

CONCURRENCE IN SENATE AMENDMENTS

AB 963 (Petrie-Norris)

As Amended September 9, 2025

Majority vote

SUMMARY

Requires owners and developers undertaking any work subject to prevailing wage requirements to make specified records available to the Division of Labor Standards Enforcement (DLSE), multi-employer Taft-Hartley trust funds, and joint labor-management committees (JLMCs), as specified.

Senate Amendments

- 1) Apply the bill's provisions to an owner or developer undertaking any work subject to prevailing wage requirements, instead of an owner or developer undertaking any public works project.
- 2) Expand the list of documents that an owner or developer must make available upon request to the DLSE, Taft-Hartley trust funds, and JLMCs to also include the following:
 - a. Requests for bids.
 - b. Lists of bids received and total bid amounts.
 - c. Final executed construction contracts between the direct contractor and either the owner or developer demonstrating compliance with public works contract requirements.
 - d. The names and license numbers of the contractors and subcontractors performing the work.
- 3) Delete the requirement that the bill apply to any owner or developer that undertakes a development project subject to public works requirements, regardless of whether the project in its entirety is a public work.
- 4) Provide that an owner or developer may redact other proprietary or confidential information from contracts and subcontracts if that information has not been made public, but prohibit redaction of the names of contractors and subcontractors, the scope of work, and any contractual requirements to pay prevailing wages or use a skilled and trained workforce.
- 5) Extend the amount of time that an owner or developer has to comply with a request from 10 calendar days to 30 calendar days.
- 6) Modify when the DLSE can enforce penalties against an owner or developer for noncompliance.
- 7) Prohibit a Taft-Hartley trust fund or a JLMC from disclosing or sharing a certified copy of payroll records or an executed construction contract received pursuant to the bill's provisions, and require the entities to maintain the documents as confidential.

- 8) Authorize a Taft-Hartley trust fund or a JLMC, notwithstanding (7) above, to share a certified copy of payroll records or an executed construction contract with the DLSE or an awarding agency to provide evidence of a public works violation.
- 9) Require a request for records to be made within three years of the completion of the work subject to prevailing wage requirements.
- 10) Modify the definition of "owner or developer."

COMMENTS

Public works laws require that, among other things, prevailing wage is paid to workers on publicly-funded projects, as specified. In California, the prevailing wage rate is an hourly rate paid on public works projects that is often set in the terms of a collective bargaining agreement. According to the DIR, the wage rate relies upon such factors as "the particular craft, classification or type of work within the locality and in the nearest labor market area (if majorities of such workers are paid at a single rate). If there is no single rate paid to a majority, then the single or modal rate being paid to the greater number of workers is prevailing."

Prevailing wage laws are intended to ensure that contractors are not awarded public works contracts by paying low wages and undercutting competitors who provide higher compensation. In this way, these laws create a level playing field by requiring an across-the-board rate for all bidders on publicly-subsidized projects.

To ensure compliance with various pay requirements under public works laws, contractors and subcontractors are required to submit their payroll records to the Labor Commissioner (LC). In addition to the LC's oversight, JLMCs and multiemployer Taft-Hartley trust funds play a critical role in verifying the accuracy and thoroughness of payroll records, and filing complaints with the LC for suspected violations pertaining to the payment of prevailing wages on public works projects. These payroll records are also available to the public, but must be requested through DLSE or the entity awarding the contract.

Under existing law, certain projects overseen by private entities are subject to public works law if they meet specific criteria. However, private entities are not subject to the California Public Records Act. Because of this, JLMCs and multiemployer Taft-Hartley Trust Funds have had record requests denied on public works projects administered by private entities.

The author provided the following examples to the Committee:

"In San Jose County, the private entity building the PATH Villas on 4th Street, funded in part by the County's Office of Supportive Housing Measure A dollars, failed to respond to requests for project documents, stating that they are not currently required to under the law (because they are not a public entity). This is a \$33 million project.

Another privately developed but publicly-funded project that failed to respond to multiple requests for project documents is the Light Tree New Construction Project – a \$61.5 million project. Ultimately, the JLMC resorted to seeking state assistance to receive certified payroll records."

According to the Author

"The California Public Records Act (CPRA) is a fundamental transparency pillar of state and local government, granting the public access to information that enables it to monitor the functioning of its government, including the appropriate and honest use of taxpayer dollars. While exhaustive in nature, the CPRA does not cover private entities that own, undertake, or develop a project funded in whole or in part by public financing. To ensure that workers on these projects are being paid their due wages, are being classified accurately, and are being treated fairly, this measure will extend to private entities a very limited set of accountability measures to ensure compliance with existing state laws."

Arguments in Support

The State Building and Construction Trades Council is in support and states, "Often, on construction projects, workers are underpaid and or misclassified and, without oversight, this growing problem will only continue to get bigger. Existing law provides the Division of Labor Standards Enforcement (DLSE), multiemployer Taft-Hartley trust funds, and joint labor-management committees with the ability to request documents from contractors when they are using public funds to develop public works projects. It is imperative that the Public Contract Code, the California Labor Code, and prevailing wage requirements are followed on every public works project.

It is understood that private entities are just that, private. However, private entities using public funds also should be held to the same standards and accountability as governmental bodies when it comes to producing project documents and information. Unfortunately, the California Public Records Act currently has no oversight over private entities."

Arguments in Opposition

A coalition of affordable housing organizations, including the California Housing Partnership, California Housing Consortium, and Housing California are in opposition and state that "The stated intent of the bill is to ensure compliance with prevailing wage laws. However, there is already a process in place to achieve that goal through the Department of Industrial Relations, and this bill is unnecessary. We agree that compliance with prevailing wage laws is important, but we fail to understand how the current information that the state already collects is deficient.

When a private development is subject to prevailing wage requirements, the general contractor has a duty to ensure that the project complies with the applicable labor and wage laws. Owners and developers of affordable housing already submit prevailing wage reports to the Department of Industrial Relations (DIR) to demonstrate compliance. The system is online, and these records can be requested by anyone. If there are problems with the public obtaining the records from DIR, we recommend focusing on improving DIR's response capacity. Creating a redundant and unnecessary requirement for those building housing will put a strain on their limited resources and will make it more difficult to build the housing that the state desperately needs."

FISCAL COMMENTS

According to the Senate Appropriations Committee:

- 1) The Department of Industrial Relations (DIR) indicates that it would minimally incur first-year costs of \$876,000, and \$828,000 annually thereafter, to implement the provisions of the bill (State Public Works Enforcement Fund). Cost drivers would include investigating and adjudicating complaints for non-compliance with records requirements, and adopting rules

for records release consistent with the California Public Records Act (CPRA). DIR notes it may need additional resources if there is a larger volume of complaints than anticipated.

- 2) This bill could result in an increase in penalty revenue to the State. The magnitude is unknown, but probably minor (State Public Works Enforcement Fund).

VOTES:**ASM LABOR AND EMPLOYMENT: 7-0-0**

YES: Ortega, Flora, Chen, Elhawary, Kalra, Lee, Ward

ASM APPROPRIATIONS: 12-2-1

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta

NO: Dixon, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 69-4-6

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO: DeMaio, Hadwick, Macedo, Tangipa

ABS, ABST OR NV: Castillo, Dixon, Ellis, Gallagher, Hoover, Sanchez

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