

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 703 (Richardson) – As Amended July 16, 2025

Policy Committee:	Labor and Employment	Vote:	7 - 0
	Transportation		14 - 1

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill requires a trucking company and certain truck drivers to provide specified information to the Port of Long Beach or Port of Los Angeles (“ports”) before a truck driver enters the ports.

Specifically, this bill:

- 1) Requires a trucking company to provide the ports certain information relating to the company’s employee truck drivers, such as a sworn affirmation that the company is withholding all required taxes from wages, prior to the company’s employee drivers entering the ports for the first time and annually thereafter. Similarly, a truck driver not classified as an employee by a trucking company must provide the ports certain identifying information prior to entering the ports for the first time and annually thereafter.
- 2) Requires a trucking company to update the ports within 30 days of a change to the company’s operation that results in more than 50% of employees being replaced by independent contractors. A person who fails to comply with this notice requirement is liable for a civil penalty of \$5,000.
- 3) Provides that a person who gives false or misleading compliance information to the ports is liable for a civil penalty of \$20,000. The ports are not required to verify the accuracy of third-party information they receive, but must make all collected information publicly available.
- 4) Requires the ports to publish online certain information regarding each truck that entered the ports during the prior quarter, such as the named insured on the truck’s insurance policy.
- 5) Requires the ports to provide additional information regarding a truck that entered the ports upon request by the Labor Commissioner (LC), if the ports possess the information.

FISCAL EFFECT:

- 1) One-time costs of approximately \$1.8 million each to the Port of Long Beach and Port of Los Angeles to modify existing truck registration systems, develop a new truck driver registration system, and link all systems to meet quarterly reporting requirements. Additionally, each port would incur annual costs of approximately \$700,000 for the Port of Long Beach and \$500,000 for the Port of Los Angeles for ongoing maintenance and related staff workload. If the Commission on State Mandates determines this bill’s requirements to be a reimbursable state mandate, the state would need to reimburse these costs to the ports (General Fund).

- 2) Minor and absorbable costs to the LC to provide enforcement if a company or driver fails to provide the required information and notice, potentially offset by penalty revenue.

COMMENTS:

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

For too long, we've allowed a system to persist that exploits hardworking truck drivers by misclassifying them as independent contractors. This illegal practice robs them of basic workplace protections and puts the burden of operating cost on their shoulders, all while companies profit. SB 703 is a straightforward, data-driven solution that empowers our enforcement agencies to finally see who is operating within the system, and how. By requiring the state's largest ports to collect key information about trucking company operations, we can identify bad actors, ensure labor laws are upheld, and protect compliant businesses that are being undercut by those breaking the rules.

- 2) **Background. *Truck Driver Misclassification.*** Port drayage motor carriers transport goods by road to and from ports, with the work generally performed by commercial trucking operations. Misclassified port truck drivers are those whose employer incorrectly labeled them as independent contractors instead of employees. Misclassification prevents the driver from receiving certain legal protections, such as minimum wage requirements, meal and rest breaks, and overtime pay. Additionally, an employer is required to maintain certain workplace safety standards and are subject to per-employee payroll taxes that help fund unemployment insurance, among other public programs.

Carrier Liability. The Legislature has enacted several laws aimed at addressing misclassification in the port drayage industry. SB 1402 (Lara), Chapter 702, Statutes of 2018, requires the Division of Labor Standards Enforcement (DLSE) to publish online a list of port drayage motor carriers with unsatisfied final judgements owed for wage, tax, and workers' compensation violations. When a carrier is placed on this list, the carrier's customers become jointly and severally liable for the carrier's violations on the job. SB 338 (Gonzalez), Chapter 333, Statutes of 2021, expanded the types of violations that qualify a carrier for the DLSE list. However, AB 2754 (Rendon), Chapter 739, Statutes of 2024, now requires a customer of a port drayage motor carrier to share all civil liability with the carrier, regardless of whether the carrier is on the DLSE list.

This bill inserts the ports into industry oversight efforts by requiring a trucking company and non-employee truck driver to provide specified information to the Port of Long Beach or Port of Los Angeles before a truck driver enters the ports, and requiring a trucking company to update the ports if a change to the company's operation results in more than 50% of employees being replaced by independent contractors. The ports must make such information publicly available, as well as additional quarterly information regarding each truck that enters the ports, and must make even more information available to the LC upon request. According to the Assembly Transportation Committee's analysis of this bill, "this bill poses an administrative burden on [the ports] to collect and maintain data" and the "the author and sponsor will be continuing to work on" these provisions.

- 3) **Support and Opposition.** This bill is sponsored by the California Teamsters Public Affairs Council, which argues the information collected by the ports “would be minimal and collected as part of the existing port concession agreements” and “help identify which companies are operating illegally.” This bill is also supported by other labor organizations and various trucking companies.

This bill is opposed by the Western States Trucking Association, which argues, “SB 703 raises significant privacy, economic freedom, and cost concerns that will unfortunately have the effect of further eroding the ability for small owner-operator port trucking businesses to operate in California.” This bill is also opposed by the ports and California Association of Port Authorities, unless amended to shift data management duties to the LC.

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