

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016/17	Business Unit 7350	Department Industrial Relations	Priority No. 3
Budget Request Name 7350-013-BCP-DP-2016-GB		Program 6100 – DIVISION OF OCCUPATIONAL SAFETY & HEALTH 6105 – DIVISION OF LABOR STANDARDS ENFORCEMENT	Subprogram VARIOUS

Budget Request Description  
 Revenue & Expenditure Alignment for Various Special Funds

Budget Request Summary

This proposal will correctly align expenditure authority and special fund revenue from various fees and permits to the appropriate program; increase resources for labor law enforcement in the car wash program to help bring its special funds into balance; delete decades-old statutory caps on certain fees to allow for proper cost recovery; and clean up and standardize language for various fees and permits. This proposal includes statutory changes to various sections of the Labor Code for the Division of Occupational Safety & Health and the Division of Labor Standards Enforcement.

Requires Legislation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Multiple (See Attachment 2)
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

FSR       SPR      Project No.      Date:

If proposal affects another department, does other department concur with proposal?       Yes       No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By <i>Karen Burre</i>	Date <i>12/24/15</i>	Reviewed By <i>John Garcia</i>	Date <i>12/24/15</i>
Department Director <i>Michael Zeeb</i>	Date <i>12/24/2015</i>	Agency Secretary <i>[Signature]</i>	Date <i>1.4.16</i>

**Department of Finance Use Only**

Additional Review:  Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Dept. of Technology

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA <i>[Signature]</i>	Date submitted to the Legislature <i>1/7/16</i>
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## Analysis of Problem

### A. Budget Request Summary

This proposal is necessary to: 1) more properly align the deposit of revenue and fees with expenditures in order to offset costs paid by employers at large; 2) ensure full cost recovery for those programs which are supported by user fees by removing decades-old caps on those fees; 3) help bring special funds into balance; and 4) cleanup and standardize current, ambiguous language which presents a barrier to full cost recovery.

Approximately \$1.6 million in regulatory licenses and permits are deposited into the General Fund each year as a result of the Department of Industrial Relations' (DIR) regulatory activities, even though the General Fund no longer provides any support to the department. These recommendations, if approved, will redirect these monies into DIR special funds, providing a commensurate offset to employers by reducing the annual employer assessment. This proposal will not affect the department's fine and penalty revenue, approximately \$25 million annually, which will continue to be deposited into the General Fund.

Included in this proposal is the elimination of 7.0 positions related to the Child Performer Services Permit program; with 1.0 of these positions being redirected to the Asbestos and Carcinogen Unit and another 4.0 positions being redirected to labor law enforcement in the Car Wash industry.

### B. Background/History

Within DIR, the Division of Occupational Safety and Health (DOSH, also known as Cal-OSHA) administers and enforces job health and safety standards for California workers. California's employee health and safety program also includes separate boards that set health and safety standards and adjudicate disputes over health and safety violations, respectively the Occupational Safety and Health Standards Board and the Occupational Safety and Health Appeals Board.

In addition to their employee health and safety programs, Cal-OSHA and the two boards also regulate the safety of certain devices and activities for the benefit of the general public rather than as a matter of occupational safety and health. This public safety jurisdiction includes elevators, cranes, tramways, amusement rides, pressure vessels, and mines and tunnels.

Also within DIR, the Division of Labor Standards Enforcement (DLSE) provides an array of essential services for California workers and employers, including adjudication of wage-claims, enforcement of prevailing wage rates and apprenticeship standards on public works projects, investigation of retaliation complaints, education and enforcement of labor laws, and the licensing and registration of various businesses.

Over the past decade, all of the fiscal support for DIR has shifted from the General Fund to various forms of user-funding. The principle vehicles for funding the activities of Cal-OSHA and DLSE, have been through worker's compensation insurance premiums and paid indemnity surcharges from California employers (insured and self-insured respectively) pursuant to Labor Code (LC) section 62.5. However, some activities, specific to permitting, certification, and some inspection types, are funded by the actual users of those services and activities rather than by employers in general.

In the case of Cal-OSHA's public safety activities, a variety of fees are charged for the inspection and permitting of devices and for the certification of private inspectors and consultants. The relevant statutes authorizing these fees were adopted at different times, in most cases have not been changed in twenty years or more, and contain language which does not allow for full cost recovery. Some of these statutes also required these specific user fees to be placed in the General Fund. Now that the department is no longer supported by the General Fund, it is more appropriate for these specific fees to offset the fees now paid for by employers at large.

## Analysis of Problem

### C. State Level Considerations

No statewide considerations are applicable.

### D. Justification

As indicated above, the changes requested by this proposal are necessary for the following reasons: 1) to more properly align the deposit of revenue and fees with expenditures in order to offset costs paid by employers at large; 2) ensure full cost recovery for those programs which are supported by user fees by removing decades-old caps on those fees; 3) help bring special funds into balance; and 4) cleanup and standardize current, ambiguous language which presents a barrier to full cost recovery.

Approximately \$1.6 million in regulatory licenses and permits are deposited into the General Fund each year as a result of DIR's regulatory activities, even though the General Fund no longer provides support to the DIR. These recommendations, if approved, will redirect these monies into DIR special funds, providing a commensurate offset to employers by reducing the annual assessment pursuant to LC section 62.5.

#### Standardizing Fee Language

This element of the proposal will enable DIR to set fees at levels that will recover the full and actual costs of administering the programs and activities with which the fees are associated. In the case of *California Portable Ride Operators, LLC v. Division of Occupational Safety & Health*, No. B242219 (Cal. Ct. App. 2014), the court found that the current language of Labor Code section 7904 required Cal-OSHA to base portable amusement ride inspection fees on the actual cost of inspections rather than the overall cost of administering the portable amusement ride safety program. The proposed changes will clarify the intent of the statute across various programs to ensure that there is no barrier to full cost recovery.

#### Removal of Caps on Various Fees

This element of the proposal will correct that limitation and ensure that the costs of these programs are born by the specific industries that use these services instead of through insurance premiums and paid indemnity surcharges made against all employers. The proposed language to remove the \$15 cap on the cost of issuing a permit for pressure vessels is an example of the change needed in this regard.

#### Aligning Fees with Expenditures

This element of the proposal will help correct the misalignment of revenues, and ensure that the costs of these public safety and labor law enforcement programs are mitigated as appropriate, reducing the overall amount charged to employers through the assessment on insurance premiums and paid indemnity surcharges made against all employers or other taxpayer supported funding.

#### Rightsizing Programs

This element of the proposal will reduce the positions currently dedicated to the Child Performer Services Permit program by 7.0 positions to align the program with actual activity levels, and redirect one of the eliminated positions to DOSH's Asbestos and Carcinogen Unit to help ensure that the division can process initial asbestos training course applications within the mandated time frames and focus on investigations and other technical work in the field. Another 4.0 positions will be redirected to DLSE's Bureau of Field Enforcement to better support the division's enforcement efforts in the Car Wash industry.

Attachment 1, *Overview of Units with Misaligned Revenue & Expense*, provides a brief overview of the function of each unit and the particulars which require a change in statute

Attachment 2, *Proposed Trailer Bill Language*, reflects all proposed statutory changes

Attachment 3, *Overview of Asbestos Unit Needs and Projected Outcomes*

Attachment 4, *Overview of Car Wash Enforcement Needs and Projected Outcomes*

## Analysis of Problem

### E. Outcomes and Accountability

The department will promulgate regulations to adjust fees as appropriate. See Attachment 3 for projected outcomes in the Asbestos Unit and Attachment 4 for projected outcomes in Car Wash enforcement.

### F. Analysis of All Feasible Alternatives

#### 1. Do Nothing.

Pro: None

Con: This alternative will maintain the status quo, resulting in costs that misalign with revenue, parties which are undercharged for the government services they receive, and in some cases, marginal increased costs will continue to be charged to employers at large for services rendered to discrete groups of employers.

#### 2. Redirect all regulatory fees and fines and penalties from the General Fund into DIR special funds.

Pro: This option would result in a reduction of approximately \$25 million in the annual employer assessment, reducing the overall system costs currently borne by law abiding employers.

Con: Currently, fines and penalties from DOSH and DLSE enforcement are deposited into the General Fund and are being utilized by other programs which are supported by the General Fund. It is unclear what this loss of General Fund revenue might mean to other state programs.

#### 3. Eliminate all separate fees and fund DOSH and DLSE programs solely through an annual employer assessment.

Pro: There would be marginal savings in administrative time due to the elimination of various types of billings for fees and permits, the full extent of which is difficult to quantify.

Con: In addition to the negative consequences spoke of in alternative #2, this alternative would increase the statewide employer assessment.

### G. Implementation Plan

All proposed changes will be effective upon enactment of the 2016 Budget Act.

### H. Supplemental Information

N/A

### I. Recommendation

Approve this proposal and the accompanying statutory changes to: 1) ensure full cost recovery for those programs which are fully supported by user fees by removing any caps on those fees; 2) more properly align fees (deposited) with expenditures to properly offset costs paid by employers at large; and 3) cleanup and standardize current, ambiguous language which presents a barrier to full cost recovery.

The Division of Occupational Safety and Health (DOSH) and the Division of Labor Standards Enforcement (DLSE) have distinct functions and units<sup>1</sup> which are responsible for enforcement and/or oversight of various California industries and activities that also generate revenue through issuing permits or certifications and conducting inspections.

Each of the units noted below has revenue which is misaligned with expense, and/or requires statutory changes to ensure full cost recovery. The units and the revenue-generating activities for each division are as follows:

**Division of Occupational Safety and Health (DOSH or Cal-OSHA)**

**General Enforcement Unit** – Issues permits for various construction-related projects, such as deep trenches, demolition, and building erection.

**Mining and Tunneling Unit** – Issues permits for the use of diesel engines in mines and tunnels, certifies gas testers and mine safety representatives, and issues licenses for explosive blasters.

**Crane Unit** – Issues tower crane operating permits, conducts twice annual inspections of operating tower cranes, and issues licenses for Crane Certifiers.

**Asbestos and Carcinogen Unit** – Certifies asbestos consultants and surveillance technicians and approves asbestos training courses.

**Elevator Unit** – Issues elevator permits, conducts annual inspections, and issues various certifications.

**Amusement Ride and Tramway Unit** – Collects an annual fee, conducts annual inspections, and issues certifications.

**Pressure Vessel Unit** – Collects fees for consultations, audits, inspections, and permit processing.

**General Enforcement Unit**

The largest in DOSH, the General Enforcement Unit is comprised of four regions and is responsible for responding to the vast majority of health and safety workplace accidents and complaints across the state and conducting planned inspections related to the issuance of permits for construction projects (e.g. deep trenches, demolition, buildings over 36 feet). The operations of this unit have been funded by the Occupational Safety and Health Fund (OSH Fund) and federal matching funds since 2009-10, when support from the General Fund was replaced with the OSH Fund with an annual assessment on all California employers. However,

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<sup>1</sup> This is not an exhaustive list of all units for each division; only those units with misaligned revenue and/or for which statutory changes are being requested are listed.

revenue for the issuance of permits continues to be deposited into the General Fund. The California (CA) Code of Regulations requires a project permit of \$50 and an annual permit of \$100 to be deposited into the General Fund and these requirements have gone unchanged since the early 1990's. The regulations also specify that the permit fees should cover the cost of investigating the permit application and issuing the permit.

Recommendation: Amend the CA Code of Regulations to have permit fees deposited into the OSH Fund rather than the General Fund. Properly aligning the revenue and expenditures for this function will decrease the annual assessment imposed on all California employers.

### **Mining and Tunneling Unit**

This unit is responsible for inspecting all surface mines, underground mines and tunnels under construction across the state. The unit also issues licenses for explosive blasters and certifications for gas testers and mine safety representatives. Labor Code specifies an initial examination fee of \$15 and an annual renewal fee of \$15 for these specialties, with revenue required to be deposited into the General Fund. These requirements were established in 1974 and have not been amended since. The unit also issues permits for the use of diesel engines in underground mines and tunnels. The CA Code of Regulations sets the permit fee at \$50 and requires revenue to be deposited into the General Fund. The sections have not been amended in over 20 years.

The operations of this unit have been funded by the Occupational Safety and Health Fund (OSH Fund) since 2009-10 when support from the General Fund was fully replaced with OSH Fund.

Recommendation: Amend the Labor Code and the CA Code of Regulations to have all fees generated by this unit deposited into the OSH Fund rather than the General Fund. Properly aligning the revenue and expenditures for this function will decrease the annual assessment imposed on all California employers.

### **Amusement Ride and Tramway Unit**

This unit is responsible for issuing certifications and inspecting both portable and permanent amusement rides and tramways across the state. The CA Code of Regulations imposes an hourly fee of \$195 for inspections and a flat annual fee ranging from \$25 to \$1,475 depending on the size of the ride. Through fiscal year 2006-07, the revenue collected by this unit was deposited into the Permanent Amusement Ride Safety Inspection Fund, which had supported the operations of the unit. Effective June 30, 2007, the balance of the Amusement Ride Fund was transferred to the Elevator Fund and the Elevator Fund began receiving these revenues and supporting the unit.

The significant fund balance of the Elevator Safety Account resulted in the suspension of the annual inspection fee for the 2015/16 and 2016/17 fiscal years to help bring the balance of this account down to a prudent level.

Recommendation: Amend Labor Code so that revenue (and expenditures) generated by this unit is deposited into the OSH Fund. The Elevator Safety Account will be cleared of other revenues and expenditures so that alignment of its balance and revenue-generating activities can be better monitored.

### **Asbestos and Carcinogen Units**

Collapsing the Asbestos Consultant Certification Account and the Asbestos Training Approval Account into the OSH Fund will resolve a technical problem. Both funds have surplus fund

balances which have accumulated over time. Both funds have small appropriation amounts (\$421,000 and \$147,000 respectively) which do not suffice to cover annual expenses. As a result the OSH Fund has been subsidizing this program activity. The changes recommended by this proposal will eliminate the surplus fund balances of the asbestos funds, reimburse the OSH Fund for past support, provide a one-time off set to the employer assessment, and ensure that the OSH Fund has sufficient authority going forward to support program activity.

## DLSE

**General Licensing Unit** – Issues permits for talent agency and industrial homework licenses.

**Farm Labor Enforcement & License Verification** – Issues licenses to farm labor contractors after verifying specific criteria is met.

**Minor's Temporary Entertainment Work Permit Program** – Issues temporary work permits for minors working in the entertainment industry.

The revenue generated by all of the DLSE General Licensing and Farm Enforcement & License Verification units is deposited into the General Fund. The revenue generated by Temporary Entertainment Work Permit Program is deposited into the Entertainment Work Permit Fund, even though the department receives no appropriation or expenditure authority from that fund, and all expenses of the unit are paid by the Labor Enforcement and Compliance Fund (LECF) through the annual employer assessment.

### **General Licensing Unit**

This unit is responsible for issuing licenses and permits for Talent Agencies (LC 1700.12 & 1700.13) and Industrial Homework workers (LC 2658 & 2660). As indicated above, all fees are deposited into the General Fund even though all costs for these activities are supported by the LECF. The changes recommended by this proposal will correct the fee deposit misalignment, properly offsetting the LECF for the cost of this activity.

### **Farm Labor Enforcement & License Verification**

This unit is responsible for Farm Labor Contractor Enforcement and Farm Labor Contractor License Verification. Similar to the above, a portion of the fees are deposited into the General Fund<sup>2</sup> even though all costs for these activities are supported by the LECF. The changes recommended by this proposal will correct the fee deposit misalignment, properly offsetting the LECF for the cost of this activity.

### **Minor's Temporary Entertainment Work Permit Program**

This program was established pursuant to AB 1401 (Chapter 557, Statutes of 2011) to establish a temporary permit program for the employment of minors in the entertainment industry to be administered by the Labor Commissioner. The statute also established the Temporary

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<sup>2</sup> Labor Code section 1684 requires that \$350 of the \$600 charged to Farm Labor Contractors for license renewals are deposited into the General Fund.

**Department of Industrial Relations  
FY 2016-17 Budget Change Proposal  
Revenue & Expenditure Alignment for Various Special Funds  
*Overview of Units with Misaligned Revenue & Expense***

**Attachment 1**

Entertainment Work Permit (TEWP) fund, and required the Division of Labor Standards Enforcement (DLSE) to prepare and make available on its Internet Web site the application form and requires the payment of a fee to be accepted online in an amount not to exceed \$50 for each application.

The program was successfully implemented and permits are being issued. However, the authority to expend out of the TEWP fund expired at the close of the 2014/15 fiscal year. Therefore deposits, which continue to go into the TEWP, are misaligned with expenditures, which currently are supported by the LECF. The changes recommended by this proposal will correct the fee deposit misalignment, properly offsetting the LECF for the cost of this activity.

**Child Performer Services Permit Program**

This program was established pursuant to AB 1660 (Chapter 634, Statutes of 2012), and requires that anyone who represents or provides services to an artist under the age of 18 to submit an application to the Labor Commissioner for a Child Performer Services Permit (CPSP). The program was successfully implemented. However, annual activity and revenue is insufficient to warrant maintaining a separate fund; therefore, expenses and revenue will be transferred to the LECF.

This portion of the proposal includes the elimination of 7.0 positions previously dedicated to the CPSP program. One (1.0) of these positions will be redirected to the Asbestos and Carcinogen Unit to process applications for asbestos training courses, audit training providers' records and investigate complaints (see Attachment 3). An additional 4.0 positions will be redirected to field enforcement in the Car Wash & Polishing industry (see Attachment 4).

**Summary**

As indicated in the proposal, approximately \$25 million in penalty revenue is deposited into the General Fund by DOSH and DLSE for the issuance of health and safety and labor law citations annually. Please note that these recommendations do not propose changes to these revenue deposits.

Approximately \$1.6 million in Regulatory Licenses and Permits is deposited into the General Fund each year as a result of DIR's regulatory activities, even though the General Fund no longer provides any support to the department. These recommendations, if approved, will redirect these monies into DIR special funds, providing a commensurate offset to employers by reducing the annual assessment.

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**Registration Fees to Transport or Use Minors for Door-to-Door Sales (Labor Code §§ 1308.2, 1308.3); Temporary Work Permits for Minors (Labor Code §1308.10)**

Section 1308.10 of the Labor Code is amended to read:

**1308.10.** (a) Prior to the employment of a minor under the age of 16 years in any of the circumstances listed in subdivision (a) of Section 1308.5, the Labor Commissioner may issue a temporary permit authorizing employment of the minor to enable a parent or guardian of the minor to meet the requirement for a permit under subdivision (a) of Section 1308.5 and to establish a trust account for the minor or to produce the documentation required by the Labor Commissioner for the issuance of a permit under Section 1308.5, subject to all of the following conditions:

(1) A temporary permit shall be valid for a period not to exceed 10 days from the date of issuance.

(2) A temporary permit shall not be issued for the employment of a minor if the minor's parent or guardian has previously applied for or been issued a permit by the Labor Commissioner pursuant to Section 1308.5 or a temporary permit pursuant to this section for employment of the minor.

(3) For infants who are subject to the requirements of Section 1308.8, a temporary permit shall not be issued before the requirements of that section are met.

(4) The Division of Labor Standards Enforcement shall prepare and make available on its

Internet Web site the application form for a temporary permit. An applicant for a temporary permit shall submit a completed application and application fee online to the division. Upon receipt of the completed application and fee, the division shall immediately issue a temporary permit.

~~(b) The Labor Commissioner shall deposit all fees for temporary permits received into the Entertainment Work Permit Fund, which is hereby created in the State Treasury. The funds deposited in the Entertainment Work Permit Fund shall be available to the Labor Commissioner, upon appropriation by the Legislature, to pay for the costs of administration of the online temporary minor's entertainment work permit program and to repay any loan from the Labor Enforcement and Compliance Fund made pursuant to subdivision (c).~~

~~(c) The Labor Commissioner may on a one-time basis borrow up to two hundred fifty thousand dollars (\$250,000) from the Labor Enforcement and Compliance Fund, as established by subdivision (e) of Section 62.5, for deposit in the Entertainment Work Permit Fund to cover the one-time startup costs related to the temporary permit program. The loan shall be repaid to the Labor Enforcement and Compliance Fund as soon as sufficient funds exist in the Entertainment Work Permit Fund to repay the loan without compromising the operations of the temporary work permit program.~~

~~(d)(b) The Labor Commissioner shall set forth the fee in an amount sufficient to pay for these the costs of administration of the online temporary minor's entertainment work permit program, but not to exceed fifty dollars (\$50).~~

Section 1308.11 is added to read:

1308.11. (a) All registrations fees and permit fees collected under this article shall be deposited in the Labor Enforcement and Compliance Fund.

(b) On the effective date of this section, any moneys in the Entertainment Work Permit Fund and any assets, liabilities, revenues, expenditures, and encumbrances of that fund shall be transferred to the Labor Enforcement and Compliance Fund.

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**Farm Labor Contractor Licenses (Labor Code § 1683)**

Section 1684 of the Labor Code is amended to read:

**1684.** (a) The Labor Commissioner shall not issue to any person a license to act as a farm labor contractor, nor shall the Labor Commissioner renew that license, until all of the following conditions are satisfied:

(1) The person has executed a written application in a form prescribed by the Labor Commissioner, subscribed and sworn to by the person, and containing all of the following:

(A) A statement by the person of all facts required by the Labor Commissioner concerning the applicant's character, competency, responsibility, and the manner and method by which the person proposes to conduct operations as a farm labor contractor if the license is issued.

(B) The names and addresses of all persons, except bona fide employees on stated salaries, financially interested, either as partners, associates, or profit sharers, in the proposed operation as a farm labor contractor, together with the amount of their respective interests.

(C) A declaration consenting to the designation by a court of the Labor Commissioner as an agent available to accept service of summons in any action against the licensee if the licensee has left the jurisdiction in which the action is commenced or otherwise has become unavailable to accept service.

(D) The names and addresses of all persons who in the previous calendar year performed any services described in subdivision (b) of Section 1682 within the scope of his or her employment by the licensee on whose behalf he or she was acting, unless the person was employed as an independent contractor.

(2) The Labor Commissioner, after investigation, is satisfied as to the character, competency, and responsibility of the person.

(3) (A) The person has deposited with the Labor Commissioner a surety bond in an

amount based on the size of the person's annual payroll for all employees, as follows:

(i) For payrolls up to five hundred thousand dollars (\$500,000), a twenty-five-thousand-dollar (\$25,000) bond.

(ii) For payrolls of five hundred thousand dollars (\$500,000) to two million dollars (\$2,000,000), a fifty-thousand-dollar (\$50,000) bond.

(iii) For payrolls greater than two million dollars (\$2,000,000), a seventy-five-thousand-dollar (\$75,000) bond.

(B) For purposes of this paragraph, the Labor Commissioner shall require documentation of the size of the person's annual payroll which may include, but is not limited to, information provided by the person to the Employment Development Department, the Franchise Tax Board, the Division of Workers' Compensation, the insurer providing the licensee's workers' compensation insurance, or the Internal Revenue Service.

(C) If the contractor has been the subject of a final judgment in a year in an amount equal to or greater than the amount of the bond required, he or she shall be required to deposit an additional bond within 60 days.

(D) All bonds required under this chapter shall be payable to the people of the State of California and shall be conditioned upon the farm labor contractor's compliance with all the terms and provisions of this chapter and subdivisions (j) and (k) of Section 12940 of, and Sections 12950 and 12950.1 of, the Government Code, and payment of all damages occasioned to any person by failure to do so, or by any violation of this chapter or of subdivision (j) or (k) of Section 12940 of, or of Section 12950 or 12950.1 of, the Government Code, or any violation of Title VII of the Civil Rights Act of 1964 (Public Law 88-352), or false statements or misrepresentations made in the procurement of the license. The bond shall also be payable for interest on wages and for any damages arising from violation of orders of the Industrial Welfare Commission, and for any other monetary relief awarded to an agricultural worker as a result of a violation of this code or of subdivision (j) or (k) of Section 12940 of, or Section 12950 or 12950.1 of, the Government Code, or any violation of Title VII of the Civil Rights Act of 1964

(Public Law 88-352).

(4) The person has paid to the Labor Commissioner a license fee of five hundred dollars (\$500) plus a filing fee of ten dollars (\$10). However, when a timely application for renewal is filed, the ten-dollar (\$10) filing fee is not required. The license fee shall increase by one hundred dollars (\$100), to six hundred dollars (\$600), on January 1, 2015. The amount attributable to this increase shall be expended by the Labor Commissioner to fund the Farm Labor Contractor Enforcement Unit and the Farm Labor Contractor License Verification Unit. ~~Notwithstanding Section 1698, no portion of that increase shall be credited to the General Fund.~~ The Labor Commissioner shall deposit one hundred fifty dollars (\$150) of each licensee's annual license fee into the Farmworker Remedial Account. Funds from this account shall be disbursed by the Labor Commissioner only to persons determined by the Labor Commissioner to have been damaged by any licensee if the damage exceeds the amount of the licensee's bond or the surety fails to pay the full amount of the licensee's bond, or to persons determined by the Labor Commissioner to have been damaged by an unlicensed farm labor contractor. In making these determinations, the Labor Commissioner shall disburse funds from the Farmworker Remedial Account to satisfy claims against farm labor contractors or unlicensed farm labor contractors, which shall also include interest on wages and any damages arising from the violation of orders of the Industrial Welfare Commission, for any other monetary relief awarded to an agricultural worker as a result of a violation of this code, and for all damages arising from any violation of subdivision (j) or (k) of Section 12940 of, or of Section 12950 or 12950.1 of, the Government Code, or any violation of Title VII of the Civil Rights Act of 1964 (Public Law 88-352). The Labor Commissioner may disburse funds from the Farmworker Remedial Account to farm labor contractors, for payment of farmworkers, when a contractor is unable to pay farmworkers due to the failure of a grower or packer to pay the contractor. Any disbursed funds subsequently recovered by the Labor Commissioner pursuant to Section 1693, or otherwise, shall be returned to the Farmworker Remedial Account.

(5) The person has taken a written examination that demonstrates an essential degree of knowledge of the current laws and administrative regulations concerning farm labor contractors as the Labor Commissioner deems necessary for the safety and protection of farmers,

farmworkers, and the public, including the identification and prevention of sexual harassment in the workplace. To successfully complete the examinations, the person must correctly answer at least 85 percent of the questions posed. The examination period shall not exceed four hours. The examination may only be taken a maximum of three times in a calendar year. The examinations shall include a demonstration of knowledge of the current laws and regulations regarding wages, hours, and working conditions, penalties, employee housing and transportation, collective bargaining, field sanitation, and safe work practices related to pesticide use, including all of the following subjects:

- (A) Field reentry regulations.
- (B) Worker pesticide safety training.
- (C) Employer responsibility for safe working conditions.
- (D) Symptoms and appropriate treatment of pesticide poisoning.

(6) The person has registered as a farm labor contractor pursuant to the federal Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sec. 1801 et seq.), when registration is required pursuant to federal law, and that information is provided by the person to the Labor Commissioner.

(7) Each of the person's employees has registered as a farm labor contractor employee pursuant to the federal Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sec. 1801 et seq.) if that registration is required pursuant to federal law, and that information is provided by the person to the Labor Commissioner.

(8) (A) The person has executed a written statement, that has been provided to the Labor Commissioner, attesting that the person's supervisory employees, including any supervisor, crewleader, mayordomo, foreperson, or other employee whose duties include the supervision, direction, or control of agricultural employees, have been trained at least once for at least two hours each calendar year in the prevention of sexual harassment in the workplace, and that all new nonsupervisory employees, including agricultural employees, have been trained at the time of hire, and that all nonsupervisory employees, including agricultural employees, have been

trained at least once every two years in identifying, preventing, and reporting sexual harassment in the workplace.

(B) Sexual harassment prevention training shall consist of training administered by a licensee or appropriate designee of the licensee.

(C) Sexual harassment prevention training shall include, at a minimum, components of the following as consistent with Section 12950 of the Government Code:

- (i) The illegality of sexual harassment.
- (ii) The definition of sexual harassment under applicable state and federal law.
- (iii) A description of sexual harassment, utilizing examples.
- (iv) The internal complaint process of the employer available to the employee.
- (v) The legal remedies and complaint process available through the Department of Fair Employment and Housing.
- (vi) Directions for how to contact the Department of Fair Employment and Housing.
- (vii) The protection against retaliation provided under current law.

(D) The trainer may use the text of the Department of Fair Employment and Housing's pamphlet DFEH-185, "Sexual Harassment" as a guide to training, or may use other written material or other training resources covering the information required in subparagraph (C).

(E) At the conclusion of the training, the trainer shall provide the employee with a copy of the Department of Fair Employment and Housing's pamphlet DFEH-185, and a record of the training on a form provided by the Labor Commissioner that includes the name of the trainer and the date of the training.

(F) The licensee shall keep a record with the names of all employees who have received sexual harassment training for a period of three years.

(b) The Labor Commissioner shall consult with the Director of Pesticide Regulation, the Department of the California Highway Patrol, the Department of Housing and Community

Development, the Employment Development Department, the Department of Fair Employment and Housing, the Department of Food and Agriculture, the Department of Motor Vehicles, and the Division of Occupational Safety and Health in preparing the examination required by paragraph (5) of subdivision (a) and the appropriate educational materials pertaining to the matters included in the examination, and may charge a fee of not more than two hundred dollars (\$200) to cover the cost of administration of the examination.

(c) The person shall also enroll and participate in at least nine hours of relevant educational classes each year. The classes shall include at least one hour of sexual harassment prevention training. The classes shall be chosen from a list of approved classes prepared by the Labor Commissioner, in consultation with the persons and entities listed in subdivision (b) and county agricultural commissioners.

(d) The Labor Commissioner may renew a license without requiring the applicant for renewal to take the examination specified in paragraph (5) of subdivision (a) if the Labor Commissioner finds that the applicant meets all of the following criteria:

(1) Has satisfactorily completed the examination during the immediately preceding two years.

(2) Has not during the preceding year been found to be in violation of any applicable laws or regulations including, but not limited to, Division 7 (commencing with Section 12501) of the Food and Agricultural Code, subdivisions (j) and (k) of Section 12940 of, and Section 12950 or 12950.1 of, the Government Code, Part 1 (commencing with Section 17000) of Division 13 of the Health and Safety Code, Division 2 (commencing with Section 200), Division 4 (commencing with Section 3200), and Division 5 (commencing with Section 6300) of this code, and Chapter 1 (commencing with Section 12500) of Division 6 of the Vehicle Code.

(3) Has, for each year since the license was obtained, enrolled and participated in at least eight hours of relevant, educational classes, chosen from a list of approved classes prepared by the Labor Commissioner.

(4) Has complied with all other requirements of this section.

Section 1698 of the Labor Code is amended to read:

**1698.** All fines collected for violations of this chapter shall be paid into the Farmworker Remedial Account and shall be available, upon appropriation, for purposes of this chapter. Of the moneys collected for licenses issued pursuant to this chapter, one hundred fifty dollars (\$150) of each annual license fee shall be deposited in the Farmworker Remedial Account pursuant to paragraph (4) of subdivision (a) of Section 1684, three hundred fifty dollars (\$350) of each annual license fee shall be expended by the Labor Commissioner to fund the Farm Labor Contractor Enforcement Unit and the Farm Labor Contractor License Verification Unit, both within the department, and the remaining money shall be paid into the State Treasury and credited to the General Fund Labor Enforcement and Compliance Fund.

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**Talent Agency License Fees (Labor Code §§ 1700.12, 1700.13)**

Section 1700.18 of the Labor Code is amended to read:

**1700.18.** (a) All moneys collected for filing fees and licenses and all fines collected for violations of the provisions of under this chapter shall be paid into the State Treasury and credited to the General Fund Labor Enforcement and Compliance Fund.

(b) All fines collected for violations of the provisions of this chapter shall be paid into the State Treasury and credited to the General Fund.

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**Child Performer Services Permits (Labor Code § 1706)**

Section 1706 of the Labor Code is amended to read:

**1706.** (a) (1) No person shall represent or provide specified services to any artist who is a minor, under 18 years of age, without first submitting an application to the Labor Commissioner for a Child Performer Services Permit and receiving that permit.

(2) The Labor Commissioner shall set forth a filing fee, to be paid by the applicant to the

commissioner at the time the application is filed, in an amount sufficient to reimburse the Labor Commissioner for the costs of the permit program. This amount shall be in addition to any charge imposed by the Labor Commissioner pursuant to paragraph (3) of subdivision (c).

(3) (A) The Labor Commissioner shall issue a Child Performer Services Permit to the applicant after he or she has received the application and filing fee and determined from information provided by the Department of Justice that the person is not required to register pursuant to Sections 290 to 290.006, inclusive, of the Penal Code.

(B) After receiving his or her first Child Performer Services Permit, a person shall on a biennial basis renew his or her application by resubmitting his or her name and a new filing fee to the Labor Commissioner in the amount set forth by the Labor Commissioner pursuant to paragraph (2). The Labor Commissioner shall issue a renewed permit to the person after receiving his or her application and filing fee and determining from the subsequent arrest notification provided by the Department of Justice pursuant to subparagraph (D) of paragraph (2) of subdivision (c) that the person is not required to register pursuant to Sections 290 to 290.006, inclusive, of the Penal Code. A person shall not be required to resubmit his or her fingerprints in order to renew his or her permit.

(b) Except for subdivision (f) and Sections 1706.1 to 1706.5, inclusive, when applied to a violation of subdivision (f), this chapter does not apply to the following:

(1) A person licensed as a talent agent as specified in Chapter 4 (commencing with Section 1700), or operating under the license of a talent agent.

(2) A studio teacher certified by the Labor Commissioner as defined in Section 11755 of Title 8 of the California Code of Regulations.

(3) A person whose contact with minor children is restricted to locations where, either by law or regulation, the minor must be accompanied at all times by a parent or guardian, and the parent or guardian must be within sight or sound of the minor.

(4) A person who has only incidental and occasional contact with minor children, unless the person works directly with minor children, has supervision or disciplinary power over minor

children, or receives a fee.

(c) (1) Each person required to submit an application to the Labor Commissioner pursuant to paragraph (1) of subdivision (a) shall provide to the Department of Justice electronic fingerprint images and related information required by the department of all permit applicants, for the purposes of obtaining information as to the existence and content of a record of state or federal arrests and convictions, including arrests for which the Department of Justice establishes that the person is free on bail or on his or her recognizance pending trial or appeal.

(2) (A) When received, the Department of Justice shall forward the fingerprint images and related information described in paragraph (1) to the Federal Bureau of Investigation and request a federal summary for criminal history information.

(B) (i) The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the Labor Commissioner.

(ii) The Department of Justice's response shall provide both state and federal criminal history information pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(C) The Labor Commissioner shall request from the Department of Justice subsequent arrest notification service, as provided pursuant to Section 11105.2 of the Penal Code, for each person who submitted fingerprint images and the related information pursuant to paragraph (1).

(3) (A) The Department of Justice shall charge the Labor Commissioner a fee sufficient to cover the cost of processing the request described in paragraph (2).

(B) In addition to the filing fee paid by the applicant pursuant to subdivision (a) to reimburse the Labor Commissioner for the costs of the permit program, the Labor Commissioner may charge the applicant a fee sufficient to cover the costs of the fee imposed by the Department of Justice pursuant to subparagraph (A). The amount of the fee imposed pursuant to this subparagraph shall be forwarded by the Labor Commissioner to the Department of Justice with the applicant's name, fingerprints, and other information described in paragraph (1). This fee shall be available to the Department of Justice for the purposes described in subparagraph (A),

upon appropriation by the Legislature.

(4) Upon receipt of information from the Department of Justice provided pursuant to subparagraphs (C) and (D) of paragraph (2), the commissioner shall timely cause a copy of the information to be sent to the person who has submitted the application, and shall keep a copy of the information and application on file.

(d) The Labor Commissioner shall maintain a list of all persons holding a valid Child Performer Services Permit issued under this chapter and make this list publicly available on its Internet Web site.

(e) (1) Upon receipt of a valid Child Performer Services Permit, the recipient shall post the permit in a conspicuous place in his or her place of business.

(2) Any person who is a recipient of a valid Child Performer Services Permit shall include the permit number on advertising in print or electronic media, including, but not limited to, Internet Web sites, or in any other medium of advertising.

(f) No person, including a person described in subdivision (b), who is required to register pursuant to Sections 290 to 290.006, inclusive, of the Penal Code may represent or provide specified services to any artist who is a minor.

(g) For purposes of this section, the following terms have the following meanings:

(1) "Artist" means a person who is or seeks to become an actor, actress, model, extra, radio artist, musical artist, musical organization, director, musical director, writer, cinematographer, composer, lyricist, arranger, or other person rendering professional services in motion picture, theatrical, radio, television, Internet, print media, or other entertainment enterprises or technologies.

(2) Except as used in the context of a fee an applicant is required to pay with his or her application, "fee" means any money or other valuable consideration paid or promised to be paid by an artist, by an individual on behalf of an artist, or by a corporation formed on behalf of an artist for services rendered or to be rendered by any person conducting the business of representing artists.

(3) "Person" means any individual, company, society, firm, partnership, association, corporation, limited liability company, trust, or other organization.

(4) To "represent or provide specified services to" means to provide, offer to provide, or advertise or represent as providing, for a fee one or more of the following services:

(A) Photography for use as an artist, including, but not limited to, still photography, digital photography, and video and film services.

(B) Managing or directing the development or advancement of the artist's career as an artist.

(C) Career counseling, career consulting, vocational guidance, aptitude testing, evaluation, or planning, in each case relating to the preparation of the artist for employment as an artist.

(D) Public relations services or publicity, or both, including arranging personal appearances, developing and distributing press packets, managing fan mail, designing and maintaining Internet Web sites, and consulting on media relations.

(E) Instruction, evaluation, lessons, coaching, seminars, workshops, or similar training as an artist, including, but not limited to, acting, singing, dance, voice, or similar instruction services.

(F) A camp for artists, which includes, but is not limited to, a day camp or overnight camp in which any portion of the camp includes any services described in subparagraphs (A) to (E), inclusive.

(h) (1) The Labor Commissioner shall deposit all filing fees described in subdivision (a) into the ~~Child Performer Services Permit Fund, which is hereby created in the State Treasury. The funds deposited in the Labor Enforcement and Compliance Fund~~ Child Performer Services Permit Fund shall be available to the Labor Commissioner, upon appropriation by the ~~Legislature,~~ to pay for the costs of administration of the Child Performer Services Permit program and to repay any loan from the Labor Enforcement and Compliance Fund made pursuant to paragraph (2).

~~(2) Until June 30, 2013, the Labor Commissioner may, on a one-time basis, borrow up to two hundred fifty thousand dollars (\$250,000) from the Labor Enforcement and Compliance Fund, as established by subdivision (e) of Section 62.5, for deposit in the Child Performer Services Permit Fund to cover the one-time startup costs related to the Child Performer Services Permit program. The loan shall be repaid to the Labor Enforcement and Compliance Fund, or any successor fund, as soon as sufficient funds exist in the Child Performer Services Permit Fund to repay the loan without compromising the operations of the permit program.~~

(2) On the effective date of the statute adding this subdivision, any moneys in the Child Performer Services Permit Fund and any assets, liabilities, revenues, expenditures, and encumbrances of that fund shall be transferred to the Labor Enforcement and Compliance Fund.

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### **Car Wash Worker Fund**

#### CHAPTER 2. Registration [2054 - 2065]

( Chapter 2 added by Stats. 2003, Ch. 825, Sec. 2. )

**2054.** Every employer shall register with the commissioner annually.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2055.** The commissioner shall not permit any employer to register, or to renew registration, until all of the following conditions are satisfied:

(a) The employer has applied for registration to the commissioner by presenting proof of compliance with the local government's business licensing or regional regulatory requirements.

(b) The employer has obtained a surety bond issued by a surety company admitted to do business in this state. The principal sum of the bond shall not be less than one hundred fifty thousand dollars (\$150,000). The employer shall file a copy of the bond with the commissioner.

(1) The bond required by this section shall be in favor of, and payable to, the people of the State of California, and shall be for the benefit of any employee damaged by his or her employer's failure to pay wages, interest on wages, or fringe benefits, or damaged by violation of

Section 351 or 353.

(2) Thirty days prior to the cancellation or termination of any surety bond required by this section, the surety shall send written notice to both the employer and the commissioner, identifying the bond and the date of the cancellation or termination.

(3) An employer shall not conduct any business until the employer obtains a new surety bond and files a copy of it with the commissioner.

(4) This subdivision shall not apply to an employer covered by a valid collective bargaining agreement, if the agreement expressly provides for all of the following:

(A) Wages.

(B) Hours of work.

(C) Working conditions.

(D) An expeditious process to resolve disputes concerning nonpayment of wages.

(c) The employer has documented that a current workers' compensation insurance policy is in effect for the employees.

(d) The employer has paid the fees established pursuant to Section 2059.

(Amended by Stats. 2014, Ch. 71, Sec. 110. Effective January 1, 2015.)

**2056.** When a certificate of registration is originally issued or renewed under this chapter, the commissioner shall provide related and supplemental information to the registrant regarding business administration and applicable labor laws.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2057.** Proof of registration shall be by an official Division of Labor Standards Enforcement registration form. Each employer shall post the registration form where it may be read by the employees during the workday.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2058.** At least 30 days prior to the expiration of each registrant's registration, the

commissioner shall mail a renewal notice to the last known address of the registrant. However, omission of the commissioner to provide the renewal notice in accordance with this subdivision may not excuse a registrant from making timely application for renewal of registration, may not be a defense in any action or proceeding involving failure to renew registration, and may not subject the commissioner to any legal liability.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2059.** (a) The commissioner shall collect from employers a registration fee of ~~two hundred fifty dollars (\$250)~~ for each branch location. The commissioner may periodically adjust the registration fee for inflation to ensure that the fee is sufficient to fund all direct and indirect costs to administer and enforce the provisions of this part.

(b) In addition to the fee specified in subdivision (a), each employer shall be assessed an annual fee equaling twenty percent of the registration fee collected pursuant to subdivision (a) of ~~fifty dollars (\$50)~~ for each branch location which shall be deposited in the Car Wash Worker Restitution Fund.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2060.** No employer may conduct any business without complying with the registration and bond requirements of this chapter.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2061.** The commissioner may not approve the registration of any employer until all of the following conditions are satisfied:

(a) The employer has executed a written application, in a form prescribed by the commissioner, subscribed, and sworn by the employer containing the following:

(1) The name of the business entity and, if applicable, its fictitious or “doing business as” name.

(2) The form of the business entity and, if a corporation, all of the following:

(A) The date of incorporation.

(B) The state in which incorporated.

(C) If a foreign corporation, the date the articles of incorporation were filed with the California Secretary of State.

(D) Whether the corporation is in good standing with the Secretary of State.

(3) The federal employer identification number (FEIN) and the state employer identification number (SEIN) of the business.

(4) The business' address and telephone number and, if applicable, the addresses and telephone numbers of any branch locations.

(5) Whether the application is for a new or renewal registration and, if the application is for a renewal, the prior registration number.

(6) The names, residential addresses, telephone numbers, and Social Security numbers of the following persons:

(A) All corporate officers, if the business entity is a corporation.

(B) All persons exercising management responsibility in the applicant's office, regardless of form of business entity.

(C) All persons, except bona fide employees on regular salaries, who have a financial interest of 10 percent or more in the business, regardless of the form of business entity, and the actual percent owned by each of those persons.

(7) The policy number, effective date, expiration date, and name and address of the carrier of the applicant business' current workers' compensation coverage.

(8) Whether any persons named in response to subparagraphs (A), (B), or (C) of subparagraph (6) of this section presently:

(A) Owe any unpaid wages.

(B) Have unpaid judgments outstanding.

(C) Have any liens or suits pending in court against himself or herself.

(D) Owe payroll taxes, or personal, partnership, or corporate income taxes, Social Security taxes, or disability insurance.

An applicant who answers affirmatively to any item described in paragraph (8) shall provide, as part of the application, additional information on the unpaid amounts, including the name and address of the party owed, the amount owed, and any existing payment arrangements.

(9) Whether any persons named in response to subparagraphs (A), (B), or (C) of paragraph (6) of this section have ever been cited or assessed any penalty for violating any provision of the Labor Code.

An applicant who answers affirmatively to any item described in paragraph (9) shall provide additional information, as part of the application, on the date, nature of citation, amount of penalties assessed for each citation, and the disposition of the citation, if any. The application shall describe any appeal filed. If the citation was not appealed, or if it was upheld on appeal, the applicant shall state whether the penalty assessment was paid.

(b) The employer has paid a registration fee to the commissioner pursuant to subdivision (d) of Section 2055.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2062.** The commissioner may not register or renew the registration of an employer in any of the following circumstances:

(a) The employer has not fully satisfied any final judgment for unpaid wages due to an employee or former employee of a business for which the employer is required to register under this chapter.

(b) The employer has failed to remit the proper amount of contributions required by the Unemployment Insurance Code or the Employment Development Department had made an assessment for those unpaid contributions against the employer that has become final and the employer has not fully paid the amount of delinquency for those unpaid contributions.

(c) The employer has failed to remit the amount of Social Security and Medicare tax contributions required by the Federal Insurance Contributions Act (FICA) to the Internal

Revenue Service and the employer has not fully paid the amount or delinquency for those unpaid contributions.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2063.** On the Web site of the Department of Industrial Relations the Labor Commissioner shall post a list of registered car washing and polishing businesses, including the name, address, registration number, and effective dates of registration.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2064.** An employer who fails to register pursuant to Section 2054 is subject to a civil fine of one hundred dollars (\$100) for each calendar day, not to exceed ten thousand dollars (\$10,000), the employer conducts car washing and polishing while unregistered.

(Added by Stats. 2003, Ch. 825, Sec. 2. Effective January 1, 2004.)

**2065.** (a) The Car Wash Worker Restitution Fund is established in the State Treasury.

(1) The following moneys shall be deposited into this fund:

(A) The annual fee required pursuant to subdivision (b) of Section 2059.

(B) Fifty percent of the fines collected pursuant to Section 2064.

(C) Twenty percent ~~Fifty dollars (\$50)~~ of the initial registration fee required pursuant to subdivision (a) of Section 2059.

(2) Upon appropriation by the Legislature, the moneys in the fund shall be disbursed by the commissioner only to persons determined by the commissioner to have been damaged by the failure to pay wages and penalties and other related damages by any employer, to ensure the payment of wages and penalties and other related damages. Any disbursed funds subsequently recovered by the commissioner shall be returned to the fund.

(b) The Car Wash Worker Fund is established in the State Treasury.

(1) The following moneys shall be deposited into this fund:

(A) Fifty percent of the fines collected pursuant to Section 2064.

(B) The initial registration fee required pursuant to subdivision (a) of Section 2059, less the amount specified in subparagraph (C) of paragraph (1) of subdivision (a).

(2) Upon appropriation by the Legislature, the moneys in this fund shall be applied to all direct and indirect costs incurred by the commissioner in administering the provisions of this part and all direct and indirect costs of enforcement and investigation of the car washing and polishing industry.

(c) The Department of Industrial Relations may establish by regulation those procedures necessary to carry out the provisions of this section.

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**Industrial Homework License and Permit Fees (Labor Code §§ 2658, 2660)**

Section 2658 of the Labor Code is amended to read:

**2658.** No person shall employ an industrial homeworker in any industry not prohibited by Section 2651 unless the person employing an industrial homeworker has obtained a valid industrial homework license from the division.

Application for a license to employ industrial homeworkers shall be made to the division in such form as the division may by regulation prescribe. A license fee of one hundred dollars (\$100) for each industrial homeworker employed shall be paid to the division and such license shall be valid for a period of one year from the date of issuance unless sooner revoked or suspended.

Renewal fees shall be at the same rate and conditions as the original license.

The division may revoke or suspend the license upon a finding that the person has violated this part or has failed to comply with the regulations of the division or with any provision of the license. The industrial homework license shall not be transferable.

All license and permit fees received under this part shall be paid into the ~~State Treasury~~ Labor Enforcement and Compliance Fund.

----- *end DLSE*

----- *begin Cal/OSHA*

**Construction, Demolition, and Asbestos-Related Work Permits and Registrations (Labor Code §§ 6500, 6501 6501.5)**

Section 6507 of the Labor Code is amended to read:

**6507.** The division shall set a fees to be charged for such permits and registrations under this chapter in an amounts reasonably necessary to cover the costs involved in investigating and issuing such permits administering the permitting and registration programs in this chapter. All permit and registration fees collected under this chapter shall be deposited in the Occupational Safety and Health Fund.

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**Elevators, etc. Permit and Inspector Certifications (Labor Code §§ 7301, 7301.1, 7304, 7311, 7311.1, 7311.4, 7314)**

Section 7311.4 of the Labor Code is amended to read:

**7311.4.** (a) The division shall establish fees for initial and renewal applications for certification under this chapter as a certified qualified conveyance inspector, certified qualified conveyance company, or certified competent conveyance mechanic based upon the actual costs involved with the certification process, including the cost of developing and administering any tests as well as division's costs of administering the certification and licensing program in this chapter, including the cost of developing and administering any tests as well as any costs related to continuing education, revocation, or any other associated costs. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this chapter.

(b) Fees collected pursuant to this chapter are nonrefundable.

Section 7314 of the Labor Code is amended to read:

**7314.** (a) The division ~~may~~ shall, subject to subdivision (f), fix and collect fees for the inspection of conveyances as it deems necessary to cover the division's costs of administering the inspection and permitting programs in this chapter, including fees ~~the actual costs of having~~

~~the inspection performed by a division safety engineer, including administrative costs, and the costs related to regulatory development as required by Section 7323. An additional fee may, in the discretion of the division, be charged for necessary subsequent inspections to determine if applicable safety orders have been complied with and for. The division may fix and collect fees for field consultations regarding conveyances as it deems necessary to cover the actual costs of the time spent in the consultation by a division safety engineer, including administrative and travel expenses. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this chapter, including the costs related to regulatory development as required by Section 7323.~~

(b) Notwithstanding Section 6103 of the Government Code, the division may collect the fees authorized by subdivision (a) from the state or any county, city, district, or other political subdivision.

(c) Whenever a person owning or having the custody, management, or operation of a conveyance fails to pay the fees required under this chapter within 60 days after the date of notification, he or she shall pay, in addition to the fees required under this chapter, a penalty fee equal to 100 percent of the fee. Failure to pay fees within 60 days after the date of notification constitutes cause for the division to prohibit use of the conveyance.

(d) Any fees required pursuant to this section shall be set forth in regulations that shall be adopted as emergency regulations. These emergency regulations shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These regulations shall become effective immediately upon filing with the Secretary of State.

(e) For purposes of this section, the date of the invoice assessing a fee pursuant to this section shall be considered the date of notification.

(f) (1) For the 2015–16 fiscal year, the fees for the annual and biennial inspection of conveyances required by Section 7304 are suspended on a one-time basis.

(2) For the 2016–17 fiscal year, and for every fiscal year thereafter, the Director of Industrial Relations, upon concurrence of the Department of Finance, may suspend or reduce the fees for the annual and biennial inspections of conveyances required by Section 7304 on a one-time basis for that fiscal year in order to reduce the amount of moneys in the Elevator Safety Account.

Section 7315 of the Labor Code is amended to read:

**7315.** Fees shall be paid before the issuance of any permit to operate a conveyance, but a temporary permit may be issued pending receipt of fee payment. No inspection fee may be charged by the division where an inspection has been made by an inspector of an insurance company or municipality if that inspector holds a certificate as a conveyance inspector and an inspection report is filed with the division within 21 days after inspection is made, but a fee may be charged for processing and issuing the permit to operate.

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#### **Passenger Tramways (Labor Code §§ 7340 - 7357)**

### **Chapter 4**

#### **~~Aerial~~ Passenger Tramways**

Section 7340 of the Labor Code is amended to read:

**7340.** As used in this chapter:

(a) “~~Aerial~~ Passenger tramway” includes any method or device used primarily for the purpose of transporting persons by means of cables or ropes suspended between two or more points or structures.

(b) Permit means a permit issued by the division to operate ~~an aerial~~ a passenger tramway in any place.

Section 7341 of the Labor Code is amended to read:

7341. No ~~aerial~~-passenger tramway shall be operated in any place in this state unless a permit for the operation thereof is issued by the division, and unless such permit remains in effect and is kept posted conspicuously in the main operating terminal of the tramway.

Section 7342 of the Labor Code is amended to read:

7342. The operation of ~~an aerial~~-a passenger tramway by any person owning or having the custody, management, or operation thereof without a permit is a misdemeanor, and each day of operation without a permit is a separate offense. No prosecution shall be maintained where the issuance or renewal of a permit has been requested and remains unacted upon.

Section 7343 of the Labor Code is amended to read:

7343. Whenever ~~an aerial~~-a passenger tramway in any place is being operated without the permit herein required, and is in such condition that its use is dangerous to the life or safety of any person, the division, or any person affected thereby, may apply to the superior court of the county in which the ~~aerial~~-passenger tramway is located for an injunction restraining the operation of the ~~aerial~~-passenger tramway until the condition is corrected. Proof by certification of the division that a permit has not been issued, together with the affidavit of any safety engineer of the division that the operation of the ~~aerial~~-passenger tramway is dangerous to the life or safety of any person, is sufficient ground, in the discretion of the court, for the immediate granting of a temporary restraining order.

Section 7344 of the Labor Code is amended to read:

§ 7344. (a) The division shall cause all ~~aerial~~-passenger tramways to be inspected at least two times each year.

(b) At least one of the inspections required by subdivision (a) shall take place between November 15 of each year and March 15 of the succeeding year.

(c) If ~~an aerial~~-a passenger tramway is found upon inspection to be in a safe condition for operation, a permit for operation for not longer than one year shall be issued by the division.

Section 7345 of the Labor Code is amended to read:

§ 7345. If inspection shows ~~an aerial~~a passenger tramway to be in an unsafe condition, the division may issue a preliminary order requiring repairs or alterations to be made to the ~~aerial~~ passenger tramway which are necessary to render it safe, and may order the operation or use thereof discontinued until the repairs or alterations are made or the unsafe conditions are removed.

Section 7346 of the Labor Code is amended to read:

§ 7346. Unless the preliminary order is complied with, a hearing before the division shall be allowed, upon request, at which the owner, operator, or other person in charge of the ~~aerial~~ passenger tramway may appear and show cause why he should not comply with the order.

Section 7347 of the Labor Code is amended to read:

§ 7347. If it thereafter appears to the division that the ~~aerial~~ passenger tramway is unsafe and that the requirements contained in the preliminary order should be complied with, or that other things should be done to make such ~~aerial~~ passenger tramway safe, the division may order or confirm the withholding of the permit and may make such requirements as it deems proper for its repair or alteration or for the correction of such unsafe condition. Such order may thereafter be reheard by the division or reviewed by the courts in the manner specified for safety orders by Part 1 [commencing with Section 6300] of this division and not otherwise.

Section 7348 of the Labor Code is amended to read:

§ 7348. If the operation of ~~an aerial~~a passenger tramway during the making of repairs or alterations is not immediately dangerous to the safety of employees or others, the division may issue a temporary permit for the operation thereof for not to exceed 30 days during the making of repairs or alterations.

\* \* \*

Section 7350 of the Labor Code is amended to read:

7350. (a) The division ~~may~~ shall fix and collect fees for the inspection of ~~aerial~~-passenger tramways as it deems necessary to cover the ~~actual cost of having the inspection performed by a division safety engineer~~ division's costs of administering this chapter. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this chapter. The division may not charge an inspection fee for inspections performed by certified insurance inspectors, but may charge a fee ~~of not more than ten dollars (\$10) to cover the cost of~~ for processing the permit when issued by the division as a result of the inspection. Notwithstanding Section 6103 of the Government Code, the division may collect the fees authorized by this section from the state or any county, city, district, or other political subdivision.

(b) Whenever a person owning or having custody, management, or operation of ~~an aerial~~ a passenger tramway fails to pay any fee required under this chapter within 60 days after the date of notification by the division, the division shall assess a penalty fee equal to 100 percent of the initial fee. For purposes of this section, the date of the invoice fixing the fee shall be considered the date of notification.

Section 7351 of the Labor Code is amended to read:

§ 7351. Fees shall be paid before issuance of a permit to operate ~~an aerial~~-a passenger tramway, except that the division, at its own discretion, may issue a temporary operating permit not to exceed 30 days, pending receipt of payment of fees.

Section 7352 of the Labor Code is amended to read:

7352. (a) All fees collected by the division under this chapter shall be deposited into the Elevator Safety Account Occupational Safety and Health Fund to support the division's aerial-passenger tramway inspection program.

(b) On the effective date of the statute adding this subdivision, any moneys in the Elevator Safety Account that were deposited pursuant to this Section, subdivision (a) of Section 7904, or subdivision (b) of Section 7921, shall be transferred to the Occupational Safety and Health Fund, together with any assets, liabilities, revenues, expenditures, and encumbrances of

that fund that are attributable to the division's passenger tramway inspection program under this chapter, the portable amusement ride inspection program under Part 8 (commencing with Section 7900) of Division 5 of the Labor Code, and the Permanent Amusement Ride Safety Inspection Program under Part 8.1 (commencing with Section 7920) of Division 5 of the Labor Code.

Section 7353 of the Labor Code is amended to read:

**7353.** No ~~aerial~~-passenger tramway shall be constructed or altered until the plans and design information have been properly certified to the division by an engineer qualified under the Civil and Professional Engineers Act (Chapter 7, commencing with Section 6700, of Division 3 of the Business and Professions Code).

Any person who owns, has custody of, manages, or operates ~~an aerial~~-a passenger tramway shall notify the division prior to any major repair of such tramway.

Section 7354 of the Labor Code is amended to read:

**7354.** The division shall not issue an operating permit to operate ~~an aerial~~-a passenger tramway until it receives certification in writing by an engineer qualified under the Civil and Professional Engineers Act (Chapter 7, commencing with Section 6700, of Division 3 of the Business and Professions Code) that the erection work on such tramway has been completed in accordance with the design and erection plans for such tramway.

Section 7354.5 of the Labor Code is amended to read:

**7354.5.** Notwithstanding any other provision of this chapter, in any case in which an insurer admitted to transact insurance in this state has inspected or caused to be inspected, by a qualified, licensed professional engineer who is registered in California pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, any ~~aerial~~-passenger tramway used as a ski lift, the division may, if it finds such inspections were made according to the provisions of subdivisions (a) and (b) of Section 7344, accept such inspections in lieu of any other inspections for that year, except that the initial inspection of a new ski lift or of a major alteration to an existing ski lift shall be performed by a division safety

engineer. Such private inspector shall, before commencing his duties therein, secure from the division a certificate of competency to make such inspections. The division may determine the competency of any applicant for such certificate, either by examination or by other satisfactory proof of qualification.

The division may rescind at any time, upon good cause being shown therefor, and after hearing, if requested, any certificate of competency issued by it to a ski lift inspector. The inspection reports made to the division shall be in such form and content as the division may find necessary for acceptance as a proper inspection made by such private inspector.

\* \* \*

Section 7354.5 of the Labor Code is amended to read:

**7356.** The division shall, under the authority of Section 7355, promulgate and cause to be published safety orders directing each owner or operator of ~~an aerial~~a passenger tramway to report to the division each known incident where the maintenance, operation, or use of such tramway results in injury to any person, unless such injury does not require medical service other than ordinary first aid treatment.

Section 7354.5 of the Labor Code is amended to read:

**7357.** The division shall establish standards for the qualification of persons engaged in the operation of ~~aerial~~a passenger tramways, whether as employees or otherwise. The standards shall be consistent with the general objective of this chapter in providing for the safety of members of the public who use ~~aerial~~a passenger tramways and those engaged in their operation.

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**Tower Crane Permit and Inspector Certification Fees (Labor Code §§ 7373, 7380)**

Section 7373 of the Labor Code is amended to read:

**7373.** (a) No tower crane shall be operated at any worksite unless an employer obtains a permit from the division. The division shall conduct an investigation for purposes of issuing a

permit in an expeditious manner. If the division does not issue a permit within 10 days after being requested to do so by a crane employer, the crane employer may operate the crane without a permit.

(b) The division shall set ~~a fee-fees~~ to be charged for these permits in an amount sufficient to cover the ~~cost of funding the issuance of the permits and the safety engineers as provided by subdivision (a) of Section 7372~~ costs of administering this article. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this article.

(c) The permit for a fixed tower crane shall be valid for the period of time that the tower crane is fixed to the site.

(d) The permit for a mobile tower crane shall be valid for one calendar year.

Section 7380 of the Labor Code is amended to read:

**7380.** (a) The division shall set fees for the examination and licensing of crane certifiers as necessary to cover the actual costs, including administrative costs, of administering this article. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this article. All fees collected by the division under this chapter shall be paid into the General Fund.

(b) All fees collected by the division under this chapter shall be deposited into the Occupational Safety and Health Fund.

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**Pressure Vessel Certification of Inspectors, Permits, Inspections, and Related (Labor Code §§ 7651, 7682, 7683, 7720, and 7721)**

Section 7720 of the Labor Code is amended to read:

7720. No inspection fee shall be charged by the division where an inspection is made by a certified inspector; provided, the inspection has been made and reports have been submitted within the time limits specified in this part.

Section 7721 of the Labor Code is amended to read:

7721. (a) The division ~~may~~ shall fix and collect fees for the shop, field, and resale inspection of tanks and boilers and for consultations, surveys, audits, and other activities required or related to national standards concerning the design or construction of boilers or pressure vessels or for evaluating fabricator's plant facilities when these services are requested of the division by entities desiring these services. The division ~~may~~ shall fix and collect the fees for the inspection of pressure vessels ~~as it deems necessary to cover the actual costs of having the inspection performed by a division safety engineer, including administrative costs~~. An additional fee may, in the discretion of the division, be charged for necessary subsequent inspections to determine if applicable safety orders have been complied with.

(b) The division ~~may~~ shall charge a fee ~~of not more than fifteen dollars (\$15) to cover the cost of~~ for processing a permit.

(c) The division ~~may~~ shall fix and collect fees for field consultations regarding pressure vessels ~~as it deems necessary for the time spent in the consultation by a division safety engineer, including administrative expenses~~.

(d) Whenever a person owning or having the custody, management, or operation of a pressure vessel fails to pay the fees required under this chapter within 60 days after notification, he or she shall pay, in addition to the fees required under this chapter, a penalty fee equal to 100 percent of the fee.

(e) Any fees required pursuant to this section shall be in amounts sufficient to cover the division's direct and indirect costs for administering this part and shall be embodied in regulations which shall be adopted as emergency regulations. These emergency regulations shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with

Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These regulations shall become effective immediately upon filing with the Secretary of State.

Section 7722 of the Labor Code is amended to read:

**7722.** The ~~inspection fees~~ collected under this ~~chapter-part~~ shall be paid into the Pressure Vessel Account, which is hereby created, to be used for the administration of the division pressure vessel safety program.

The division shall establish criteria upon which fee charges are based and prepare an annual report concerning revenues obtained and expenditures appropriated for the pressure vessel safety program. The division shall file the report with the Legislative Analyst, the Joint Legislative Audit Committee, and the Department of Finance.

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**Portable Amusement Ride Inspections (Labor Code §7904)**

Section 7904 of the Labor Code is amended to read:

**7904.** (a) The division ~~may shall~~ fix and collect all fees for the inspection of amusement rides that it deems necessary to cover the actual cost of having the inspection performed by a division safety engineer administering this part. Fees shall be charged to a person or entity receiving the division's services as provided by this part, as set out in regulations adopted pursuant to this part, including, but not limited to, approvals, determinations, permits, investigations, inspections and reinspections, certifications and recertifications, receipt and review of certificates, reports and inspections. ~~The division may not charge for inspections performed by certified insurance inspectors or an inspector for a public entity, but may charge a fee of not more than ten dollars (\$10) to cover the cost of processing the permit when issued by the division as a result of the inspection.~~ In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this part. All fees collected by the division under this section shall be

deposited into the ~~Elevator Safety Account~~ Occupational Safety and Health Fund to support the division's portable amusement ride inspection program.

(b) Any fees required pursuant to this section shall be set forth in regulations. For the 2016-17 fiscal year, those regulations shall be adopted as emergency regulations. These emergency regulations shall not be subject to the review and approval of the Office of Administrative Law pursuant to the provisions of the Administrative Procedure Act provided for in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These emergency regulations shall become effective immediately upon filing with the Secretary of State.

(c) The division shall annually prepare and submit to the Division of Fairs and Expositions within the Department of Food and Agriculture, post on its website a report summarizing all inspections of amusement rides and accidents occurring on amusement rides. This annual report shall also may contain all-route location information submitted to the division by permit applicants.

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### **Permanent Amusement Ride Safety Inspection Program (Labor Code 7929)**

Section 7929 of the Labor Code is amended to read:

**7929.** (a) The division ~~may~~ shall fix and collect all fees necessary to cover the division's costs of administering this part. Fees shall be charged to a person or entity receiving the division's services as provided by this part ~~or by~~, as set out in regulations adopted pursuant to this part, including, but not limited to, approvals, determinations, certifications and recertifications, receipt and review of certificates, and inspections. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this part. Notwithstanding Section 6103 of the Government Code, the division may collect these fees from the state or any county, city, district, or other political subdivision.

~~(b) Effective June 30, 2007, a~~ All fees collected pursuant to this section shall be deposited into the ~~Elevator Safety Account~~ Occupational Safety and Health Fund to support the Permanent Amusement Ride Safety Inspection Program. ~~All moneys in the Permanent Amusement Ride Safety Inspection Fund as of that date shall be transferred to the Elevator Safety Account to be used for the same purpose, and any outstanding liabilities and encumbrances of the fund shall become liabilities and encumbrances payable from the Elevator Safety Account.~~

(c) Whenever a person owning or having custody, management, or operation of a permanent amusement ride fails to pay any fee required under this part within 60 days after the date of notification by the division, the division shall assess a penalty fee equal to 100 percent of the initial fee. For purposes of this section, the date of the invoice fixing the fee shall be considered the date of notification.

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**Tunnels and Mines Blasters' Licenses and Certification of Gas Testers and Safety Representatives (Labor Code §§ 7990, 7991, 7999, 8001)**

Section 7991 of the Labor Code is amended to read:

**7991.** (a) To obtain a license under Section 7990, and to renew such a license, a person shall pass an oral and written examination given by the division. The division shall offer such examination in Spanish, or any other language, when requested by the applicant. The division shall administer such examination orally when requested by an applicant who cannot write. ~~Application for such license shall cost fifteen dollars (\$15), which is nonreturnable. Licenses shall be renewable every five years at a fee of fifteen dollars (\$15).~~

(b) The division shall set a nonrefundable fee for processing applications for licenses required by Section 7990 and a fee for administering examinations under this section. In fixing the amount of these fees, the division may include direct costs and a reasonable percentage attributable to the indirect costs of the division for administering this chapter. Such fees shall be deposited into the Occupational Safety and Health Fund.

Section 8001 of the Labor Code is amended to read:

~~8001. A fee~~ Fees sufficient to cover the division's direct and indirect costs of administering the examination and certification of gas testers and safety representatives for tunnels and mines, but not more than fifteen dollars (\$15) for original applications and fifteen dollars (\$15) for renewals, ~~may~~ shall be charged by the division. Renewals shall be made every five years.

Section 8002 of the Labor Code is amended to read:

**8002.** All fees from such applications shall be nonrefundable. Such fees shall be ~~paid~~ deposited into the ~~State Treasury by the division to the credit of the General Fund~~ Occupational Safety and Health Fund.

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**Certification of Asbestos Consultants and Training Programs (Labor Code §§ 9021.6, 9021.9)**

Section 9021.6 of the Labor Code is amended to read:

**9021.6.** (a) ~~The division may~~ shall charge a fee to each asbestos consultant and site surveillance technician who applies for certification pursuant to subdivision (b) of Section 9021.5 and Article 11 (commencing with Section 7180) of Chapter 9 of Division 3 of the Business and Professions Code. The fee shall be sufficient to cover the division's direct and indirect costs for administering the certification process, including preparation and administration of the examination. The fees collected shall be deposited in the ~~Asbestos Consultant Certification Account~~ Occupational Safety and Health Fund. Establishment of any fee pursuant to this section shall be accomplished through the regulatory process required by subdivision (b) of Section 9021.5.

(b) On the effective date of this subdivision, any moneys in the Asbestos Training and Consultant Certification Fund and any assets, liabilities, revenues, expenditures, and encumbrances of that fund shall be transferred to the Occupational Safety and Health Fund.

Section 9021.7 of the Labor Code is repealed.

~~9021.7. (a) There is hereby created the Asbestos Training and Consultant Certification Fund, which shall consist of the Asbestos Training Approval Account and the Asbestos Consultant Certification Account. Moneys in the Asbestos Training Approval Account shall consist of the fees collected pursuant to Section 9021.9. Moneys in the Asbestos Consultant Certification Account shall consist of the fees collected pursuant to Section 9021.6.~~

~~(b) Moneys in the Asbestos Training Approval Account shall be available, upon appropriation by the Legislature, for expenditure only for administering the training entity approval process provided for in Section 9021.9. Moneys in the Asbestos Consultant Certification Account shall be available, upon appropriation by the Legislature, only for administering the certification process provided for in Section 9021.6.~~

Section 9021.9 of the Labor Code is amended to read:

**9021.9.** (a) The division shall establish an advisory committee to develop and recommend by September 30, 1994, for action by the standards board in accordance with Section 142.3, specific requirements for hands-on, task-specific training programs for all craft employees who may be exposed to asbestos-containing construction materials and all employees and supervisors involved in operations pertaining to asbestos cement pipe, as specified in subdivision (c) of Section 6501.8. The training programs shall include, but not be limited to, the following information:

- (1) The physical characteristics and health hazards of asbestos.
- (2) The types of asbestos cement pipe or asbestos-containing construction materials an employee may encounter in his or her specific work assignments.
- (3) Safe practices and procedures for minimizing asbestos exposures from operations involving asbestos cement pipe or asbestos-containing construction materials.
- (4) A review of general industry and construction safety orders relating to asbestos exposure.
- (5) Hands-on instruction using pipe or other construction materials and the tools and equipment employees will use in the workplace.

(b) The division shall approve training entities to conduct task-specific training programs that include the requirements prescribed by the standards board pursuant to this section for employees and supervisors involved in operations pertaining to asbestos cement pipe or asbestos-containing construction materials.

(c) The division shall charge a fee to each asbestos training entity approved by the division pursuant to subdivision (b). The fee shall be sufficient to cover the division's direct and indirect costs for administering the approval process provided for in subdivision (b). The fees collected shall be deposited in the ~~Asbestos Training Approval Account~~ Occupational Safety and Health Fund. Establishment of any fee pursuant to this section shall be accomplished through the regulatory process required by subdivision (b) of Section 9021.5.

\* \* \* \* \*

## BCP Fiscal Detail Sheet

BCP Title: Revenue and Expenditure Alignment for Various Special Funds

DP Name: 7350-013-BCP-DP-2016-GB

### Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	-2.0	-2.0	-2.0	-2.0	-2.0
<b>Total Positions</b>	<b>0.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>
Salaries and Wages						
Earnings - Permanent	0	14	14	14	14	14
Overtime/Other	0	30	30	30	30	30
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>
Total Staff Benefits	0	7	7	7	7	7
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>
Operating Expenses and Equipment						
5301 - General Expense	0	-9	-9	-9	-9	-9
5302 - Printing	0	1	1	1	1	1
5304 - Communications	0	-3	-3	-3	-3	-3
5306 - Postage	0	5	5	5	5	5
5320 - Travel: In-State	0	-2	-2	-2	-2	-2
5322 - Training	0	-2	-2	-2	-2	-2
5324 - Facilities Operation	0	-37	-37	-37	-37	-37
5340 - Consulting and Professional Services - Interdepartmental	0	8	8	8	8	8
5340 - Consulting and Professional Services - External	0	-3	-3	-3	-3	-3
5344 - Consolidated Data Centers	0	16	16	16	16	16
5346 - Information Technology	0	14	14	14	14	14
5368 - Non-Capital Asset Purchases - Equipment	0	32	2	2	2	2
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$20</b>	<b>\$-10</b>	<b>\$-10</b>	<b>\$-10</b>	<b>\$-10</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$71</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>
<b>Fund Summary</b>						
Fund Source - State Operations						
0368 - Account, Asbestos Training and Consultant Certification Fund	0	-421	-421	-421	-421	-421
0369 - Asbestos Training Approval Account, Asbestos Training and Consultant	0	-147	-147	-147	-147	-147

	Certification Fund					
0452 - Elevator Safety Account	0	-3,345	-3,345	-3,345	-3,345	-3,345
3072 - Car Wash Worker Fund	0	513	491	491	491	491
3121 - Occupational Safety and Health Fund	0	4,016	4,008	4,008	4,008	4,008
3152 - Labor Enforcement and Compliance Fund	0	80	80	80	80	80
3242 - Child Performer Services Permit Fund	0	-625	-625	-625	-625	-625
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$71</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$71</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>

### Program Summary

#### Program Funding

6100005 - Occupational Safety and Health Program	0	103	95	95	95	95
6105005 - Labor Standards Enforcement Program	0	-32	-54	-54	-54	-54
9900100 - Administration	0	-85	-85	-85	-85	-85
9900200 - Administration - Distributed	0	85	85	85	85	85
<b>Total All Programs</b>	<b>\$0</b>	<b>\$71</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>	<b>\$41</b>

**Personal Services Details**

Positions	Salary Information			CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max						
1139 - Office Techn (Typing)				0.0	-6.0	-6.0	-6.0	-6.0	-6.0
4177 - Accountant I (Spec)				0.0	-1.0	-1.0	-1.0	-1.0	-1.0
5157 - Staff Svcs Analyst (Gen)				0.0	1.0	1.0	1.0	1.0	1.0
5278 - Mgmt Svcs Techn				0.0	1.0	1.0	1.0	1.0	1.0
9502 - Dep Labor Commissioner I				0.0	3.0	3.0	3.0	3.0	3.0
OT00 - Overtime				0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Positions</b>				<b>0.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>	<b>-2.0</b>

  

Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4
1139 - Office Techn (Typing)	0	-214	-214	-214	-214	-214
4177 - Accountant I (Spec)	0	-46	-46	-46	-46	-46
5157 - Staff Svcs Analyst (Gen)	0	46	46	46	46	46
5278 - Mgmt Svcs Techn	0	38	38	38	38	38
9502 - Dep Labor Commissioner I	0	190	190	190	190	190
OT00 - Overtime	0	30	30	30	30	30
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>	<b>\$44</b>

  

Staff Benefits	CY	BY	BY+1	BY+2	BY+3	BY+4
5150350 - Health Insurance	0	-8	-8	-8	-8	-8
5150600 - Retirement - General	0	15	15	15	15	15
<b>Total Staff Benefits</b>	<b>\$0</b>	<b>\$7</b>	<b>\$7</b>	<b>\$7</b>	<b>\$7</b>	<b>\$7</b>
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>	<b>\$51</b>

## BUDGET REQUEST SUMMARY

This proposal requests 1.0 Staff Services Analyst position and \$103,000 (\$95,000 ongoing) to allow the Asbestos and Carcinogen Unit (AU) to: (1) process applications for asbestos training courses in a timely manner as required under the Occupational Carcinogen Control Act of 1976 and T8 CCR 341.16; (2) audit training providers' records to ensure proper payment of fees to the Division of Occupational Safety and Health (DOSH); and (3) investigate all complaints of potential regulatory or criminal violations related to asbestos training, the proper handling and control of asbestos in construction projects, and the professional conduct of certified asbestos consultants and technicians.

Approval of this position would allow the AU to redistribute the current workload so that the Associate Safety Engineers can process initial asbestos training course applications within the mandated time frames and to focus on investigations and other technical work in the field.

After enactment of Trailer Bill Language submitted with this Budget Change Proposal, this position will be funded from the Occupational Safety and Health Fund (OSH Fund).

## BACKGROUND/HISTORY

In 1976, the California Legislature passed the Occupational Carcinogen Control Act (codified at Labor Code sections 9000-9061), which specifically identified asbestos as a known cancer-causing agent. Legislative amendments gave the DOSH the responsibility for adopting and enforcing regulations that would protect employees and the public from exposure to asbestos. The AU is responsible for approving individual asbestos training courses and training providers, registering asbestos abatement contractors, and certifying asbestos consultants and site surveillance technicians.

The AU also conducts investigations of potential regulatory and criminal violations which can lead to the revocation of an approval, registration, or certification. When this happens, the training provider, contractor, consultant, or technician is no longer able to engage in asbestos-related work in California. The extreme nature of these sanctions requires the AU to conduct thorough, complex investigations and collect definitive evidence that meets high standards of proof.

## JUSTIFICATION

Historically, staffing levels at the AU have been significantly higher. Current and proposed staffing levels are illustrated in the chart below:

	2006-07	2014-15	BCP Proposal
Sr Safety Engineer	1	1	1
Assoc Safety Engineer	4	2	2
Analysts	2	1	2
Clerical Support	3	2	2

This loss of personnel has resulted in the erosion of the ability of the AU to complete all of its required functions. Where possible, tasks at the AU have been streamlined to improve efficiency. As an example, routine correspondence, such as reminder letters, and application packages are sent electronically via email instead of by mail. However, the loss of the analytical and clerical staff has meant that the non-technical analytical functions have fallen on the remaining Associate Safety Engineers (ASEs). Because the analyses conducted by the ASEs at the AU ultimately relate to the interpretation and enforcement of the complex regulations that DOSH enforces and how these regulations interlock with relevant federal and state regulations of other agencies, that relate to asbestos, this work is not amenable to electronic automation.

### **1. Timely Processing of Applications for Training Courses**

One of the results of this loss in staff has been that the AU has been consistently unable to meet the time limitation for processing new asbestos training courses as specified in T8 CCR 341.16(f)(2) which requires full technical analysis of training courses and final approval within 45 days. These applications have typically been taking 90 to 180 days to complete. This failure means that the AU is not complying with the requirements of the same regulation with which it is responsible to enforce compliance by the asbestos training providers both public and private.

This places the AU at risk of being sued by training provider applicants that lose income from the delays in processing their applications. It also places asbestos contractors and workers in the position of potentially being unable to renew their mandatory training with reasonable convenience. This contributes to the black market trade in training certificates for individuals that do not receive the actual training.

### **2. Auditing of Training Providers' Records**

The AU should be conducting records audits on at least 28 approved training providers annually (approximately 50% of approved training providers), however the unit was only able to audit an average of 4 training providers annually over the last 5 years. For 6 to 10 of the 28 training providers, this would include audits triggered by complaints or by irregularities in submitted records. Failure to meet this auditing goal results in the AU failing to identify training providers that are engaged in wrong doing and sends a signal that the AU lacks the resources to provide meaningful oversight of the activities of approved training providers and by extension to the rest of the regulated community.

In addition, the AU should be auditing every training provider that does not meet the minimum requirement for the number of students to be trained (approximately 20) and thus should be billed each year. Failure to meet this goal means that the AU is not consistently billing training providers that do not meet minimum training levels as specified in T8 CCR 341.16(e)(4), resulting in a loss of revenue, which impairs the unit's ability to be self-sustained by these fees as intended by statute.

### **3. Investigations of Training Providers, Contractors, Consultants, and Technicians**

The primary responsibility of the AU is to ensure that asbestos training providers supply high quality technical training to their pupils, registered asbestos abatement contractors conduct their trade safely, and asbestos consultants and technicians operate ethically and provide fact-based health guidance to their clients. Meeting this primary responsibility requires the AU to be able to investigate all complaints received.

There are significant financial incentives within all parts of the asbestos industry to circumvent existing regulations. Training providers can be paid for training more pupils if they cut their training short or simply provide training certificates instead of the actual training. Abatement contractors can increase profits by working quickly but without care to avoid contaminating the buildings they

are supposed to be abating. They can significantly increase profits by using untrained workers, ignoring safety regulations which results in gross contaminations and committing workers compensation insurance fraud. Consultants and technicians can maximize their profits by either under-reporting or over-reporting the presence of asbestos in a building, depending on the desires of the property owner or insurance company that hires them for a project. All of these conditions occur on a regular basis and all of these conditions place workers and the general public at increased risk of exposure to asbestos. The most critical function of the AU is to investigate complaints to determine if they are trivial or relate to significant violations such as those described above.

#### 4. More Effective Use of Existing Resources

The additional Staff Services Analyst (SSA) position to the AU would double the size of the AU analytical staff and would have a huge impact on the ability of the AU to complete its mandated work in a timely and efficient manner.

The analytical work conducted by the ASEs is based on the principles of good industrial hygiene, for which they have received specialized and ongoing education, and the application of regulations specific to the asbestos industry. The SSA would be providing the statistical and analytical support that is not derived from an understanding of industrial hygiene principles and regulatory interpretation, for the processing of registrations, certifications and approvals, as well as, records audits (see Attachment 3a, *Asbestos Projected Outcomes* and Attachment 3b, *Asbestos Workload Descriptions*). This would allow the ASEs workload to be refocused on the most technical aspects of applications and on investigations. In addition, there is sufficient revenue to effectively support this additional position (see Attachment 3c, *Fund Condition Statement*).

## OUTCOMES AND ACCOUNTABILITY

With the addition of an SSA position to the AU, the less technical analytical work currently being conducted by the ASE will be assigned to the SSA and the work of the ASEs will be refocused on investigations, on-site audits (as opposed to records-only audits) and the more technical analysis associated with these activities.

**Projected Outcomes**

Workload Measure	2016-17	2017-18	2018-19	2019-20	2020-21
Conduct additional Certification Investigations	6	10	10-15	10-15	10-15
Conduct additional Onsite Audits of Training Providers	3	3-6	3-6	3-6	3-6
Conduct additional Investigations of Training Providers	3	3-6	3-6	3-6	3-6
Conduct additional Registration Investigations	6	6-12	6-12	6-12	6-12

## REVENUE SOURCE FOR REQUEST

Occupational Safety & Health Fund

Department of Industrial Relations  
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 Asbestos Projected Outcomes

Attachment 3a

Reallocation of time spent by ASEs (see chart below)

Tasks	Average Number of Additional Investigations/Audits Annually	Average Number of Hours Per Instance	Hours per Year
Conduct additional certifications investigations	12.2	30.8	376
Conduct onsite audits of training providers	4.5	89	400
Conduct additional investigations of training providers	4.5	89	400
Conduct an additional 6-12 registration investigations	8.95	67	600
Total Hours			1,776

Tasks performed by the SSA that would free up time from ASEs

Tasks to Register Asbestos Abatement Contractors	Average Number	Hour Per Task	Hours per Year
Conduct research support for investigations and data analysis	4.5	33	148.5
Conduct business document review on renewal applications	285	1.4	399
Total Hours			547.5

Tasks to Certify Asbestos Consultants and Site Surveillance Technicians and Investigate Complaints	Average Number	Hours Per Task	Hours per Year
Conduct business document review on approximately 10% of the technician (381) & consultant (802) renewal applications	118	2.2	260
Provide research support for investigations	12.5	8	100
Total Hours			360

Tasks to approve training courses and audit training providers	Average Number	Hours Per Task	Hours per Year
Conduct records audits and data analysis	28	18	504
Provide research support for investigations	4.5	34	153
Total Hours			657

Administration and Training	Hours per Year
Training to maintain technical proficiency and timecards, etc.	213
Total Hours	213
Grand Total Hours	1,777.5

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 Asbestos Workload Descriptions

Below is a brief description of the appropriate tasks of the different classifications (i.e., not necessarily the current tasks) and appropriate hours in AU:

Area of responsibility	SSE or SIH*	ASE or AIH	AGPA	SSA	OT	OA
<b>Register asbestos abatement contractors</b>	Set unit policies; provide guidance to staff, guide investigations	Conduct review of technical documents and investigations	Review business documents and provide guidance to SSA and clerical staff	Provide research support for investigations and Conduct business document review on renewal applications	Administrative duties such as processing mail, data entry, boilerplate letters, telephone duties, etc.	Administrative duties such as processing mail, data entry, boilerplate letters, telephone duties, etc.
<b>Appropriate hours</b>	400	1,776	1,476	600	888	888
<b>Certify asbestos consultants and site surveillance technicians; investigate complaints</b>	Set unit policies; provide guidance to staff, guide investigations	Conduct review of technical documents and investigations	Provide guidance to SSA and clerical staff	Conduct business document review on renewal applications and provide research support for investigations	Administrative duties such as processing mail, data entry, boilerplate letters, telephone duties, etc.	Administrative duties such as processing mail, data entry, boilerplate letters, telephone duties, etc.
<b>Appropriate hours</b>	800	1,200	150	376	500	500
<b>Approve training courses; audit training providers; track validate student rosters</b>	Set unit policies; provide guidance to staff, guide investigations	Conduct review of technical documents and investigations	Provide guidance to SSA and clerical staff	Conduct records audits and provide research support for investigations	Administrative duties such as processing mail, data entry, boilerplate letters, telephone duties, etc.	Administrative duties such as processing mail, data entry, boilerplate letters, telephone duties, etc.
<b>Appropriate hours</b>	300	576	150	800	388	388
<b>Total hours</b>	1,776	2 x 1,776	1,776	1,776	1,776	1,776

\*Note: SSE/SIH has additional tasks/duties as a member of the Research and Standards Unit.

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	Actual 2013-14	Actual 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19
<b>3121 Occupational Safety and Health Fund</b>						
<b>BEGINNING BALANCE</b>	24,884	37,268	47,882	33,173	38,155	38,155
Prior Year Adjustments	1,234	5,726	-	-	-	-
Adjusted Beginning Balance	26,118	42,994	47,882	33,173	38,155	38,155
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>						
Revenues:						
4121600 Elevator and Boiler Inspection Fees (Aerial Tramway Revenues)				524	524	524
4122000 Employment Agency License Fees (Asbestos Revenues)				650	650	650
4127300 Refinery Fees	5,351	356	4,456	3,955	3,955	3,955
4129200 Other Regulatory Fees	45,092	64,850	51,839	73,604	70,759	70,759
4129400 Other Regulatory Licenses and Permits (Portable Amusement)				365	365	365
4163000 Investment Income - Surplus Money Investments (plus BCPs)	50	71	50	55	55	55
4173000 Penalty Assessments (Aerial Tramway & Amusement Rides)				2	2	2
Transfers from Other Funds:						
From 0096 Balance Transfer per 13/14 BCP # DIR 13-03	13,699					
From 0368 Balance Transfer per 16/17 Revenue & Exp Alignment BCP				1,418		
From 0369 Balance Transfer per 16/17 Revenue & Exp Alignment BCP				765		
Total Revenues, Transfers and Other Adjustments	64,192	65,277	56,345	81,338	76,310	76,310
Totals Resources	90,310	108,271	104,227	114,511	114,465	114,465
<b>EXPENDITURE AND EXPENDITURE ADJUSTMENTS</b>						
Expenditures:						
0840 State Controller (State Operations)	2	4		-	-	-
7350 Department of Industrial Relations (State Operations)	52,813	60,343	70,947	71,100	71,100	71,100
16/17 Mining & Tunneling Safety Inspectors BCP				563	548	548
16/17 Revenue & Expenditure Alignment BCP				4,016	4,008	4,008
16/17 Amusement Ride & Tramway Staffing Increase BCP				570	547	547
8880 Financial Information System for California (State Operations)	227	42	107	107	107	107
Total Expenditures and Expenditure Adjustments	53,042	60,389	71,054	76,356	76,310	76,310
<b>FUND BALANCE</b>	\$37,268	\$47,882	\$33,173	\$38,155	\$38,155	\$38,155
Reserve for economic uncertainties	37,268	47,882	33,173	38,155	38,155	38,155

## **BUDGET REQUEST SUMMARY**

The Division of Labor Standards Enforcement (DLSE) requests 4.0 positions along with a \$513,000 increase in Car Wash Worker Fund (CWWF) authority in Fiscal Year 2016/17 (\$491,000 ongoing) to better support enforcement efforts in the Car Wash industry.

This proposal also includes Trailer Bill Language allowing the Labor Commissioner, Chief of DLSE, to periodically adjust the Car Wash registration fees, to ensure that the fee is sufficient to fund all direct and indirect costs to administer and enforce the Car Wash program (see Attachment 2, *Proposed Trailer Bill Language*).

## **BACKGROUND/HISTORY**

The Car Wash industry has been identified by the legislature as one that requires particular regulation due to violations of labor laws prevalent across the State. In a 2008 study by the UCLA Labor Center, the carwash industry was ranked in the top five industries where minimum wage violations occurred. As a result, the DLSE has prioritized labor law enforcement in the Car Wash industry, including Bureau of Field Enforcement (BOFE) investigations to determine whether a car wash is licensed as required and whether wage theft is an issue.

DLSE currently receives more complaints of unregistered car washes than can be investigated with existing resources. The additional resources requested will allow DLSE to increase efforts to target unregistered carwashes, provide in-depth BOFE investigations into wage theft, and follow up on unfair competition reported by the Western Carwash Association. Each year the combined efforts of several DLSE offices cite unregistered carwashes, exposing many cases of suspected wage theft, but the ability to follow up on all of these is compromised by a lack of resources. Additionally, wage theft investigations require far more resources than those needed to determine whether an entity simply has the proper license; these investigations require on-site inspections, off-site interviews of workers, request and review of payroll records, wage audits, the issuance of wage and penalty citations, as well as the defense of citations in appeals and writs.

The Western Carwash Association reports that with inadequate enforcement, more and more carwashes are choosing not to register and simply gamble that they won't get caught. The CWWF currently has a surplus fund balance which will provide sufficient revenue to support increased enforcement without a need to raise existing fees (see Attachment 4a for a detailed CWWF *Fund Condition Statement*).

## **JUSTIFICATION**

Field enforcement is a necessary component of the registration and regulation of car washing and polishing businesses. This can only be achieved through field inspections of car wash businesses, to ensure said businesses are in fact registered with DLSE's Licensing and Registration Unit (LRU) and that they are in full compliance with California's labor laws. DLSE's aggressive enforcement program is aimed at identifying and pursuing those businesses not in compliance, focusing efforts in the geographic locations with the highest concentrations, especially with car wash and polishing businesses, which are primarily concentrated in southern California.

According to an Employment Development Department's database there are somewhere between 1,600 to 2,000 car washing and polishing establishments operating throughout California. The Western Carwash Association estimates this number could be as high as 3,000. With less than 1,000 car wash and polishing businesses licensed with LRU on average over the past five years, the difference between either number signals a need for increased enforcement.

It is important to note that at the inception of the car wash program in 2004/05, BOFE received no increased resources, and was required to redirect staff from other activities. Staffing for the program has never been augmented since that time, primarily due to the potential program sunset as previously required by legislation. Car wash field enforcement is currently supported by the Labor Enforcement and Compliance Fund (LECF) through an annual assessment on all employers.

Each inspection is a complicated process of identifying businesses, detailed on-site inspection of records and employee interviews, employer education, citation issuance, and report preparation and re-inspection of cited businesses to ensure continued compliance. Like all DLSE inspections, car wash inspections have overtime become more complex, and require more time to conduct, due to heightened legislative requirements, including but not limited to, the requirement for more comprehensive and detailed wage audits. As displayed in Attachment 4b, *Annual Car Wash Inspections*, the average hours per inspection has increased steadily over the last five years.

In 2014/15, the equivalent of approximately four full-time Deputy Labor Commissioner I (DLC I) positions were utilized statewide for the car wash enforcement program. With these redirected resources, BOFE was able to conduct 252 car wash inspections in 2014/15, equating to approximately 59 inspections per DLC I.

DLSE projects that with an additional 4.0 DLC I positions, it will have the resources to be able conduct an additional 250 inspections annually (see Attachment 4c, *Car Wash Inspection Workload*).

**OUTCOMES AND ACCOUNTABILITY**

Approval of this proposal will allow BOFE to expand their efforts to regulate the Car Wash industry, as well as enable them to utilize a more appropriate funding source for these activities and address the growing CWWF fund balance. If this proposal is denied, the LECF will continue absorbing car wash enforcement costs, which will result in the continual growth of the CWWF fund balance, fostering the impression that DLSE isn't policing the Car Wash industry.

**Projected Outcomes**

Workload Measure	CY <sup>1</sup>	BY	BY+1	BY+2	BY+3	BY+4
Car Wash Inspections	184	434	434	434	434	434

**REVENUE SOURCE FOR REQUEST**

Car Wash Worker Fund (Fund 3072)

<sup>1</sup> CY (FY 2015/16) inspections are estimated based on the average # of inspections over the last four fiscal years.

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 (dollars in thousands)

Attachment 4a

	Actual 2012-13	Actual 2013-14	Actual 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20
<b>3072 Car Wash Worker Fund</b>								
<b>BEGINNING BALANCE</b>	\$2,960	\$3,310	\$3,672	\$4,129	\$4,079	\$3,851	\$3,645	\$3,439
Prior Year Adjustments	56	-62	-161	-340 <sup>2</sup>	-	-	-	-
Adjusted Beginning Balance	<u>3,016</u>	<u>3,248</u>	<u>3,511</u>	<u>3,789</u>	<u>4,079</u>	<u>3,851</u>	<u>3,645</u>	<u>3,439</u>
<b>REVENUES AND TRANSFERS</b>								
Revenues:								
4122000 Employment Agency License Fees	257	247	267	255	255	255	255	255
4163000 Investment Income - Surplus Money Investments	9	8	9	8	8	8	8	8
4173000 Penalty Assessments - Other	226	348	555	300	300	300	300	300
Cash Receipt Adjustment <sup>1</sup> (Estimated ARs)				-60	-60	-60	-60	-60
Transfers:	-	-						
Total Revenues and Transfers	<u>492</u>	<u>603</u>	<u>831</u>	<u>503</u>	<u>503</u>	<u>503</u>	<u>503</u>	<u>503</u>
Total Resources	<u>3,508</u>	<u>3,851</u>	<u>4,342</u>	<u>4,292</u>	<u>4,582</u>	<u>4,354</u>	<u>4,148</u>	<u>3,942</u>
<b>EXPENDITURES</b>								
Expenditures:								
7350 Department of Industrial Relations (State Operations) 16/17 BCP - Revenue & Expenditure Alignment for Various Special Funds	197	178	213	213	218	218	218	218
8880 Financial Information System for California (State Operations)	1	1			513	491	491	491
Total Expenditures	<u>198</u>	<u>179</u>	<u>213</u>	<u>213</u>	<u>731</u>	<u>709</u>	<u>709</u>	<u>709</u>
<b>FUND BALANCE</b>	<u>\$3,310</u>	<u>\$3,672</u>	<u>\$4,129</u>	<u>\$4,079</u>	<u>\$3,851</u>	<u>\$3,645</u>	<u>\$3,439</u>	<u>\$3,233</u>
Reserve for economic uncertainties	3,310	3,672	4,129	4,079	3,851	3,645	3,439	3,233

1/ - Cash Receipt Adjustment based on an average of the actual cash received in FY 2013/14 & FY 2014/15, as reported in the CalStars reports in the same fiscal years.

2/ - Projected Account Receivables (AR) liquidation, based on FY 2014/15's FM-13 ARs less the projected cash received.

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*Annual Car Wash Inspections*

Attachment 4b

Historical Workload							
2008	2009	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15

Total Inspections	8,433	7,701	6,547	7,796	5,144	4,802	3,792	3,087
Car Wash Inspections	576	623	566	626	162	181	142	252
% Car Wash	7%	8%	9%	8%	3%	4%	4%	8%

Filled Enforcement Positions *	63.5	62.4	62.4	55.8	59.6	62.7	57.2	52.2
# Performing Car Wash Inspections	4.3	5.0	5.4	4.5	1.9	2.4	2.1	4.3

Average Annual Inspections per Inspector	134	125	105	139	85	75	68	59
Average Hours per Inspection	13	14	17	13	21	24	26	30

Resources

Annual Report on the Effectiveness of the Bureau of Field Enforcement  
 Salaries and Wages Supplement prepared for the annual Governor's Proposed Budget

\* Filled Enforcement Positions include Industrial Relations Representatives, Deputy Labor Commissioner Is, and Investigators filled in the annual Schedule 7A for BOFE and LETF (formerly EEEEC). CY 2008 represent FY 2007/08 data and CY 2009 represents FY 2008/09 data.

Department of Industrial Relations  
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 Car Wash Inspection Workload

DEPUTY LABOR COMMISSIONER I

Activity	Historical and Projected Workload								
	Annual Number of Car Wash Inspections					Average Hours Per Activity in 2014-15	Increased Activity		
	2010-11	2011-12	2012-13	2013-14	2014-15		Proposed Activity Increase	Associated Annual Hours	Additional Staff Needed (1,776 hours per position)
<b><u>Bureau of Field Enforcement</u></b> Identify, plan, coordinate and conduct strategic in-depth field inspections for violations of the Labor Code; review and analyze employer records and policies; audit employer time and payroll records to determine if wages or other compensation are owed to workers; advise employers of labor law violations and order corrections; issue wage and penalty citations; prepare and provide testimony for citation hearings; conduct follow-up inspections; educate workers and employers on applicable provisions of the Labor Code and Wage Orders.	626	162	181	142	252	30	250	7,500	
	<b>Totals</b>					<b>30</b>	<b>250</b>	<b>7,500</b>	<b>4.0</b>