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Bulletin: AB 338 Fuel Reduction Work and Prevailing Wages			
Effective Date:	Contracts Advertised for Bid or Awarded on or after July 1, 2026		
From:	Construction Management		
Item No.	Information		

1. Existing Labor Code 1771 required prevailing wages to be paid on public works projects, including maintenance.
2. Existing Labor Code 1720 defines “Public Work” broadly along with a handful of specific inclusions and exclusions.
3. Assembly Bill 338 adds prevailing wage requirements in Public Resources Code. Assembly Bill 338 does not define fuel reduction work as public works and does not trigger public works requirements for fuel reduction work.
4. Fuel reduction work, done under contracts in excess of \$500,000 using public funds, will be required to pay prevailing wages.
5. Refer to the [Bill Digest & Text](#) for the entirety of the updated legislative language.
6. PolicyStat [Section 9824](#) has been updated to accommodate the revised legislation.

- Attachments:**
- A. AB 338 Digest and Text
 - B. PolicyStat Section 9824

Weblinks: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB338
<https://calstate.policystat.com/policy/14920445/latest/>

Applicability: Effective for all projects advertised, or applicable contracts awarded after June 30, 2026.

End of Bulletin