

ORDINANCE NO. 3291

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, AMENDING SECTION 3-1.112 TO TITLE 3 OF THE MUNICIPAL CODE RELATING TO LICENSE REQUIREMENTS OF CONTRACTORS AND SUBCONTRACTORS TO ENHANCE COMPLIANCE WITH LOCAL LABOR STANDARDS.

WHEREAS, the City Council of the City of Ontario ("City") has the authority to enact and enforce ordinances and regulations for the public peace, health, and welfare of the City and its residents pursuant to the City's police power under Section 7 to Article XI of the California Constitution; and

WHEREAS, Chapter 9 to Division 3 of the California Business and Professions Code requires all persons performing contracting work ("Contractor") on any project valued at \$500 or more in combined labor and material costs to be licensed by the Contractors State Licensing Board; and

WHEREAS, Section 3-1.105 (License required) to Title 3 of the Municipal Code ("Code") requires every person operating a business in the City to procure a business license from the City; and

WHEREAS, Section 3-1.023 (Contractors: Business License Tax) of the Code requires every person engaged in business as a Contractor in the City to pay an annual business license tax; and

WHEREAS, Section 3-1.111 (Contractor engaged in business) of the Code includes subcontractor and specialty contractor to the term Contractor; and

WHEREAS, Section 3-1.112 (City reporting requirements for contractors or owner-builders) of the Code requires Contractors to provide a list identifying the names and addresses of all subcontractors or specialty contractors performing work or services on buildings or projects prior to requesting final approval, and such final approval of such building or project will not be given until all subcontractors or specialty contractors have obtained City business licenses; and

WHEREAS, it is in the City's best interest to create a culture of safety, accountability, and legal compliance to increase transparency and ensure that labor standards are upheld; and

WHEREAS, the City desires to expand the scope of the information disclosed by Contractors; and

WHEREAS, these disclosures are intended to recognize and promote the value of fair labor and business practices.

THE CITY COUNCIL HEREBY RESOLVES, DETERMINES, AND APPROVES AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The above recitals are true and correct, and are incorporated herein by this reference.

SECTION 2. Amendment. Section 3-1.112 (City reporting requirements for contractors or owner-builders) of the Code is amended in its entirety to read as follows:

“Sec. 3-1.112. City reporting requirements for contractors

A. Contractor Requirements. No person shall be issued a permit to perform work requiring a permit under this Code, unless they are:

- (1) A licensed contractor or subcontractor (“contractor”);
- (2) An employee, agent, or authorized representative of a licensed contractor;
- (3) A representative of an electronically subscribed service acting on behalf of a licensed contractor;
- (4) The property owner performing their own work; or
- (5) An employee of the owner provided that the owner shows evidence of workers’ compensation insurance required by state and city law, and their Federal tax identification number.

B. Duty to Provide Information. A person applying for a permit (“applicant”) under this Code to perform work on a project consisting of twenty (20) or more residential dwelling units or twenty thousand (20,000) square feet of newly constructed or improved commercial or industrial development shall submit the following information at the time of permit issuance and prior to commencement of work:

- (1) Scope of inspected work to be performed.
- (2) A list of all contractors and provide verification of each contractor’s workers’ compensation insurance (including policy number and expiration date), state contractor license and license category (and license expiration date if a license is required by the California State Licensing Board to perform the identified scope of inspected work), 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 state business and professions code.

- (3) A disclosure of any previous, pending, or final determinations pertaining to state or Federal labor code violations within the prior seven (7) years; or any penalties paid, criminal convictions, or judgments over five hundred thousand dollars (\$500,000) related to the provisions of the California Labor Code or the Federal Labor Standards Act within the prior seven (7) years for all contractors. The applicant may provide a sworn attestation from a contractor to satisfy this requirement.
 - (4) As a condition of receiving City inspections or participating in a City pre-construction meeting, the applicant shall (under penalty of perjury) submit required information to the City prior to each contractor or qualifying subcontractor starting work on the project.
- C. Failure to Provide Required Information. In the event the applicant cannot provide a list of valid contractors and the information required above upon permit application, the applicant or permit holder shall provide to the City all information required by subsection B within thirty (30) days after issuance of each permit (but prior to commencement of any associated work pursuant to said permit). Failure to provide valid and current contractor listings prior to commencing work shall result in one or more of the following:
- (1) City withholding inspections for any inspected work until such compliance is achieved.
 - (2) Issuance of a stop work order.
 - (3) Revocation of any permit issued by the City.
 - (4) 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 prior to the issuance of any new permit.
- D. Adding new Contractor. The information required by subsection B shall be required at the time when any new contractor is added to the permit.
- E. Prior Work. Any work performed prior to satisfying the requirements of this section shall be deemed performed without the required permits.
- F. Duty to Update Changed Information. The applicant is required to submit updated information to the City within seventy-two (72) hours of knowledge of any changes at any time between permit issuance and final inspection.”

SECTION 3. California Environmental Quality Act ("CEQA"). The Mayor and City Council finds this Ordinance is not subject to CEQA pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines (Chapter 3 to Title 14 of the California Code of Regulations) because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 4. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications; and to this end the provisions of this Ordinance are declared to be severable.

SECTION 5. Adoption. The Mayor shall sign this Ordinance and the City Clerk shall certify as to the adoption and shall cause a summary thereof to be published at least once, in a newspaper of general circulation in the City of Ontario, California within fifteen (15) days of the adoption. The City Clerk shall post a certified copy of this ordinance, including the vote for and against the same, in the Office of the City Clerk, in accordance with Government Code Section 36933.

SECTION 6. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED, APPROVED, AND ADOPTED this 3rd day of December 2024.



PAUL S. LEON, MAYOR

ATTEST:



SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:



BEST BEST & KRIEGER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Ordinance No. 3291 was duly introduced at a regular meeting of the City Council of the City of Ontario held November 19, 2024 and adopted at the regular meeting held December 3, 2024 by the following roll call vote, to wit:

AYES:	MAYOR/COUNCIL MEMBERS:	LEON, PORADA, WAPNER. BOWMAN AND MACIAS
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE


SHEILA MAUTZ, CITY CLERK

(SEAL)

I hereby certify that the foregoing is the original of Ordinance No. 3291 duly passed and adopted by the Ontario City Council at their regular meeting held December 3, 2024 and that Summaries of the Ordinance were published on November 26, 2024 and December 10, 2024, in the Inland Valley Daily Bulletin newspaper.


SHEILA MAUTZ, CITY CLERK

(SEAL)