

Senate Bill No. 129

CHAPTER 23

An act to amend Section 19878 of, and to add Section 20825.18 to, the Government Code, to amend Section 1872.83 of the Insurance Code, and to amend Section 62.5 of, to add Section 6717.2 to, and to repeal Section 62.6 of, the Labor Code, relating to labor, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor June 30, 2025. Filed with Secretary of State June 30, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

SB 129, Committee on Budget and Fiscal Review. Labor.

(1) Existing law, the State Civil Service Act, regulates employment with the state and vests in the Department of Human Resources all powers, duties, and authority necessary to operate the state civil service system. Existing law requires the department to designate positions of a high administrative and policy-influencing character for inclusion in or removal from the category of civil service appointment called “career executive assignments,” subject to review by the State Personnel Board, as provided.

Under existing law, when an employee is disabled, whether temporarily or permanently, the employee is entitled, subject to certain conditions, to receive specified nonindustrial disability benefits, unless a memorandum of understanding conflicts with this requirement. Existing law defines “employee” for purposes of those provisions as a permanent or probationary full-time, part-time, or intermittent state officer or employee, as specified.

This bill would, effective October 1, 2025, for a disability benefit period commencing on or after July 1, 2025, additionally include a state officer or employee appointed to a career executive assignment in that definition of “employee.” The bill would require these employees claiming benefits for a certain disability benefit period to file a completed claim no later than 41 days following the effective date of this provision.

(2) The Public Employees’ Retirement Law (PERL) creates the Public Employees’ Retirement System (PERS) for the purpose of providing pensions and benefits to state employees and their beneficiaries and prescribes the rights and duties of employers participating in the system. Under PERL, benefits are funded by investment income and employer and employee contributions, which are deposited into the Public Employees’ Retirement Fund, a continuously appropriated trust fund administered by the system’s board of administration.

PERL prescribes methods for the calculation and payment of the state employer contribution for its employees who are PERS members. PERL provides for an annual adjustment of the state’s contribution in the budget

and quarterly appropriations to the Public Employees' Retirement Fund from the General Fund and other funds that are responsible for payment of the employer contribution.

Existing law makes additional General Fund appropriations to the Public Employees' Retirement Fund for the 2020–21, 2021–22, 2022–23, 2023–24, and 2024–25 fiscal years. Supplemental payments connected with appropriations for those fiscal years are to be apportioned to the state employee member categories generally, as directed by the Department of Finance, and to specified state employee member categories, including to the state miscellaneous member category, the industrial member category, the state safety member category, and the state peace officer/firefighter member category.

The California Constitution establishes the Budget Stabilization Account in the General Fund and requires the Controller, in each fiscal year, to transfer from the General Fund to the Budget Stabilization Account amounts that include a sum equal to 1.5% of the estimated amount of General Fund revenues for that fiscal year. These provisions further require, until the 2029–30 fiscal year, that the Legislature appropriate a percentage of these moneys, the amount of which is generated pursuant to specified calculations, for certain obligations and purposes, including addressing unfunded liabilities for state-level pension plans.

This bill would appropriate \$584,000,000 from the General Fund for the purposes identified in the constitutional provisions described above, to supplement the state's appropriation to the Public Employees' Retirement Fund. The bill would specify that this appropriation represents a portion of the amount identified in a specific provision of the Budget Act of 2025. The bill would require the Department of Finance to provide the Controller with a schedule establishing the timing of specific transfers. The bill would require the supplemental payment to the Public Employees' Retirement Fund to be apportioned to specified state employee member categories, not to exceed \$273,983,000 to the state miscellaneous member category, \$16,164,000 to the state industrial member category, \$32,150,000 to the state safety member category, and \$261,703,000 to the state peace officer/firefighter member category. The bill would require the appropriation described above to be applied to the unfunded state liabilities for the state employee member categories that are in excess of the base amounts for the 2025–26 fiscal year.

(3) Existing law establishes the Department of Industrial Relations in the Labor and Workforce Development Agency to perform specified functions, including fostering, promoting, and developing the welfare of the wage earners of California, to improve their working conditions and to advance their opportunities for profitable employment.

Existing law requires the director of the department to levy and collect assessments from specified employers, as specified, for purposes of collecting the aggregate amount determined by the Fraud Assessment Commission pursuant to specified provisions. Existing law requires revenues derived from the assessments to be deposited in the Workers' Compensation

Fraud Account in the Insurance Fund and to only be expended, upon appropriation by the Legislature, for the investigation and prosecution of workers' compensation fraud and the willful failure to secure payment of workers' compensation, as prescribed. Existing law requires the director to promulgate reasonable rules and regulations governing the manner of collection of the assessments, as specified.

This bill would make technical changes to the above-described assessment provisions, and conforming changes related to those provisions.

Existing law, the Administrative Procedure Act (APA), governs the procedures for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law.

Existing law exempts from the rulemaking provisions of the APA regulations adopted by the director governing, among other things, the manner of collection of surcharges levied by the director upon specified employers for purposes of deposit in specified funds, including the Workers' Compensation Administration Revolving Fund.

This bill would also exempt from the rulemaking provisions of the APA regulations adopted pursuant to those promulgated by the director governing the manner of collection of the above-described assessments.

(4) Existing law authorizes the Occupational Safety and Health Standards Board to adopt, amend, or repeal occupational safety and health standards and orders. Existing law requires the Division of Occupational Safety and Health to propose to the board for its review and adoption, a standard that protects the health and safety of employees who engage in lead-related construction work and meets all requirements imposed by the federal Occupational Safety and Health Administration. Existing law requires the division to submit to the board a rulemaking proposal to revise the lead standards of the general industry safety orders and the construction safety orders, as specified, consistent with scientific research and findings. A violation of these standards and regulations under specific circumstances is a crime.

This bill would subject the work performed under any construction contract, including subcontracts, on the Golden Gate Bridge for the Suspension Bridge Seismic Retrofit Project that is awarded on or after January 1, 2025, and on or before December 31, 2025, to the division's lead standard regulations that were in effect on December 31, 2024. Because a violation of these provisions constitutes a crime, this bill would impose a state-mandated local program.

(5) Existing law, the Budget Act of 2025, allocates \$3,300,000 from a specified schedule for state operations and personnel for statewide collective bargaining for In-Home Supportive Services providers.

This bill would provide that, notwithstanding that provision in the Budget Act of 2025, those moneys are available for use and may be encumbered only if one of specified conditions is met.

(6) This bill would make legislative findings and declarations as to the necessity of a special statute for Golden Gate Bridge, Highway and Transportation District.

(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

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

SECTION 1. Section 19878 of the Government Code is amended to read:

19878. (a) As used in this article:

(1) “Appeals board” means the California Unemployment Insurance Appeals Board.

(2) “Disability” or “disabled” includes mental or physical illness and mental or physical injury, including any illness or injury resulting from pregnancy, childbirth, or related medical condition. An employee is deemed disabled on any day in which, because of the employee’s physical, mental, or medical condition, the employee is unable to perform their regular or customary work.

(3) “Disability benefit period,” with respect to any individual, means the continuous period of disability beginning with the first day with respect to which the individual files a valid claim for nonindustrial disability benefits or Nonindustrial Disability Insurance Family Care Leave benefits. For the purposes of this article, two consecutive periods of disability due to the same or related cause or condition and separated by a period of not more than 14 days shall be considered as one disability benefit period.

(4) “Employee” means any of the following:

(A) A permanent or probationary full-time state officer or employee, regardless of period of service, who is a member of the Public Employees’ Retirement System or the State Teachers’ Retirement System in compensated employment on and after October 1, 1976. Commencing January 1, 1979, it also means a full-time state officer or employee, whether or not a member of those systems, who is an employee of the Legislature and is not a member of the civil service.

(B) A permanent or probationary part-time or intermittent state officer or employee, with at least the equivalent of six compensated calendar months of service in the 18 calendar months immediately preceding the pay period in which the disability begins, who is a member of the Public Employees’ Retirement System or the State Teachers’ Retirement System, in compensated employment on or after January 1, 1979, or a part-time or

intermittent employee of the Legislature, whether or not a member of the Public Employees' Retirement System, in compensated employment on or after January 1, 1984.

(C) (i) Effective October 1, 2025, for a disability benefit period commencing on or after July 1, 2025, a state officer or employee appointed to a career executive assignment pursuant to Article 9 (commencing with Section 19889).

(ii) Notwithstanding Section 19884, a state officer or employee appointed to a career executive assignment claiming benefits for a disability benefit period commencing between July 1, 2025 and October 1, 2025, must file a completed claim no later than 41 days following the effective date of this subparagraph.

(5) "Full pay" means the gross base salary earnable by the employee, and subject to retirement contribution on the date of the commencement of the employee's disability.

(6) "Nonindustrial Disability Insurance Family Care Leave" has the same meaning as "family care leave" as defined in Section 3302 of the Unemployment Insurance Code. The definitions of terms in Section 3302 of the Unemployment Insurance Code that are relevant for purposes of the definition of "family care leave" in that section shall also apply. "Nonindustrial Disability Insurance Family Care Leave" shall also include for these purposes qualifying exigency leave as described in Section 3302.2 of the Unemployment Insurance Code.

(7) "Nonindustrial Disability Insurance Family Care Leave benefits" or "Family Care Leave benefits" means benefits authorized by Section 19878.5.

(b) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 2. Section 20825.18 is added to the Government Code, to read:

20825.18. (a) (1) In addition to the appropriation required pursuant to Section 20814, the Legislature hereby appropriates five hundred eighty-four million dollars (\$584,000,000) from the General Fund, for the purposes described in subclause (IV) of clause (ii) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 20 of Article XVI of the California Constitution to supplement the state's appropriation to the Public Employees' Retirement Fund. The appropriation made by this section represents a portion of the amount identified in paragraph (3) of subdivision (d) of Section 35.50 of the Budget Act of 2025. The appropriation shall be consistent with the requirements of this section and at the direction of the Department of Finance. The Department of Finance shall provide to the Controller a schedule establishing the timing of specific transfers to be used as described in subdivision (b).

(2) The supplemental payment to the Public Employees' Retirement Fund described in paragraph (1) shall be apportioned to the following state

employee member categories, as directed by the Department of Finance, not to exceed the following amounts:

(A) Two hundred seventy-three million nine hundred eighty-three thousand dollars (\$273,983,000) to the state miscellaneous member category.

(B) Sixteen million one hundred sixty-four thousand dollars (\$16,164,000) to the state industrial member category.

(C) Thirty-two million one hundred fifty thousand dollars (\$32,150,000) to the state safety member category.

(D) Two hundred sixty-one million seven hundred three thousand dollars (\$261,703,000) to the state peace officer/firefighter member category.

(b) The appropriation made in paragraph (1) of subdivision (a) shall be applied to the unfunded state liabilities for the state employee member categories described in paragraph (2) of subdivision (a) that are in excess of the base amounts for the 2025–26 fiscal year.

SEC. 3. Section 1872.83 of the Insurance Code is amended to read:

1872.83. (a) The commissioner shall ensure that the Fraud Division aggressively pursues all reported incidents of probable workers' compensation fraud, as defined in Sections 11760 and 11880, and in subdivision (a) of Section 1871.4, and in Section 549 of the Penal Code, and forwards to the appropriate disciplinary body the names, along with all supporting evidence, of any individuals licensed under the Business and Professions Code who are suspected of actively engaging in fraudulent activity. The Fraud Division shall forward to the Insurance Commissioner or the Director of Industrial Relations, as appropriate, the name, along with all supporting evidence, of any insurer, as defined in subdivision (c) of Section 1877.1, suspected of actively engaging in the fraudulent denial of claims.

(b) To fund increased investigation and prosecution of workers' compensation fraud, and of willful failure to secure payment of workers' compensation, in violation of Section 3700.5 of the Labor Code, there shall be an annual assessment as follows:

(1) The aggregate amount of the assessment shall be determined by the Fraud Assessment Commission, which is hereby established. The commission shall be composed of seven members consisting of two representatives of organized labor, two representatives of self-insured employers, one representative of insured employers, one representative of workers' compensation insurers, and the President of the State Compensation Insurance Fund, or their designee.

The Governor shall appoint members representing organized labor, self-insured employers, insured employers, and insurers. The term of office of members of the commission shall be four years, and a member shall hold office until the appointment of a successor. The President of the State Compensation Insurance Fund shall be an ex officio, voting member of the commission. Members of the commission shall receive one hundred dollars (\$100) for each day of actual attendance at commission meetings and other official commission business, and shall also receive their actual and necessary traveling expenses incurred in the performance of commission

duties. Payment of per diem and travel expenses shall be made from the Workers' Compensation Fraud Account in the Insurance Fund, established in paragraph (4), upon appropriation by the Legislature.

(2) In determining the aggregate amount of the assessment, the Fraud Assessment Commission shall consider the advice and recommendations of the Fraud Division and the commissioner.

(3) The aggregate amount of the assessment shall be collected by the Director of Industrial Relations pursuant to Section 62.5 of the Labor Code. The Fraud Assessment Commission shall annually advise the Director of Industrial Relations, not later than March 15, of the aggregate amount to be assessed for the next fiscal year.

(4) The amount collected, together with the fines collected for violations of the unlawful acts specified in Sections 1871.4, 11760, and 11880, Section 3700.5 of the Labor Code, and Section 549 of the Penal Code, shall be deposited in the Workers' Compensation Fraud Account in the Insurance Fund, which is hereby created, and may be used, upon appropriation by the Legislature, only for enhanced investigation and prosecution of workers' compensation fraud and of willful failure to secure payment of workers' compensation as provided in this section.

(c) For each fiscal year, the total amount of revenues derived from the assessment pursuant to subdivision (b) shall, together with amounts collected pursuant to fines imposed for unlawful acts described in Sections 1871.4, 11760, and 11880, Section 3700.5 of the Labor Code, and Section 549 of the Penal Code, not be less than three million dollars (\$3,000,000). Any funds appropriated by the Legislature pursuant to subdivision (b) that are not expended in the fiscal year for which they have been appropriated, and that have not been allocated under subdivision (f), may be applied to satisfy for the immediately following fiscal year the minimum total amount required by this subdivision or, subject to appropriation by the Legislature, may be used to augment funding in the immediately following fiscal year. The money shall not be transferred to the General Fund.

(d) After incidental expenses, at least 40 percent of the funds to be used for the purposes of this section shall be provided to the Fraud Division of the Department of Insurance for enhanced investigative efforts, and at least 40 percent of the funds shall be distributed to district attorneys, pursuant to a determination by the commissioner with the advice and consent of the division and the Fraud Assessment Commission, as to the most effective distribution of moneys for purposes of the investigation and prosecution of workers' compensation fraud cases and cases relating to the willful failure to secure the payment of workers' compensation. Each district attorney seeking a portion of the funds shall submit to the commissioner an application setting forth in detail the proposed use of any funds provided. A district attorney receiving funds pursuant to this subdivision shall submit an annual report to the commissioner with respect to the success of their efforts. Upon receipt, the commissioner shall provide copies to the Fraud Division and the Fraud Assessment Commission of any application, annual report, or other documents with respect to the allocation of money pursuant

to this subdivision. Both the application for moneys and the distribution of moneys shall be public documents. Information submitted to the commissioner pursuant to this section concerning criminal investigations, whether active or inactive, shall be confidential.

(e) If a district attorney is determined by the commissioner to be unable or unwilling to investigate and prosecute workers' compensation fraud claims or claims relating to the willful failure to secure the payment of workers' compensation, the commissioner shall discontinue distribution of funds allocated for that county and may redistribute those funds according to this subdivision.

(1) The commissioner shall promptly determine whether any other county could assert jurisdiction to prosecute the fraud claims or claims relating to the willful failure to secure the payment of workers' compensation that would have been brought in the nonparticipating county, and, if so, the commissioner may award funds to conduct the prosecutions redirected pursuant to this subdivision. These funds may be in addition to any other fraud prosecution funds or claims relating to the willful failure to secure the payment of workers' compensation prosecution otherwise awarded under this section. Any district attorney receiving funds pursuant to this subdivision shall first agree that the funds shall be used solely for investigating and prosecuting those cases of workers' compensation fraud or claims relating to the willful failure to secure the payment of workers' compensation that are redirected pursuant to this subdivision and submit an annual report to the commissioner with respect to the success of the district attorney's efforts. The commissioner shall keep the Fraud Assessment Commission fully informed of all reallocations of funds under this paragraph.

(2) If the commissioner determines that no district attorney is willing or able to investigate and prosecute the workers' compensation fraud claims or claims relating to the willful failure to secure the payment of workers' compensation arising in the nonparticipating county, the commissioner, with the advice and consent of the Fraud Assessment Commission, may award to the Attorney General some or all of the funds previously awarded to the nonparticipating county. Before the commissioner may award any funds, the Attorney General shall submit to the commissioner an application setting forth in detail their proposed use of any funds provided and agreeing that any funds awarded shall be used solely for investigating and prosecuting those cases of workers' compensation fraud or claims relating to the willful failure to secure the payment of workers' compensation that are redirected pursuant to this subdivision. The Attorney General shall submit an annual report to the commissioner with respect to the success of the fraud prosecution efforts of their office.

(3) Neither the Attorney General nor any district attorney shall be required to relinquish control of any investigation or prosecution undertaken pursuant to this subdivision unless the commissioner determines that satisfactory progress is no longer being made on the case or the case has been abandoned.

(4) A county that has become a nonparticipating county due to the inability or unwillingness of its district attorney to investigate and prosecute

workers' compensation fraud or the willful failure to secure the payment of workers' compensation shall not become eligible to receive funding under this section until it has submitted a new application that meets the requirements of subdivision (d) and the applicable regulations.

(f) If in any fiscal year the Fraud Division does not use all of the funds made available to it under subdivision (d), any remaining funds may be distributed to district attorneys pursuant to a determination by the commissioner in accordance with the same procedures set forth in subdivision (d).

(g) The commissioner shall adopt rules and regulations to implement this section in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Included in the rules and regulations shall be the criteria for redistributing funds to district attorneys and the Attorney General. The adoption of the rules and regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare.

(h) The department shall report to the Governor, the Legislature, to the committees of the Senate and Assembly having jurisdiction over insurance, and the Fraud Assessment Commission on the activities of the Fraud Division and district attorneys supported by the funds provided by this section in the annual report submitted pursuant to Section 12922.

The annual report shall include, but is not limited to, all of the following information for the department and each district attorney's office:

- (1) All allocations, distributions, and expenditures of funds.
- (2) The number of search warrants issued.
- (3) The number of arrests and prosecutions, and the aggregate number of parties involved in each.
- (4) The number of convictions and the names of all convicted fraud perpetrators.
- (5) The estimated value of all assets frozen, penalties assessed, and restitutions made for each conviction.

(6) Any additional items necessary to fully inform the Fraud Assessment Commission and the Legislature of the fraud-fighting efforts financed through this section.

(i) In order to meet the requirements of subdivision (g), the department shall submit a biannual information request to those district attorneys who have applied for and received funding through the annual assessment process under this section.

(j) Assessments levied or collected to fight workers' compensation fraud and insurance fraud are not taxes. Those funds are entrusted to the state to fight fraud and the willful failure to secure the payment of workers' compensation by funding state and local investigation and prosecution efforts. Accordingly, any funds resulting from assessments, fees, penalties, fines, restitution, or recovery of costs of investigation and prosecution deposited in the Insurance Fund shall not be deemed "unexpended" funds

for any purpose and, if remaining in that account at the end of any fiscal year, shall be applied as provided in subdivision (f) and to offset or augment subsequent years' program funding.

SEC. 4. Section 62.5 of the Labor Code is amended to read:

62.5. (a) (1) The Workers' Compensation Administration Revolving Fund is hereby created as a special account in the State Treasury. Money in the fund may be expended by the department, upon appropriation by the Legislature, for all of the following purposes, and may not be used or borrowed for any other purpose:

(A) For the administration of the workers' compensation program set forth in this division and Division 4 (commencing with Section 3200), other than the activities financed pursuant to paragraph (2) of subdivision (a) of Section 3702.5.

(B) For the Return-to-Work Program set forth in Section 139.48.

(C) For the enforcement of the insurance coverage program established and maintained by the Labor Commissioner pursuant to Section 90.3.

(2) The fund shall consist of surcharges made pursuant to subparagraph (A) of paragraph (1) of subdivision (f).

(b) (1) The Uninsured Employers Benefits Trust Fund is hereby created as a special trust fund account in the State Treasury, of which the director is trustee, and its sources of funds are as provided in subparagraph (A) of paragraph (1) of subdivision (f). Notwithstanding Section 13340 of the Government Code, the fund is continuously appropriated for the payment of nonadministrative expenses of the workers' compensation program for workers injured while employed by uninsured employers in accordance with Article 2 (commencing with Section 3710) of Chapter 4 of Part 1 of Division 4, and shall not be used for any other purpose. All moneys collected shall be retained in the trust fund until paid as benefits to workers injured while employed by uninsured employers. Nonadministrative expenses include audits and reports of services prepared pursuant to subdivision (b) of Section 3716.1. The surcharge amount for this fund shall be stated separately.

(2) Notwithstanding any other provision of law, all references to the Uninsured Employers Fund shall mean the Uninsured Employers Benefits Trust Fund.

(3) Notwithstanding paragraph (1), in the event that budgetary restrictions or impasse prevent the timely payment of administrative expenses from the Workers' Compensation Administration Revolving Fund, those expenses shall be advanced from the Uninsured Employers Benefits Trust Fund. Expense advances made pursuant to this paragraph shall be reimbursed in full to the Uninsured Employers Benefits Trust Fund upon enactment of the annual Budget Act.

(4) Any moneys from penalties collected pursuant to Section 3722 as a result of the insurance coverage program established under Section 90.3 shall be deposited in the State Treasury to the credit of the Workers' Compensation Administration Revolving Fund created under this section, to cover expenses incurred by the director under the insurance coverage

program. The amount of any penalties in excess of payment of administrative expenses incurred by the director for the insurance coverage program established under Section 90.3 shall be deposited in the State Treasury to the credit of the Uninsured Employers Benefits Trust Fund for nonadministrative expenses, as prescribed in paragraph (1), and notwithstanding paragraph (1), shall only be available upon appropriation by the Legislature.

(c) (1) The Subsequent Injuries Benefits Trust Fund is hereby created as a special trust fund account in the State Treasury, of which the director is trustee, and its sources of funds are as provided in subparagraph (A) of paragraph (1) of subdivision (f). Notwithstanding Section 13340 of the Government Code, the fund is continuously appropriated for the nonadministrative expenses of the workers' compensation program for workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments, in accordance with Article 5 (commencing with Section 4751) of Chapter 2 of Part 2 of Division 4, and Section 4 of Article XIV of the California Constitution, and shall not be used for any other purpose. All moneys collected shall be retained in the trust fund until paid as benefits to workers who have suffered serious injury and who are suffering from previous and serious permanent disabilities or physical impairments. Nonadministrative expenses include audits and reports of services pursuant to subdivision (c) of Section 4755. The surcharge amount for this fund shall be stated separately.

(2) Notwithstanding any other law, all references to the Subsequent Injuries Fund shall mean the Subsequent Injuries Benefits Trust Fund.

(3) Notwithstanding paragraph (1), in the event that budgetary restrictions or impasse prevent the timely payment of administrative expenses from the Workers' Compensation Administration Revolving Fund, those expenses shall be advanced from the Subsequent Injuries Benefits Trust Fund. Expense advances made pursuant to this paragraph shall be reimbursed in full to the Subsequent Injuries Benefits Trust Fund upon enactment of the annual Budget Act.

(d) (1) The Occupational Safety and Health Fund is hereby created as a special account in the State Treasury. Moneys in the account may be expended by the department, upon appropriation by the Legislature, for support of the Division of Occupational Safety and Health, the Occupational Safety and Health Standards Board, and the Occupational Safety and Health Appeals Board, and the activities these entities perform as set forth in this division, and Division 5 (commencing with Section 6300).

(2) On and after the effective date of the act amending this section to add this paragraph in the 2013–14 Regular Session of the Legislature, any moneys in the Cal-OSHA Targeted Inspection and Consultation Fund and any assets, liabilities, revenues, expenditures, and encumbrances of that fund, less five million dollars (\$5,000,000), shall be transferred to the Occupational Safety and Health Fund. On June 30, 2014, the remaining five million dollars (\$5,000,000) in the Cal-OSHA Targeted Inspection and

Consultation Fund, or any remaining balance in that fund, shall be transferred to, and become part of, the Occupational Safety and Health Fund.

(e) The Labor Enforcement and Compliance Fund is hereby created as a special account in the State Treasury. Moneys in the fund may be expended by the department, upon appropriation by the Legislature, for the support of the activities that the Division of Labor Standards Enforcement performs pursuant to this division and Division 2 (commencing with Section 200), Division 3 (commencing with Section 2700), and Division 4 (commencing with Section 3200).

(f) (1) (A) Separate surcharges shall be levied by the director upon all employers, as defined in Section 3300, for purposes of deposit in the Workers' Compensation Administration Revolving Fund, the Uninsured Employers Benefits Trust Fund, the Subsequent Injuries Benefits Trust Fund, and the Occupational Safety and Health Fund. The total amount of the surcharges shall be allocated between self-insured employers and insured employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall adopt reasonable regulations governing the manner of collection of the surcharges. The regulations shall require the surcharges to be paid by self-insurers to be expressed as a percentage of indemnity paid during the most recent year for which information is available, and the surcharges to be paid by insured employers to be expressed as a percentage of premium. In no event shall the surcharges paid by insured employers be considered a premium for computation of a gross premium tax or agents' commission. In no event shall the total amount of the surcharges paid by insured and self-insured employers exceed the amounts reasonably necessary to carry out the purposes of this section.

(B) Assessments shall be levied by the director upon all employers, as defined in Section 3300, as necessary, to collect the aggregate amount determined by the Fraud Assessment Commission pursuant to Section 1872.83 of the Insurance Code. Revenues derived from the assessments shall be deposited in the Workers' Compensation Fraud Account in the Insurance Fund and shall only be expended, upon appropriation by the Legislature, for the investigation and prosecution of workers' compensation fraud and the willful failure to secure payment of workers' compensation, as prescribed by Section 1872.83 of the Insurance Code. The total amount of the assessment shall be allocated between self-insured employers and insured employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall promulgate reasonable rules and regulations governing the manner of collection of the assessment. The rules and regulations shall require the assessment to be paid by self-insurers to be expressed as a percentage of indemnity paid during the most recent year for which information is available, and the assessment to be paid by insured employers to be expressed as a percentage of premium. In no event shall the assessment paid by insured employers be considered a premium for computation of a gross premium tax or agents' commission.

(2) The surcharge levied by the director for the Occupational Safety and Health Fund, pursuant to subparagraph (A) of paragraph (1), shall not generate revenues in excess of fifty-seven million dollars (\$57,000,000) on and after the 2013–14 fiscal year, adjusted for each fiscal year as appropriate to fund any increases in the appropriation as approved by the Legislature, and to reconcile any over/under assessments from previous fiscal years pursuant to Sections 15606 and 15609 of Title 8 of the California Code of Regulations. For the 2013–14 fiscal year only, the revenue cap established in this paragraph shall be reduced by an amount equivalent to the balance transferred from the Cal-OSHA Targeted Inspection and Consultation Fund established in Section 62.7, less any amount of that balance loaned to the State Public Works Enforcement Fund, to the Occupational Safety and Health Fund pursuant to subdivision (d).

(3) A separate surcharge shall be levied by the director upon all employers, as defined in Section 3300, for purposes of deposit in the Labor Enforcement and Compliance Fund. The total amount of the surcharges shall be allocated between employers in proportion to payroll respectively paid in the most recent year for which payroll information is available. The director shall adopt reasonable regulations governing the manner of collection of the surcharges. In no event shall the total amount of the surcharges paid by employers exceed the amounts reasonably necessary to carry out the purposes of this section.

(4) The surcharge levied by the director for the Labor Enforcement and Compliance Fund shall not exceed forty-six million dollars (\$46,000,000) in the 2013–14 fiscal year, adjusted as appropriate to fund any increases in the appropriation as approved by the Legislature, and to reconcile any over/under assessments from previous fiscal years pursuant to Sections 15606 and 15609 of Title 8 of the California Code of Regulations.

(5) The regulations adopted pursuant to paragraph (1) to (4), inclusive, shall be exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 5. Section 62.6 of the Labor Code is repealed.

SEC. 6. Section 6717.2 is added to the Labor Code, to read:

6717.2. Notwithstanding any other provision in law or regulation, the work performed under any construction contract, including subcontracts thereof, on the Golden Gate Bridge for the Suspension Bridge Seismic Retrofit Project that is awarded after January 1, 2025, and before December 31, 2025, is subject to the lead standards of the construction safety orders, found at Section 1532.1 of Title 8 of the California Code of Regulations, and the general industry safety orders, found at Section 5198 of Title 8 of the California Code of Regulations, that were in effect on December 31, 2024.

SEC. 7. Notwithstanding Provision 5 of Item 7501-001-0001 of the Budget Act of 2025, the three million three hundred thousand dollars (\$3,300,000) allocated from Schedule (1) of the item pursuant to Provision

5 shall be available for use and may be encumbered only upon enactment of either of the following:

(a) A bill providing for an appropriation related to the Budget Bill that specifies the use of the moneys.

(b) Assembly Bill 283 of the 2025–26 Regular Session.

SEC. 8. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing the Golden Gate Bridge, Highway and Transportation District.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 10. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.