

AMENDED IN SENATE MAY 11, 2000

AMENDED IN SENATE APRIL 24, 2000

SENATE BILL

No. 1902

Introduced by Senator Morrow

February 24, 2000

An act to amend Section 203.5 of the Labor Code, relating to payment of wages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1902, as amended, Morrow. Payment of wages: prevailing wages: bonds.

Existing law provides that if a bonding company issuing a bond that secures the payment of wages for labor, or the surety on the bond, willfully fails to pay any verified claim made for wages thereon, the claim for wages continues as a penalty against the bonding company for up to 30 days, as specified.

This bill would provide that if the ~~principal and~~ surety on a bond that secures the payment of wages for labor willfully ~~fail~~ fails to pay any verified claim for wages thereon, the claim for wages continues as a penalty for the ~~principal and~~ surety for up to 30 days, as specified.

This bill would also establish a specific procedure, involving the Division of Labor Standards Enforcement in the Department of Industrial Relations, for the disposition of a claim against a bond that secures the payment of prevailing wages for labor.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 203.5 of the Labor Code is
 2 amended to read:
 3 203.5. (a) If the ~~principal and~~ surety on a bond that
 4 secures the payment of wages for labor willfully ~~fail~~ fails
 5 to pay, without abatement or reduction, any verified
 6 claim made for wages found to be due and payable, the
 7 claim for wages shall continue as a penalty for the
 8 ~~principal and~~ surety from the date on which demand for
 9 payment was made at the same rate as the wages upon
 10 which the claim is based, except that the claim shall not
 11 continue as a penalty for more than 30 days.
 12 (b) ~~If~~ At the time the Division of Labor Standards
 13 Enforcement determines that a claim for prevailing
 14 wages may have merit and that an investigation will be
 15 conducted, the division shall notify the principal and
 16 surety on a bond in writing that a claim has been made.
 17 Each notice shall be sent to the address, if any, that the
 18 principal or surety has filed with the division or, in the
 19 absence of a filed address, to any address at which the
 20 principal or surety does business. ~~At all times during the~~
 21 ~~division's investigation, the principal and surety shall be~~
 22 ~~allowed access to all relevant information obtained by the~~
 23 ~~division. The division shall not verify any claim for~~
 24 ~~payment of prevailing wages within 30 days of giving the~~
 25 ~~notice to the principal and surety.~~
 26 (c) This section shall not apply to a contractor's bond
 27 required pursuant to Section 7071.6 of the Business and
 28 Professions Code.

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