for penalties related to a violation of farm labor contractor provisions.

**Senate Amendment**

- 1) Add that a *licensed farm labor contractor* is liable for penalties related to a violation of the farm labor contractor licensing section or any part of the chapter.
- 2) Provide that the LC's citation authority under the licensing section also applies to when a person has violated another section of the farm labor contractor provisions unless otherwise specified.
- 3) Revise the surety bond requirement for farm labor contractors to have the amounts be based on annual payroll rather than annual gross receipts.
- 4) Add that the bond amounts shall be deposited when a farm labor contractor first registers or files the application for their first annual renewal.

**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.

**According to the Author**

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."

**Arguments in Support**

The California Federation of Labor Unions, AFL-CIO, is in support and states, California's farmworkers pick nearly half of the country's vegetables and three-quarters of its fruit and nut supply. Despite this essential role in our food system, they endure poverty wages and wage theft, dangerous working conditions, and limited access to basic safety-net protections. While

underreporting of labor violations amongst farmworkers is common, empirical research indicates that nearly one in five California farmworkers experience wage theft at some frequency.

Farm labor contractors (FLC), who recruit, hire, and employ farmworkers on behalf of growers and farm owners, are the fastest-growing segment of farm employment in California. FLCs are responsible for paying wages and ensuring workers' labor rights—yet they are also the worst violators of those rights, accounting for one-half of all federal wage and hour violations detected in California agriculture. By inserting a middleman between growers and workers, the FLC model distances growers from employer responsibility while leaving workers deeply vulnerable to abuse. Because of the prevalence of labor violations, the state requires FLCs to purchase a surety bond as a condition of licensure. This bond is meant to function as a financial backstop—allowing workers to access funds to compensate for stolen wages or fines, but the current system still fails workers.

AB 2227 will take meaningful steps to reform the surety bond system for farm labor contractors to ensure stronger recovery rights for farmworkers[.]”

### **Arguments in Opposition**

A coalition of agricultural associations is opposed unless amended and states, "we must unfortunately remain respectfully opposed unless the newly conceived penalty language (Section 1 of the bill / amendments to Section 1683 of the Labor Code) is deleted. If amended to remove this new penalty language, we would withdraw our opposition to the bill.

These hastily drafted penalty provisions are not central to the purpose of the bill and were added at the last minute which denied the opportunity for any committee review.

Questions about the scope and potential application of the penalties could have been addressed, had this been heard in a policy committee. For example, contrary to proponents' assertions, legal experts and policy analysts clarified that the penalty would be nondiscretionary, with the amount fixed by statute. The Labor Commissioner would be barred from exercising discretion or considering factors such as the severity of the violation, intent, corrective actions taken or lack thereof. It is also uncertain how this would apply to growers who are not farm labor contractors.

Based on initial review, these amendments are likely to have unintended consequences, including compounding impacts on the state's already backlogged appeals process and disproportionately negatively impacting small employers and those with limited English proficiency. But without the benefit of any vetting or hearing, we cannot identify the extent of the unknown risks let alone properly assess the potential issues."

### **FISCAL COMMENTS**

According to the Senate Appropriations Committee,

- 1) This bill could potentially result in costs to the Department of Industrial Relations in the hundreds of thousands of dollars annually.
- 2) The bill could result in increased penalty revenue to the State. The magnitude is unknown.

**VOTES:****ASM LABOR AND EMPLOYMENT: 5-0-2****YES:** Ortega, Elhawary, Kalra, Lee, Ward**ABS, ABST OR NV:** Alanis, Chen**ASM APPROPRIATIONS: 11-4-0****YES:** Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache**NO:** Hoover, Dixon, Ta, Tangipa**ASSEMBLY FLOOR: 51-20-9****YES:** Addis, Aguiar-Curry, Ahrens, Arambula, 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, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ward, Wicks, Wilson, Zbur, Rivas**NO:** Alanis, Ávila Farías, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis**ABS, ABST OR NV:** Alvarez, Bains, Lackey, Pacheco, Ramos, Celeste Rodriguez, Blanca Rubio, Soria, Valencia**UPDATED**

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