

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2646 (Krell) – As Amended March 25, 2026

Policy Committee: Labor and Employment

Vote: 5 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill sets a minimum wage of \$19.75 per hour for certain agricultural employees.

Specifically, this bill:

- 1) Requires a minimum hourly wage for an approved agricultural employee and corresponding employee of \$19.75 per hour.
- 2) Defines an “approved agricultural employee” as an employee engaged in agriculture who is a resident outside of the state and is permitted to work in the state on a temporary or seasonal basis through a certain application process.
- 3) Defines a “corresponding employee” as an employee engaged in agriculture who is a resident of the state or who is not an approved agricultural employee, and who performs the same or substantially similar work as an approved agricultural employee employed by the same employer in the same county.
- 4) Requires, beginning January 1, 2027, and annually thereafter, the \$19.75 wage to be adjusted by an amount equal to the cost-of-living-adjustment (COLA) for social security benefits for that year as published by the Social Security Administration (SSA) based on changes in the U.S. Consumer Price Index.

FISCAL EFFECT:

Ongoing costs in the low millions of dollars to the Labor Commissioner (LC), under the Department of Industrial Relations (DIR), to issue new minimum wage orders to impacted employers and enforce the farmworker minimum wage (Labor Enforcement and Compliance Fund). DIR anticipates a 50% increase in reports of labor law violations in the agricultural industry as a result of this bill, approximately 15% of which would trigger new investigations and wage claim cases, entailing an intake process, conference, and hearing.

COMMENTS:

- 1) **Purpose.** According to the author:

California’s farm workers deserve a livable wage. Every day these workers face immigration threats, experience wage theft, unsafe working conditions including exposures to excessive heat or dangerous

pesticides, workplace sexual harassment and lack of access to basic health care. California's farm workers have historically earned wages that place many near or below the poverty line. Often, farm work can be seasonal, which makes earnings even lower. AB 2646 safeguards farmworker wages by establishing a wage floor of \$19.75.

- 2) **Sectoral Minimum Wage.** Pursuant to SB 3 (Leno), Chapter 4, Statutes of 2016, the state minimum wage is currently \$16.90 per hour. SB 3 increased the minimum wage from \$10 per hour to the current amount in a phased approach, increasing the wage by 50 cents when first enacted, and then by \$1 each year until reaching \$15. Additionally, after January 1, 2023, the minimum wage will be increased annually using the change in CPI, but no more than 3.5% per year, with the resulting amount rounded to the nearest 10 cents. The Department of Finance must calculate the adjustment each August 1, to take effect on January 1 of the following year.

A sectoral minimum wage sets a separate pay floor for a particular industry or occupation that differs from the minimum wage applicable to a jurisdiction. AB 1228 (Holden), Chapter 262, Statutes of 2023, established a \$20 per hour minimum wage for approximately half a million fast food restaurant employees, effective April 1, 2024. SB 525 (Durazo), Chapter 890, Statutes of 2023, established a phased-in minimum wage to reach \$25 per hour by 2026 or 2028, depending on the employer's health care facility setting, for approximately 400,000 health care workers. This bill sets a \$19.75 per hour minimum wage for certain agricultural employees and requires an annual increase in the minimum wage adjusted to the COLA for social security benefits. According to the SSA, the COLA for the last five years was: 2.8% in 2026, 2.5% in 2025, 3.2% in 2024, 8.7% in 2023, and 5.9% in 2022.

- 3) **Support and Opposition.** This bill is sponsored by the United Farm Workers, which argues this bill "safeguards vulnerable California farm workers against deepening wage depression in the middle of escalating prices for food and basic necessities." This bill is also supported by other labor organizations and the California Rural Legal Assistance Foundation.

This bill is opposed by a large coalition of agriculture associations, led by the Western Growers, which argues, "At a time when California is already facing rising food costs, shrinking agricultural acreage, and mounting regulatory burdens, AB 2646 would make it significantly more difficult for farms to remain viable in this state."

- 4) **Related Legislation.** AB 1363 (Kalra), Chapter 190, Statutes of 2025, expanded the LC's foreign labor contractor registration program to include foreign agricultural labor contractors, thus providing certain workplace protections to H-2A visa agricultural workers.

AB 2227 (Connolly) increases the surety bond amount a farm labor contractor (FLC) must deposit with the LC and makes other changes to increase LC oversight over FLCs. AB 2227 is pending hearing by this committee.

- 5) **Prior Legislation.** AB 1066 (Gonzalez), Chapter 313, Statutes of 2016, removed the exemption for agricultural employees regarding hours, meal breaks, and other working conditions and phased in overtime requirements for agricultural workers over the course of four years from 2019 to 2022.