



## Report to City Council

---

**TO:** Mayor and City Council

**FROM:** Brian Mohan, City Manager

**AGENDA DATE:** January 20, 2026

**TITLE:** AN ORDINANCE AMENDING SECTION 5.02.320 TO TITLE 5 OF THE MUNICIPAL CODE RELATING TO LICENSE REQUIREMENTS OF CONTRACTORS AND SUBCONTRACTORS TO ENHANCE COMPLIANCE WITH LOCAL LABOR STANDARDS (REPORT OF: CITY MANAGER) (ALL DISTRICTS)

**TITLE SUMMARY:** An Ordinance amending Section 5.02.320 to Title 5 of the Municipal Code relating to License Requirements of Contractors and Subcontractors to Enhance Compliance with Local Labor Standards

**DISTRICT:** All Districts

---

### Recommendation(s)

That the City Council:

1. Introduce Ordinance [next in order] at the conclusion of the Public Hearing and adopt the same at a subsequent City Council meeting, amending Section 5.02.320 to Title 5 of the Municipal Code relating to requirements of contractors and subcontractors to enhance compliance with local labor standards.

### SUMMARY

Introduce Ordinance [next in order] at the conclusion of the Public Hearing and adopt the same at a subsequent City Council meeting, amending Section 5.02.320 to Title 5 of the Municipal Code relating to requirements of contractors and subcontractors to enhance compliance with local labor standards.

## **DISCUSSION**

The changes to Section 5.02.320 of the Municipal Code, compliance with local labor standards, include reporting thresholds and requirements, incomplete reporting, violations for not reporting, and documentation required. The changes aim to protect the public health, safety, and welfare by enhancing local compliance with the California Business and Professions Code. The license requirements promote transparency for building permits by requiring contractors to disclose information for subcontractors working on projects permitted by the City. The Ordinance is intended to help subcontractors provide the required disclosure data to lead contractors and applicants filling out the Subcontractor Disclosure Form for Building Permit and Right-of-Way Permit at the beginning of the process/project, rather than at the end. While the City will not regulate the data provided or issue stop-work orders for incorrect information, the element of transparency created by the new Subcontractor Disclosure Ordinance will help the construction community police itself by identifying labor violators and unqualified operators to help ensure accountability.

### **Currently, Section 5.02.320 Duty to Certify General Contractor's Statement states:**

Every person acting as a general contractor, whether building for their own occupancy or not, shall file with the collector a full, true and complete written statement, signed by such person, under penalty of perjury, listing all subcontractors who have performed or shall perform any service whatsoever for such person within the city. The statement shall include the name, address and telephone number of each subcontractor. Any builder-owner, general engineering contractor, specialty contractor or subcontractor, subcontracting any work shall be deemed a general contractor for the purpose of this section.

(Ord. 504 § 2.1, 1996)

### **The proposed Section 5.02.320 Duty to Certify General Contractor's Statement states:**

Every person acting as a general contractor, whether building for their own occupancy or not, shall file with the collector a full, true and complete written statement, signed by such person, under penalty of perjury, listing all subcontractors who have performed or shall perform any service whatsoever for such person within the city. The statement shall include the name, address and telephone number of each subcontractor. Any builder-owner, general engineering contractor, specialty contractor or subcontractor, subcontracting any work shall be deemed a general contractor for the purpose of this section.

- 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.

### **ALTERNATIVES**

1. Introduce Ordinance [next in order] at the conclusion of the Public Hearing and adopt the same at a subsequent City Council meeting, amending Section 5.02.320 to Title 5 of the Municipal Code relating to requirements of contractors and subcontractors to enhance compliance with local labor standards. *Staff recommends this alternative.*
2. Do not adopt the proposed Ordinance and provide staff with further direction.

### **FISCAL IMPACT**

No direct impact associated with this action.

### **NOTIFICATION**

Notice of Public Hearing was published in the Press-Enterprise newspaper on January 10, 2026, as well as the Publication of the Agenda.

### **PREPARATION OF STAFF REPORT**

Prepared By:  
Brian Mohan  
City Manager

Department Head Approval:  
Brian Mohan  
City Manager

### **CITY COUNCIL GOALS**

Positive Environment: Create a positive environment for the development of Moreno Valley's future.

Public Facilities and Capital Projects: Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Public Safety: Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

### **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library

4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

## Report Approval Details

Document Title:	STAFFREPORT_CM_CONTRACTOR_SUBCONTRACTOR_TRANSPARENCY_ORDINANCE.docx
Attachments:	- Ordinance No. ____ Title 5.docx - Proof.pdf
Final Approval Date:	Jan 14, 2026

This report and all of its attachments were approved and signed as outlined below:

Patty Rodriguez

Natalia Lopez

Launa Jimenez

Patty Rodriguez