

N E W S L I N E

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Public Works Contractor Registration Fee Increased, Small Project Exemption Established Effective July 1

The Department of Industrial Relations (DIR) is advising public works contractors of 2017-2018 State Budget changes that go into effect on July 1. Annual registration fees for public works contractors have increased from \$300 to \$400, and contractors on small projects are exempt from public works registration and electronic certified payroll reporting requirements.

Public works contractors who pay \$300 to renew their annual registration on or before June 30, 2017, are not required to pay the increased amount. Beginning June 1, 2019, contractors will have the option to renew their annual registration for up to three years at a time.

The Labor Commissioner will be able to assess public works contractors penalties of up to \$8,000 – in addition to any penalty or registration fee – for failure to register. Awarding agencies are also subject to penalties of \$100 a day, up to a maximum of \$10,000, for hiring an unregistered contractor to perform work on a public works project. A contractor that hires an unregistered subcontractor is also subject to penalties of up to \$10,000.

Small Project Exemption

Contractors who work exclusively on small public works projects are not required to register as a public works contractor or file electronic certified payroll reports for those projects. Contractors are still required to maintain certified payroll records on a continuous basis, and provide them to the Labor Commissioner's Office upon request. Additionally, awarding agencies are not required to submit the notice of contract award through DIR's PWC-100 system on projects that fall within the small project exemption. The small project exemption applies for all public works projects that do not exceed:

- \$25,000 for new construction, alteration, installation, demolition or repair
- \$15,000 for maintenance

DIR has extensive information regarding public works requirements on its [Public Works website](#), including instructions for [contractors on how to register](#).

The [Labor Commissioner's Office](#), officially known as DIR's Division of Labor Standards Enforcement, enforces prevailing wage rates and apprenticeship standards in public works projects, inspects workplaces for wage and hour violations, adjudicates wage claims, investigates retaliation complaints, issues licenses and registrations for businesses, and educates the public on labor laws.

DIR protects and improves the health, safety and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR publishes materials and holds workshops and seminars to promote healthy employment relations, conducts research to improve its programs, and coordinates with other agencies to target egregious violators of labor laws and tax laws in the underground economy.

The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 1-844-LABOR-DIR (1-844-522-6734) for help in locating the appropriate [division or program](#) in our department.