

Department of Industrial Relations
DIVISION OF LABOR STANDARDS ENFORCEMENT
Licensing & Registration Unit
1515 Clay Street, Suite 401
Oakland, CA 94612
Tel: (510) 285-3398 Fax: (510) 286-1366



**IMPORTANT INFORMATION AND INSTRUCTIONS
FOR NEW AND RENEWAL
APPLICANTS FOR REGISTRATION
GARMENT MANUFACTURERS AND CONTRACTORS**

READ ALL INFORMATION AND INSTRUCTIONS CAREFULLY!!

PLEASE see the website of the Division of Labor Standards Enforcement (DLSE) at http://www.dir.ca.gov/dlse/New_Garment_Manufacturers_and_Contractors.htm for further information and/or clarification and to download the application form and required supporting documentation. If you have questions not addressed by this document or the website, or to request that an application package be mailed to you, please call the Garment Manufacturing Program at 510-285-3398.

GENERAL INFORMATION

Correspondence: Original signatures are required; therefore, we cannot accept submission by FAX. Correspondence should be addressed as follows:

U.S. Mail and Personal Delivery (UPS, DHL,
FedEx, etc.):
Department of Industrial Relations
Division of Labor Standards Enforcement
LICENSING AND REGISTRATION UNIT
1515 Clay Street, Suite 401
Oakland, CA 94612
Tel no. 510-285-3398
Fax no. 510-286-1366

Who Must Register?

Every person engaged in the business of garment manufacturing must register with the Labor Commissioner. (California Code of Regulations, Title 8, Section 13630)

"Person" means any individual, partnership, corporation, limited liability company, or association, and includes, but is not limited to, employers, manufacturers, jobbers, wholesalers, contractors, subcontractors, and any other person or entity engaged in the business of garment manufacturing. (Labor Code section 1671(a)).

California Code of Regulations, Title 8, Chapter 6, Subchapter 8, section 13633 provides:

Registration of Employee Leasing Companies and Temporary Agencies:

(a) Every employee leasing company or temporary agency that leases or otherwise provides garment manufacturers or contractors with the services of employees engaged in sewing, cutting, making, processing, repairing, finishing, assembling, or otherwise preparing any garment or article of wearing apparel or accessories designed or intended to be worn by any individual is itself engaged in garment manufacturing, and must register with and obtain a valid registration certificate from the Labor Commissioner as a contractor.

(b) Every employee leasing company or temporary agency shall provide the Labor Commissioner with written notice whenever it enters into, or terminates, an arrangement to lease or otherwise provide employees engaged in any of the above enumerated garment manufacturing operations to a garment manufacturer or contractor. This notice shall include the name and address of the garment manufacturer or contractor that was or will be a party to the arrangement, the dates from beginning to end that employees were or will be leased or otherwise provided under the arrangement, the address(es) where the employees performed or will perform the garment manufacturing operations, and the number of employees that have been or will be leased or otherwise provided to the garment manufacturer or contractor under the arrangement. This notice shall be mailed to: Division of Labor Standards Enforcement, Licensing & Registration Unit, PO Box 420603, San Francisco, CA 94142. Failure to provide this notice within ten days of the date of entering into or terminating the arrangement will constitute grounds for revocation of registration or denial of an application for registration.

What is Garment Manufacturing?

"Garment manufacturing" means sewing, cutting, making, processing, repairing, finishing, assembling, or otherwise preparing any garment or any article of wearing apparel or accessories designed or intended to be worn by any individual, including, but not limited to, clothing, hats, gloves, handbags, hosiery, ties, scarfs, and belts, for sale or resale by any person or any persons contracting to have those operations performed and other operations and practices in the apparel industry as may be identified in regulations of the Department of Industrial Relations consistent with the purposes of this part. (Labor Code section 2671(b)).

What is a Contractor?

"Contractor" means any person who, with the assistance of employees or others, is primarily engaged in sewing, cutting, making, processing, repairing, finishing, assembling, or otherwise preparing any garment or any article of wearing apparel or accessories designed or intended to be worn by any individual, including, but not limited to, clothing, hats, gloves, handbags, hosiery, ties, scarfs, and belts, for another person. "Contractor" includes a subcontractor that is primarily engaged in those operations. (Labor Code section 2671(d))

Information required to be contained in contracts between manufacturers and contractors, and on itemized wage statements provided to employees is specified and itemized in California Code of Regulations, Title 8, Chapter 6, Subchapter 8, section 13659.

Guaranty of Minimum Wage:

Labor Code section 2673.1 provided, in pertinent part:

(a) To ensure that employees are paid for all hours worked, a person engaged in garment manufacturing, as defined in Section 2671, who contracts with another person for the performance of garment manufacturing operations shall guarantee payment of the applicable minimum wage and overtime compensation, as required by law, that are due from that other person to its employees that perform those operations.

(b) Where the work of two or more persons is being performed at the same worksite during the same payroll period, the liability of each person under this guarantee shall be limited to his or her proportionate share, as determined by the Labor Commissioner pursuant to paragraph (3) or (4) of subdivision (d).

Joint Liability:

Any person engaged in the business of garment manufacturing who contracts with any other person similarly engaged who has not registered with the Commissioner or does not have a valid bond on file with the Commissioner is deemed an employer and will be jointly liable with the other person. Any employee of a person engaged in garment manufacturing who is not registered may bring a civil action against any person deemed to be an employer to recover any wages, damages or penalties to which the employee may be entitled because of violation by the unregistered employer or may file a claim with the Labor Commissioner. (Labor Code section 2677).

Confiscation:

Any garment or wearing apparel assembled or partially assembled by or on behalf of any person who has not complied with the registration requirements, may be confiscated by the DLSE which will be responsible for destroying or disposing of them pursuant to regulations. If the person from whom garments or wearing apparel are confiscated was providing the garments as a contractor, and has within the immediately preceding five (5) years had garments confiscated, may, in addition to confiscation of the garments or wearing apparel, be subject to confiscation of the means of production, including all manufacturing equipment and the property where the current unregistered garment manufacturing operations have taken place. (Labor Code section 2680)

Legislative Update:

AB 854 (Chapter 256, Statutes of 2009), with an effective date of January 1, 2010, added Section 273 to the Labor Code. The Bill has added requirements to applicants for registration (new or renewal) to operate as a garment manufacturer, and for registered garment manufacturers with a change in key personnel, as follows:

- Must submit a statement as to whether he or she has satisfied all requirements involving unpaid wages in a final court judgment, as defined, a final order issued by the commissioner, or an accord.
- Subjects any person who provides false information on the statement to a civil penalty, as specified in the bill.
- Requires the Labor Commissioner to deny the application if the statement shows unpaid wages, unless the applicant submits a bond or cash deposit to guarantee payment of the wages or a notarized accord demonstrating satisfaction of the obligation.
- Requires the Labor Commissioner to suspend the registration of a garment manufacturer who made a false representation in the statement and would make reinstatement contingent on the applicant demonstrating compliance with the unpaid wages requirements or submitting an accord showing satisfaction of that obligation.
- Requires a registrant to notify the Labor Commissioner within 90 days of a final court judgment, final order issued by the Commissioner or an accord imposing requirements relating to unpaid wages and submit with the notice security, as previously described, for the unpaid wages.
- Prohibits a registrant from having a person who is a named judgment debtor in a final court order or order issued by the Commissioner for unpaid wages serving in a key personnel capacity and would require the Commissioner to suspend the license or registration of a person who violates this prohibition.
- Requires a registrant to pay to the Labor Commissioner all reasonable costs incurred in adverse license or registration activities, as defined, under its provisions

Full text of AB 854 can be found at http://leginfo.ca.gov/pub/09-10/bill/asm/ab_0851-0900/ab_854_bill_20091011_chaptered.html

Display of Registration Number

Labor Code section 2676.5 provides that every person registered as a garment manufacturer must display on the front entrance of his/her business premise, and also, if the front entrance is within the interior of the building, on or near the main exterior entrance of the building, his/her name, address and garment manufacturing registration number, all in letters not less than three (3) inches high.

Record Keeping Requirements:

Pursuant to Labor Code section 2673, every employer engaged in the business of garment manufacturing must keep, for three (3) years, accurate records that show all of the following:

- o The names and addresses of all garment workers directly employed by the employer
- o The hours worked daily by employees, including the times the employees begin and end each work period
- o The daily production sheets, including piece rates
- o The wage and wage rates paid each payroll period
- o The contract worksheets indicating the price per unit agreed to between the contractor and manufacturer
- o The ages of all minor employees and
- o Any other conditions of employment

Additional Resources:

- o See California Code of Regulations, Title 8, Chapter 6, Subchapter 8, Sections 13630-13659 Garment Manufacturers <http://www.dir.ca.gov/t8/ch6sb8.html>
- o See California Labor Code sections 2670-2684
- o https://leginfo.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=LAB&division=2.&title=&part=11.&chapter=&articleo
- o

Application Process

Duration of Registration

The Registration Certificate shall be valid for a period of one year from the date of issuance, unless revoked. The Certificate is non-transferrable and is valid only for the address(es) shown on its face.

The registrant shall notify the Labor Commissioner in writing at least two weeks prior to any change(s) of address. Such notification is required as to each location not already listed on the Registration Certificate where employees will be engaged in garment manufacturing. Following receipt of written notice from a garment contractor or manufacturer in possession of a current Registration Certificate, the Labor Commissioner shall, without additional cost, issue an amended certificate listing the new address(es), unless the business of garment manufacturing cannot legally or safely be carried on at the proposed address(es).

Fees

The amount you pay for registration is determined by your answers to certain questions on the Application for Registration Garment Manufacturing Industry (DLSE 810 (Rev. 03/02) and the amount of gross sales receipts that you report for a specified time period. Your answers to the following items on the application form will determine the amount of your registration fee.

If you answered "No" to Application Item 7a: If you have **not** had an application for registration denied and if you have **not** had a registration revoked or suspended during the **three years** preceding the filing of this application, use **TABLE 1** to find the amount of your registration fee. (If your answer to **7a** was "yes," go to the next section entitled, "If You Answered 'Yes' to Application Item 7a.")

TABLE 1

TYPE OF BUSINESS (YOUR ANSWER TO ITEM 8a OF APPLICATION FORM)	GROSS SALES RECEIPTS FOR THE PRIOR 12 MONTHS (YOUR ANSWER TO ITEM 4c OF APPLICATION FORM ROUNDED TO NEAREST DOLLAR)	YOUR ANNUAL FEE IS
Contractor	\$100,000 or less	\$250
Contractor	\$100,001 to \$500,000	\$350
Contractor	\$500,001 to \$1,000,000	\$500
Contractor	\$1,000,001 or more	\$1,000

Manufacturer	\$500,000 or less	\$750
Manufacturer	\$500,001 to \$3,000,000	\$1,000
Manufacturer	\$3,000,001 to \$7,000,000	\$1,500
Manufacturer	\$7,000,001 or more	\$2,500

If you answered “Yes” to Applications Item 7a: If you have had an application for registration denied or if you have had a registration revoked or suspended during the **three years** preceding the filing of this application, use **TABLE 2** to determine the amount of your registration fee.

TABLE 2

TYPE OF BUSINESS (YOUR ANSWER TO ITEM 8a OF APPLICATION FORM)	HAVE YOU HAD ANY GROSS SALES RECEIPTS AT ANYTIME DURING THE 3-YEAR PERIOD PRIOR TO FILING THIS APPLICATION? (YOUR ANSWER TO ITEM 7b OF APPLICATION FORM)	YOUR ANNUAL FEE IS
CONTRACTOR	No	\$500
CONTRACTOR	Yes	\$1,000
MANUFACTURER	No	\$1,500
MANUFACTURER	Yes	\$2,500

The DLSE Licensing & Registration Unit offers online payment of fees by accessing http://www.dir.ca.gov/dlse/Online_Payment.html. You will be linked to the third party provider OfficialPayments.com. Payments may be made using your American Express, Discover, Visa and MasterCard credit cards. OfficialPayments.com charges a convenience fee to use its service to make a payment. This fee is separate and distinct from the primary obligation that you are paying. The convenience fee is included in the “Total Payment Amount” line. You will receive an electronic receipt for payments made. You may also include Garment Exam fees (\$25).

Please be sure to print out your receipt as we will not be able to provide a duplicate receipt.

How Do I Take The Exam?

When the Division of Labor Standards Enforcement has received your completed application along with your \$25.00 examination fee, you will be sent an authorization for examination letter. This letter will tell you where and when you can take the exam, and provide you with instructions of what you need to bring to the exam. Be sure to complete the application form and include your \$25.00 fee and all required documents in order to avoid delays in processing. You may include payment for the Garment Exam fees with your payment for registration fees.

IMPORTANT: Submitting an application for a certificate of registration DOES NOT authorize you to operate a garment manufacturing (or contracting) business. It is illegal to operate as a garment manufacturer or contractor without first obtaining a garment manufacturing (and contractor) registration certificate from the State Labor Commissioner. If you operate without a valid certificate of registration, you will be subject to a civil penalty.

Documentation Required of ALL NEW AND RENEWALS Applicants:

- Completed Application form DLSE 810 (Rev. 03/02) – Application for Registration – Garment Manufacturing Industry. Application MUST be either TYPED or PRINTED in ink.
- Annual registration fees.
- A valid workers' compensation insurance certificate or a copy of the certificate from the Director of the Department of Industrial Relations consenting to your being self insured against liability to pay compensation under the State's workers' compensation laws either as an individual employer or as one employer in a group of employers. A valid workers' compensation insurance certificate MUST:
 - Show the complete and correct name of the legal entity that is the insured employer, i.e. full name of an individual (if a sole proprietorship), all partners, general and limited (if a partnership), name of limited liability company, or corporation, whichever is applicable.
 - Show correct fictitious business name (the "doing business as" name), if applicable.
 - Contain the complete and correct address of each location where the employer engages in the business of garment manufacturing; and
 - Identify the certificate holder as:

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IMPORTANT: The DLSE will not accept copies of an application for insurance, policy declaration, information page, annual rating endorsement, or payroll report. Only the actual certificate or a readable copy will be accepted.

- If you intend to contract with an employee leasing company as the employer, that employee leasing company must be currently registered with the Labor Commissioner as an employer engaged in the business of garment manufacturing, and you must submit the following:
 - A copy of the signed contract between you and the employee leasing company; and
 - A current workers' compensation insurance certificate that is provided to you by the employee leasing company.
- Most recently filed Employment Development Department (EDD) DE-9 or DE-9C report.
- If you are applying as a Manufacturer (Item 8a of the application form), you must submit a completed DLSE 810 – Manufacturer's Certification (LC 2673.1) located on page 4 of the application,

ADDITIONAL Documentation Required for NEW Applicants:

- Examination fee of \$25.00

- The person who will take the garment exam must be listed on the application as the individual owner, one of the partners, one of the corporate officers, or member of the limited liability company **with at least 20% ownership.**
- A copy of the Fictitious Business Name Statement for any business name(s) (dba's) you intend to use. (Contact the local county clerk's office to apply.)
- Copies of both the State Employment Tax I.D. Number (SEIN) AND THE Federal Tax I.D. number (FEIN) or application for the same.
- If a corporation, copies of endorsed Articles of Incorporation and Statement of Information (**can be obtained through the office of the Secretary of State**)
- If a limited liability company, copies of endorsed Articles of Organization and Statement of Information. (**can be obtained through the office of the Secretary of State**)
- If your business is a leasing company, follow the above instructions. In addition, you must enclose a sample form of your contract and a sample form of the 24-hour cancellation notice that you intend to use.
- A copy of the public health license is required only if business is located in Los Angeles County (**with the exception of Vernon, Pasadena and Long Beach**). Individual owner's/partners' and/or corporate name(s) and business names(s) must be shown. You may apply at 5050 Commerce Drive, Baldwin Park, CA 91706-1423.

AN INCOMPLETE APPLICATION, INCLUDING INCOMPLETE SUBMISSION OF REQUIRED SUPPORTING DOCUMENTATION, WILL DELAY THE ISSUANCE OF YOUR LICENSE. IF YOU ARE SUBMITTING A RENEWAL APPLICATION, TO AVOID A LAPSE IN THE EFFECTIVE DATE OF YOUR LICENSE, PLEASE RETURN YOUR APPLICATION PACKAGE, WITH FEES AND DOCUMENTATION, AT LEAST 90 DAYS PRIOR TO THE EXPIRATION OF YOUR LICENSE.