

EXHIBIT NO. 1

**ORDINANCE NO. 24-2406**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, ADDING SECTION 63120.1 (CONTRACTORS) TO PART 5 (BUSINESSES, PROFESSIONS, TRADES AND OCCUPATIONS REQUIRING A PERMIT) OF CHAPTER 3 (BUSINESS, PROFESSIONS AND TRADES) OF ARTICLE VI (TAXES AND LICENSES) OF THE CARSON MUNICIPAL CODE TO REQUIRE CONTRACTORS APPLYING FOR PERMITS FOR CERTAIN LARGE PROJECTS TO DISCLOSE LABOR VIOLATIONS**

**WHEREAS**, the City of Carson (the “City”) fosters a culture of accountability and safety among companies and organizations that transact business in the City; and

**WHEREAS**, the City strives to protect human rights, workers’ rights, and eradicate labor exploitation by identifying and addressing labor violations, including but not limited to wage theft; and

**WHEREAS**, the City recognizes that companies and organizations’ compliance with labor standards enhances public health, safety, and welfare and is in the best interest of the City and its community; and

**WHEREAS**, the City desires to require contractors to disclose any pending or final determinations for state or federal labor violations within the prior five (5) years, and make the same disclosures applicable only to projects involving 20 or more residential dwelling units or 20,000 or more square feet of commercial or industrial development; and

**WHEREAS**, these disclosures are intended to uphold fair labor and business practices for contractors undertaking certain projects.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA DOES ORDAIN AS FOLLOWS:**

**SECTION 1. RECITALS.** The foregoing recitals are true and correct, and are incorporated herein by this reference.

**SECTION 2. CEQA.** This Ordinance has been reviewed by the City Council with respect to applicability of the California Environmental Quality Act (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*, hereafter the “CEQA Guidelines”), and any applicable local CEQA policies and procedures and City has determined that this Ordinance is not a “project” for purposes of CEQA, as that term is defined by CEQA Guidelines Section 15378, because City has determined, in its discretion and based on substantial evidence, that this Ordinance concerns organizational or administrative activities and presents no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

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**SECTION 3. AMENDMENT.** Section 63120.1 (Contractors) of Part 5 (Businesses, Professions, Trades, and Occupations Requiring a Permit) of Chapter 3 (Business, Professions, and Trades) of Article VI (Taxes and Licenses) of the Carson Municipal Code is hereby added to read as follows:

**“63120.1 Contractors.**

A Contractor on a Project, prior to commencing work on the Project, shall obtain a Permit, which shall be granted only upon compliance with and in accordance with all of the terms and conditions of this section.

(a) Definitions.

(1) “City” shall mean the City of Carson.

(2) “Contractor” shall have the same meaning ascribed to it under Carson Municipal Code Section 6303.

(3) “Permit” shall mean a permit issued under CMC 6370 and this Section.

(4) “Person” shall have the same meaning ascribed to it under Carson Municipal Code Section 6303.

(5) “Project” shall mean any development project within the City consisting of 20 or more residential dwelling units or 20,000 or more square feet of commercial or industrial development.

(b) License Requirements. No Person shall be issued a Permit unless the Person is:

(1) A licensed Contractor licensed by the California Contractors State License Board;

(2) An employee, agent or authorized representative of a licensed Contractor;

(3) The property owner performing his or her own work; or

(4) An employee of the owner, provided that the owner shows evidence of workers’ compensation insurance required by state and City laws, and their federal tax identification number.

(c) Commencing upon the date this Section 63120.1 takes effect, a Person applying for a Permit shall submit the following information as part of the Permit application and prior to commencement of work:

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(1) A list of all subcontractors and verification of each subcontractor's workers' compensation insurance, state contractor license and license category, City business license and federal tax identification number. No Person shall contract or subcontract construction work without a valid Contractor's license pursuant to applicable provisions of the California Business and Professions Code.

(2) A disclosure of any pending or final determinations pertaining to state or federal labor violations and any penalties paid to any government agencies related to such violations within the prior five (5) years, for Contractor and all proposed subcontractors.

(d) In the event that the applicant cannot provide a list of valid subcontractors and the information required above upon Permit application, the applicant shall provide to the City, within a reasonable period of time after issuance of each Permit but prior to commencement of any work pursuant to said Permit, all information required by subsection (c). Failure to provide all information required under subsection (c), including valid and current subcontractor listings prior to commencing work, or failure to comply with subsection (f), shall result in one or more of the following:

(1) Issuance of a Stop Work Order;

(2) Revocation of the Permit; and

(3) The Permit applicant paying a penalty for default to the City in an amount equal to the original Permit fee for each violation in order to defray City costs of enforcement of this section.

(e) The information required by subsection (c) shall be required at the time any new Contractor or subcontractor is added to the Permit.

(f) If at any time after Permit issuance a change occurs in any information submitted to the City pursuant to this section, including addition of a subcontractor, Contractor shall submit updated information to the City within 72 hours of Contractor acquiring knowledge of such change, excluding weekends and national holidays. If a Contractor is a subcontractor, the subcontractor must submit updated information to the Contractor within 72 hours of subcontractor acquiring knowledge of such change, excluding weekends and national holidays.

(g) Any work performed prior to satisfying the requirements of this section shall be deemed performed without the required Permit.”

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**SECTION 4. SEVERABILITY.** If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

**SECTION 5. EFFECTIVE DATE.** This ordinance shall be in full force and effect thirty (30) days after its adoption.

**SECTION 6. CERTIFICATION.** The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

[SIGNATURES ON FOLLOWING PAGE]

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**PASSED, APPROVED and ADOPTED** at a regular meeting of the City Council on this \_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Lula Davis-Holmes, Mayor

ATTEST:

\_\_\_\_\_  
Dr. Khaleah K. Bradshaw, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Sunny K. Soltani, City Attorney