

Somerville Wage Theft Ordinance Highlights

Overview: City can **deny, suspend, or revoke licenses, permits and contracts** as well as may petition state agency for revocation of TIF for employers with wage theft violations, including:

- Massachusetts wage laws (wages, overtime, minimum wage, prevailing wage)
- Federal wage laws (e.g., FLSA)
- Debt collection violations affecting workers

A. Expanded enforcement window

- **5-year lookback period** (expanded from 3 years)
- Applies to license applications, renewals, ongoing license enforcement

B. Penalties for violators

- **1-year ban on receiving any city license or permit**
 - Applies after denial, revocation, or non-renewal
 - Applies to the business and owners/principals (prevents rebranding to evade enforcement)

C. Appeals process (due process built in)

- Employers can appeal within **14 days**; Receive a hearing within **30 days**

D. Mandatory certification

- Applicants must **certify no wage theft violations** within the 5-year period
- False certification creates liability and enforcement exposure

E. Workplace Transparency:

- Employers found in violation must:
 - **Post notice of violation onsite** (using City form)
 - In English + workers' primary language
- Penalty: Up to **\$300 per day** for failure to post

F. Components:

1. Licensing

- Violations can trigger denial of new license; suspension or revocation of existing license
- Wage bond **may** be required

2. Permits

- City may deny application for permit if, during 5 year prior period, applicant admits violations.
- Permits may be revoked or suspended if found responsible for violations

3. City contracting

- Contractors must:
 - Disclose violations within past 5 years
 - Report new violations within **5 business days**
 - Post labor rights notices in conspicuous location
- City can reject bids, terminate contracts; impose conditions on future contracts
- Wage bond requirement
Employers/contractors with violations are required to post a:
 - **Minimum \$25,000 wage bond**
 - Up to **1 year of payroll**

Ensures funds are available to pay workers

Failure → contract/license consequences

City staff reports to the City Council when wage bond is required, Council may review/reject award

4. Tax Increment Financing (TIF) Agreements

- Required to submit contractors expected to work on the project;
- Construction managers, contractors, subcontractors have not been subject to violations, debarment, etc. in the past 5 years
- Submit certified payrolls to the city monthly
- Ensure that all employees log in/out/track wages due
- Failing above requirements, City may petition state agency for revocation of TIF

G. Complaint tracking and enforcement pipeline

- City departments must **forward complaints immediately**
- System set up to ensure:
 - Complaints are tracked
 - Enforcement bodies are notified
 - Repeat violators are identified

H. Wage Theft Advisory Committee (WTAC) – 2025 Structure

- #: **9 members**
- Includes:
 - Mayor (or designee)
 - City Council President (or designee)
 - 4 labor representatives (unions)
 - 2 nonprofit/advocacy representatives
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- Appointment process: Nominated by City Council President; Approved by City Council

Core duties

- **Meet** at least every two months
- **Education / Training** for workers; Guidance for employers
- **Review and track complaints**
- **Coordinate with state & federal enforcement agencies**
- **Complaint handling**
 - Receives complaints from City departments; Attorney General
 - Coordinate with Unions / nonprofit orgs / Individual workers
 - Does not adjudicate violations
 - Refers and tracks cases through enforcement agencies
- **Issue annual report** including:
 - Complaints received
 - Actions taken
 - Outcomes (if known)
 - Known judgments, citations, debarments

Examples of other Somerville Labor Protections

1) Living Wage Ordinance

- **Applicability:** Applies to for-profit and non-profit entities with contracts of \$10,000 or more, specifically for employees involved in providing services to the City.
- **Living Wage Rate:** The rate for 2026 is **\$18.85 per hour**.
- **Adjustments:** The living wage is adjusted annually, often based on federal poverty guidelines or the local Consumer Price Index (CPI-U), typically taking effect on July 1.
- **Compliance:** Contractors must submit a "Somerville Living Wage Ordinance Certification Form" with their bid or proposal.
- **Penalties:** Failure to comply with the ordinance can lead to penalties and potential contract termination.
- **Exceptions:** Youth Programs; construction contracts are often covered by separate state-mandated prevailing wage laws.

2. Construction safety ordinance (Ord. No. 2024-10, adopted 9/26/2024)

- **Requirements:** All construction sites submit a site-specific safety plan approved by the Inspectional Services Division (ISD) for all construction/demolition projects.
Requires a designated site safety coordinator with at least OSHA 10-hour certification for projects and strict adherence to safety regulations.
- **Applicability:** Applies to all construction and demolition in Somerville, excluding specific homeowner exemptions defined under 780 CMR 110

Comparison to other municipalities:

Boston:

- **Personnel: Worker protections division & staff** to investigate complaints, notify agencies of employers who are in violation of labor protections; inform employers of their obligations, educate workers on their rights, collect quarterly reports for compliance, and conduct site visits
- **Website with key information**
- **Expanded protections: Ordinance for heat safety**

Salem:

- **Public notice:** All businesses must post notice of city protections in language spoken by at least 5% of the city population
- **Personnel:** City Solicitor's Office provides online complaint form that employees to report complaints;
Workers can file complaint with City Solicitor's Office which forwards to appropriate agency.
- **For Tax Increment Financed Employers:**
 - Requires that they properly classify employees as employees rather than independent contractors and treat them accordingly for purposes of workers' compensation, etc.
 - City Solicitor must respond to complaints within 30 days

Seattle, WA:

- **Expansive protections:** a high minimum wage, mandatory paid sick/safe time, wage theft protections and protections for gig, hotel, and domestic workers and fair chance employment (protecting workers with criminal records).
- **Personnel:** Office of Labor Standards provides compliance assistance and training for both workers and employers. Violations can be reported directly to them