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AB-1198 Public works: prevailing wages. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 1198

Introduced by Assembly Member Haney

February 21, 2025

An act to amend, repeal, and add Section 1773.6 of the Labor Code, relating to public works.

LEGISLATIVE COUNSEL'S DIGEST

AB 1198, as introduced, Haney. Public works: prevailing wages.

Existing law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Existing law requires the body awarding a contract for a public work to obtain from the director the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is to be performed, and the general prevailing rate of per diem wages for holiday and overtime work, for each craft, classification, or type of worker needed to execute the contract. Under existing law, if the director determines during any quarterly period that there has been a change in any prevailing rate of per diem wages in a locality, the director is required to make that change available to the awarding body and their determination is final. Under existing law, that determination does not apply to public works contracts for which the notice to bidders has been published.

This bill would instead state, commencing July 1, 2026, that if the director determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works contract that is awarded or for which notice to bidders is published after July 1, 2026. The bill would authorize any contractor, awarding body, or specified representative affected by a change in rates on a particular contract to, within 20 days, file with the director a verified petition to review the determination of that rate, as specified. The bill would require the director to, upon notice to the interested parties, initiate an investigation or hold a hearing, and, within 20 days after the filing of that petition, except as specified, make a final determination and transmit the determination in writing to the awarding body and to the interested parties. The bill would make that determination issued by the director effective 10 days after its issuance, and until it is modified, rescinded, or superseded by the director.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 1773.6 of the Labor Code is amended to read:

1773.6. (a) If during any quarterly period the Director of Industrial Relations shall determine that there has been a change in any prevailing rate of per diem wages in any ~~locality he or she~~ *locality, the director* shall make ~~such that~~ change available to the awarding body and ~~his or her~~ *the director's* determination shall be final. ~~Such~~ *This* determination by the Director of Industrial Relations shall not be effective as to any contract for which the notice to bidders has been published.

(b) This section shall become inoperative on July 1, 2026, and, as of January 1, 2027, is repealed.

SEC. 2. Section 1773.6 is added to the Labor Code, to read:

1773.6. (a) If during any semiannual period the Director of Industrial Relations determines that there has been a change in any prevailing rate of per diem wages in any locality, the director shall make that change available to the awarding body and the director's determination shall be final, except as specified in this section. This determination by the director shall only apply on its effective date to any contract under this chapter that is awarded or for which notice to bidders is published after July 1, 2026.

(b) (1) Any contractor, awarding body, or representative of any craft, classification, or type of work affected by a change in rates on a particular contract may, within 20 days after publication of the new determination, file with the director a verified petition to review the determination of that rate upon the ground that it has not been determined in accordance with Section 1773. Within two days after the filing of the petition, a copy of that petition shall be filed with the awarding body. The petition shall set forth the facts upon which it is based.

(2) The director, or the director's authorized representative, shall, upon notice to the petitioner, the awarding body, and other persons the director deems proper, including the recognized collective bargaining representatives for the particular crafts, classifications, or types of work involved, initiate an investigation or hold a hearing. Within 20 days after the filing of that petition, or within a longer period as agreed upon by the director, awarding body, and all interested parties, the director shall make a determination and transmit that determination in writing to the awarding body and to the interested parties. This determination shall be final.

(c) A determination issued by the director is effective 10 days after its issuance. The director shall include an issue date on the determination. The determination shall remain in effect until it is modified, rescinded, or superseded by the director.

(d) This section shall become operative on July 1, 2026.