

Introduced by Senator Richardson

February 21, 2025

An act to add Part 3 (commencing with Section 2000) to Division 6 of the Harbors and Navigation Code, and to add Article 1.6 (commencing with Section 2790) to Chapter 2 of Division 3 of the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 703, as introduced, Richardson. Ports: truck drivers.

Existing law regulates the operation of ports and harbors. Existing law requires a person providing labor or services for remuneration to be considered an employee rather than an independent contractor unless the hiring entity demonstrates that certain conditions are satisfied, including that the person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

This bill would require a trucking company and a truck driver who is not classified as an employee by a trucking company to provide to a port, before a truck driver enters the port, certain information related to the truck driver's legal classification as either an employee or an independent contractor, including a sworn affirmation by a trucking company that the trucking company is withholding all required taxes from the wages of any truck driver who is considered an employee under state law. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program. The bill would punish a person who provides false or misleading information for the purpose of representing compliance with the bill with a certain civil penalty, as prescribed.

This bill would require a port to disclose, in a prominent place on its internet website, information provided by a trucking company that uses the port, including, but not limited to, whether the trucking company uses employees, independent contractors, or both. The bill would prohibit a port from granting entry to a trucking company if the trucking company has not provided to the port the information that is required to be disclosed on the port’s internet website. The bill would impose a penalty of \$60,000 on a port for each trucking company that is granted entry to the port in violation of that prohibition.

This bill would require a port, on or before the 15th of each month, to provide to the Labor Commissioner specified information regarding each truck that entered the port during the prior month. The bill would require a port, upon request of the Labor Commissioner, to provide additional information regarding a truck that entered the port.

By imposing new duties on ports, this bill would impose a state-mandated local program.

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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

1 SECTION 1. Part 3 (commencing with Section 2000) is added
2 to Division 6 of the Harbors and Navigation Code, to read:

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4 PART 3. PROVISIONS APPLICABLE TO ALL PORTS

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6 CHAPTER 1. DEFINITIONS

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8 2000. Unless the context otherwise requires, the definitions in
9 this chapter apply to this part.

- 1 2001. "Port" means a port in the state, including, but not limited
2 to, all of the following:
3 (a) The Port of Benicia.
4 (b) The Port of Hueneme.
5 (c) The Port of Long Beach.
6 (d) The Port of Los Angeles.
7 (e) The Port of Oakland.
8 (f) The Port of Redwood City.
9 (g) The Port of Richmond.
10 (h) The Port of San Diego.
11 (i) The Port of San Francisco.
12 (j) The Port of Stockton.
13 (k) The Port of West Sacramento.
14 (l) The Humboldt Bay Harbor District.

15 2002. "Trucking company" has the same meaning as Section
16 2790 of the Labor Code.

17 2003. "SCAC" means a Standard Carrier Alpha Code issued
18 by the National Motor Freight Traffic Association, Inc.

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CHAPTER 2. TRUCKING COMPANIES

22 2050. A port shall disclose, in a prominent place on its internet
23 website, the information provided to the port by a trucking
24 company pursuant to Section 2790.1 of the Labor Code.

25 2051. (a) A port shall not grant entry to a trucking company
26 if the trucking company has not complied with Section 2790.1 of
27 the Labor Code.

28 (b) A port shall be subject to a penalty of sixty thousand dollars
29 (\$60,000) for each trucking company that is granted entry to the
30 port in violation of subdivision (a) unless that entry was gained
31 through the trucking company providing false or misleading
32 information.

33 (c) A penalty under this section shall be assessed and collected
34 by the Labor Commissioner.

35 2052. (a) A port shall, on or before the 15th of each month,
36 provide to the Labor Commissioner all of the following information
37 regarding each truck that entered the port during the prior month:

- 38 (1) The name of the port and gate used for entry.
39 (2) The date and time of entry.

1 (3) The name of the truck driver and the truck driver’s authority
2 information.

3 (4) The name of the owner of the truck.

4 (5) The name of the owner of the cargo moved by the truck.

5 (6) The standard SCAC, if any, and the owner of the SCAC.

6 (7) Whose authority was used for entry.

7 (8) The named insured on the insurance policy that covered the
8 truck.

9 (9) The United States Department of Transportation registration
10 number on the truck and the name of the individual who is
11 associated with that registration.

12 (b) Upon request by the Labor Commissioner, a port shall
13 provide additional information regarding a truck that entered the
14 port.

15 SEC. 2. Article 1.6 (commencing with Section 2790) is added
16 to Chapter 2 of Division 3 of the Labor Code, to read:

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18 Article 1.6. Truck Drivers at Ports

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20 2790. As used in this article:

21 (a) “Employee” means a truck driver who is an employee of a
22 trucking company or a truck driver who is unable to comply with
23 subdivision (b) of Section 2790.1.

24 (b) “SCAC” means a Standard Carrier Alpha Code issued by
25 the National Motor Freight Traffic Association, Inc.

26 (c) “Trucking company” means a company who employs, or
27 contracts with, truck drivers to move cargo for the company’s
28 customers under the company’s state or federal operating authority
29 or using the company’s SCAC.

30 2790.1. (a) A trucking company shall provide to a port, before
31 any employee enters a port, all of the following with respect to
32 that entity’s employee truck drivers:

33 (1) A worker’s compensation insurance policy that covers all
34 employee truck drivers.

35 (2) The number of trucker driver employees covered by the
36 worker’s compensation insurance policy.

37 (3) A sworn affirmation that the trucking company is
38 withholding all required taxes from the wages of any driver who
39 is considered an employee under state law.

1 (b) (1) A truck driver who is not an employee shall provide to
2 a port, before entering the port, all of the following:

3 (A) Proof of insurance.

4 (B) The truck driver's federal operating authority, commonly
5 referred to as a Motor Carrier (MC) number.

6 (C) The truck driver's Department of Transportation (DOT)
7 number issued by the Federal Department of Transportation.

8 (D) The truck driver's California number issued by the
9 Department of the California Highway Patrol.

10 (E) The truck driver's California motor carrier permit.

11 (F) The truck driver's SCAC.

12 (G) The truck's registration with the Department of
13 Transportation.

14 (2) A truck driver who is not classified as an employee by a
15 trucking company shall pick up a container only using the truck
16 driver's own SCAC.

17 (3) A truck driver who is not an employee shall display the name
18 of the trucking company with which the truck driver contracts or
19 that the truck driver owns on the doors of the truck before entering,
20 and while on the premises of, a port.

21 2790.2. (a) A person who provides false or misleading
22 information for the purpose of representing compliance with this
23 article shall be liable for a civil penalty in the amount of one
24 hundred thousand dollars (\$100,000).

25 (b) A person who, by providing false or misleading information
26 for the purpose of representing compliance with this article, gains
27 entry to a port shall be additionally liable for a civil penalty in the
28 amount of sixty thousand dollars (\$60,000).

29 SEC. 3. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution for certain
31 costs that may be incurred by a local agency or school district
32 because, in that regard, this act creates a new crime or infraction,
33 eliminates a crime or infraction, or changes the penalty for a crime
34 or infraction, within the meaning of Section 17556 of the
35 Government Code, or changes the definition of a crime within the
36 meaning of Section 6 of Article XIII B of the California
37 Constitution.

38 However, if the Commission on State Mandates determines that
39 this act contains other costs mandated by the state, reimbursement
40 to local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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