



WACA Legislative Report

March 8, 2016

The bill introduction period for the 2016 session of the California State Legislature concluded on February 19th. Since that time, we have sifted through the 2000 plus legislative proposals introduced this year to ensure we are actively involved with all that may affect WACA member contractors.

We have selected the legislation listed below that we suggest WACA take an active position on. Other bills of interest that may affect the industry, but are currently somewhat benign, will be monitored in a "watch" file. You will be made aware of these bills if it becomes necessary to change our position and action.

A preliminary position has been assigned to the enclosed bills (i.e. Support, Oppose and Active).

Legislative Key

"Support" Position: Actively support the legislation.

"Oppose" Position: Actively oppose the legislation

"Active" Position: Actively work on the legislation to produce amendments that would garner our support or neutrality for the legislation or protect against hostile amendments that would result in our opposition to the legislation.

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AB 326

AUTHOR: Frazier D

TITLE: Public works: prevailing wage rates: wage and penalty assessments.

SUMMARY: Current law requires the Labor Commissioner to issue a civil wage and penalty assessment to a contractor or subcontractor, or both, if the Labor Commissioner determines, after investigation, that the contractor or subcontractor, or both, violated the laws regulating public works contracts, including the payment of prevailing wages. This bill would require the department to release the funds deposited in escrow plus interest earned to those persons and entities within 30 days following the conclusion of all administrative and judicial review. This bill contains other existing laws.

STATUS: Referred to Com. on L. & I.R.

POSITION: Active

AB 1233

AUTHOR: Levine D

TITLE: Public works: public subsidies.

SUMMARY: Would provide that a public subsidy is de minimis if it is both less than \$250,000 and less than 2% of the total project cost. The bill would specify that those provisions do not apply to a project that was advertised for bid, or a contract that was awarded, before July 1, 2017.

STATUS: Referred to Com. on L. & I.R.

POSITION: Support

AB 1793**AUTHOR:** Holden D**TITLE:** Contractors: license requirements: recovery actions.**SUMMARY:** Current law authorizes a court to determine that a contractor has substantially complied with licensure requirements if specified conditions are met. Current law also requires a contractor to demonstrate that he or she acted promptly and in good faith to reinstate his or her license upon learning it was invalid in order to meet substantial compliance of these licensure requirements. This bill would instead require a court to find that a contractor is in substantial compliance with the licensure requirements if prescribed evidentiary standards are met.**STATUS:** Referred to Coms. on B. & P. and JUD.**POSITION:** Active**AB 1865****AUTHOR:** Patterson R**TITLE:** Contractors: trust or custodial benefits plans: health benefits.**SUMMARY:** Would exempt a contractor that bids on or has been awarded work covered by a project labor agreement entered into on or after January 1, 2017, which contractor provides health care coverage to workers on the project subject to the agreement that includes certain essential health benefits and which provides evidence of that coverage to the entity awarding the contract, from a project labor agreement requirement to pay into a trust or custodial benefit plan for health and welfare or similar benefits for those workers, in an amount equal to the amount that the contractor would otherwise have been required to pay into that trust or custodial benefit plan for health care costs for those workers. This bill contains other existing laws.**STATUS:** Referred to Com. on L. & E.**POSITION:** Oppose**AB 1890****AUTHOR:** Dodd D**TITLE:** Discrimination: equal pay: state contracting.**SUMMARY:** Would enact the Equal Pay for Equal Work Act of 2016. The bill would require an employer with 100 or more employees in the state and a contract with the state of 30 days or more to submit a description of its nondiscrimination program to the Department of Fair Employment and Housing and to submit periodic reports, no more than annually, on a schedule to be determined by the department, of its compliance with that program. The bill would authorize the department to require approval and certification of the program. .**STATUS:** Referred to Com. on L. & E.**POSITION:** Active**AB 1939****AUTHOR:** Patterson R**TITLE:** Licensing Requirements.**SUMMARY:** Would require the director of the Department of Consumer Affairs to conduct a study and submit to the Legislature by July 1, 2017, a report identifying, exploring, and addressing occupational licensing requirements that create unnecessary barriers to labor market entry or mobility.**STATUS:** Referred to Com. on B. & P.**POSITION:** Active

AB 2030**AUTHOR:** Mullin D**TITLE:** Transportation districts: contracts.**SUMMARY:** Current law requires contracts of the San Francisco Bay Area Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000. This bill would impose those bidding requirements with respect to district contracts for the purchase of supplies, equipment, and materials if the amount of the contracts exceeds \$150,000 and would require a minimum of 3 quotations for those contracts between \$5,000 and \$150,000.**STATUS:** From printer. May be heard in committee March 18.**POSITION:** Oppose**AB 2181****AUTHOR:** Brown D**TITLE:** Public contracts: contract specifications.**SUMMARY:** This bill would require an awarding state department, on or before January 1, 2018, to prepare and submit to the Legislature and the Governor a report on the greenhouse gas emissions that are associated with energy-intensive products in projects within the jurisdiction of the department. The bill would impose similar requirements on the Regents of the University of California and the Trustees of the California State University.**STATUS:** Referred to Coms. on NAT. RES. and A. & A.R.**POSITION:** Active**AB 2270****AUTHOR:** Bonta D**TITLE:** Public contracts: business development: statewide bonding program.**SUMMARY:** Would establish, in the Department of General Services, a statewide contractor bonding program, to be administered by the Office of Small Business and Disabled Veteran Business Enterprise Services, for the purpose of enabling participating contractors to meet any applicable bid, payment, or performance bonding requirements for public contracts with state agencies. This bill would authorize the office to act as guarantor on surety bonds for participating contractors on contracts with state agencies and require the office to provide specified technical assistance to participating contractors.**STATUS:** From printer. May be heard in committee March 20.**POSITION:** Active**AB 2286****AUTHOR:** Mullin D**TITLE:** Contractors: home improvement salespersons.**SUMMARY:** Current law authorizes the Contractors' State License Board to set fees by regulation and sets forth certain limitations on those fees. Current law, in connection with a delinquent application for the renewal of registration of a home improvement salesperson, establishes a delinquent renewal penalty. This bill would increase various fee limitations and would additionally provide that the application fee to add personnel to an existing license be no more than \$150.**STATUS:** Referred to Com. on B. & P.**POSITION:** Active

AB 2288**AUTHOR:** Burke D**TITLE:** Apprenticeship programs: building and construction trades.**SUMMARY:** Would require the California Workforce Development Board and each local board to ensure that preapprenticeship training in the building and construction trades follows the Multi-Craft Core Curriculum developed by the California Department of Education and that programs and services funded by the federal Workforce Innovation and Opportunity Act of 2014 and directed to apprenticeable occupations in the building and construction trades include plans to increase the percentage of women in those trades. By imposing new requirements on the local workforce development boards, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.**STATUS:** Referred to Com. on L. & E.**POSITION:** Support**AB 2316****AUTHOR:** O'Donnell D**TITLE:** School facilities: leasing property.**SUMMARY:** Current law, notwithstanding specified provisions, also authorizes the governing board of a school district, without advertising for bids, to lease real property for a minimum rental of \$1 per year if the instrument by which this property is leased requires the lessee to construct, or provide for the construction of, a building to be used by the school district and provides that the title to the building shall vest in the school district at the end of the lease. This bill would delete the language that provides that a school district governing board is not required to advertise for bids pursuant to this provision.**STATUS:** Referred to Com. on ED.**POSITION:** Active**AB 2486****AUTHOR:** Baker R**TITLE:** Contractors' State License Board: license search by location.**SUMMARY:** Would authorize the Contractors' State License Board, when funds are available or during a scheduled update of the board's Internet Web site, to add an enhancement to the current contractor license check search function that would permit consumers to search for a licensed contractor by either ZIP Code or location.**STATUS:** Read first time.**POSITION:** Active**AB 2551****AUTHOR:** Gallagher R**TITLE:** Surface storage: design-build contracts.**SUMMARY:** Would authorize certain surface storage projects that receive Proposition 1 funding to use the design-build method of project delivery.**STATUS:** Read first time.**POSITION:** Active**AB 2749****AUTHOR:** Brough R**TITLE:** Heavy equipment rentals: rental agreements: sales and use taxes: exclusions.**SUMMARY:** Would establish, in a rental agreement of heavy equipment property by a qualified heavy

equipment renter, a rebuttable presumption that the parties agreed to the addition of estimated personal property tax reimbursement to the rental price of heavy equipment property to a lessee if specified conditions occur, including that the rental agreement states that the estimated personal property tax reimbursement amount charged is the amount estimated by the qualified heavy equipment renter owed for personal property tax on that heavy equipment property for a specified lien date, and that any amounts in excess of the actual amount of personal property taxes owed on the heavy equipment property will be remitted to the State Board of Equalization for deposit into the state General Fund.

STATUS: Read first time.

POSITION: Oppose

SB 885

AUTHOR: Wolk D

TITLE: Construction contracts: indemnity.

SUMMARY: Would specify, for construction contracts entered into on or after January 1, 2017, that a design professional, as defined, only has the duty to defend claims that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. Under the bill, a design professional would not have a duty to defend claims against any other person or entity arising from a construction project, except that person or entity's reasonable defense costs arising out of the design professional's degree of fault, as specified.

STATUS: Referred to Com. on JUD.

POSITION: Oppose

SB 954

AUTHOR: Hertzberg D

TITLE: Public works: prevailing wage: per diem wages.

SUMMARY: Would require per diem wages to include industry advancement and collective bargaining agreements administrative fees, provided that the employer is required by a collective bargaining agreement to make those payments. The bill would also exclude from per diem wages, employer payments for other purposes similar to certain apprenticeship or other training programs, worker protection and assistance programs or committees established under the federal Labor Management Cooperation Act of 1978, and industry advancement and collective bargaining agreements administrative fees. This bill contains other related provisions and other existing laws.

STATUS: Referred to Com. on L. & I.R.

POSITION: Support

SB 957

AUTHOR: Hueso D

TITLE: Health care districts: design-build process.

SUMMARY: Would authorize, until January 1, 2025, any health care district to use the design-build process when contracting for the construction of a hospital or health facility building. Because the bill would expand the application of the procurement process to additional design-build entities, the bill would expand the crime of perjury, thereby imposing a state-mandated local program. This bill contains other related provisions and other existing laws.

STATUS: Referred to Com. on GOV. & F.

POSITION: Support

SB 1073**AUTHOR:** Monning D**TITLE:** Building standards: lead.**SUMMARY:** The California Building Standards Law provides for the adoption of building standards by state agencies by requiring all state agencies that adopt or propose adoption of any building standard to submit the building standard to the California Building Standards Commission for approval and adoption. This bill would state the intent of the Legislature to enact legislation that would align state and federal regulations related to lead in homes and buildings.**STATUS:** Referred to Com. on RLS.**POSITION:** Active**SB 1170****AUTHOR:** Wieckowski D**TITLE:** Public contracts: water pollution prevention plans: delegation.**SUMMARY:** Would prohibit a public entity, charter city, or charter county from delegating to a contractor the development of a plan, as defined, used to prevent or reduce water pollution or runoff on a public works contract, except as provided. The bill would also prohibit a public entity, charter city, or charter county from requiring a contractor on a public works contract that includes compliance with a plan to assume responsibility for the completeness and accuracy of a plan developed by that entity.**STATUS:** Referred to Coms. on GOV. & F. and E.Q.**POSITION:** Support**SB 1176****AUTHOR:** Galgiani D**TITLE:** Small Business Procurement and Contract Act: business size.**SUMMARY:** Under the Small Business Procurement and Contract Act, current law defines a "small business" as an independently owned and operated business that is not dominant in its field of operation that has average annual gross receipts of \$10 million, as may be adjusted to reflect changes in the California Consumer Price Index, or less over the previous 3 years. Current law defines a "microbusiness" as a small business which, together with affiliates, has average annual gross receipts of \$2.5 million. This bill would revise those definitions by increasing the dollar amount threshold for a small business to \$30 million and for a microbusiness to \$5 million and would require those dollar amounts to be adjusted to reflect changes in the California Consumer Price Index biennially.**STATUS:** Referred to Com. on G.O.**POSITION:** Active**SB 1209****AUTHOR:** Morrell R**TITLE:** Contractors: discipline.**SUMMARY:** Current law requires the registrar of contractors, among other things, to make available to the public the date, nature, and disposition of all legal actions against a licensee, except as specified. This bill would require that disclosure of citations also appear on the license record of any other license that was issued, or was associated with the license subject to the citation, on or after the date of the act or omission that led to the citation and the other license includes a member of the personnel of record who, at the time that the act or omission occurred that led to the citation, was identified as a qualifier of the license subject to the citation.**STATUS:** Referred to Com. on B., P. & E.D.**POSITION:** Active

SB 1219**AUTHOR:** Hancock D**TITLE:** Small Business Procurement and Contract Act: employment social enterprises.**SUMMARY:** Current law establishes the Office of Small Business and Disabled Veteran Business Enterprise Service and prescribes duties for the office, which include maintaining a bidders list of small businesses and disabled veteran businesses and is to identify which small businesses also qualify as microbusiness. Current law prescribes penalties for a small business or microbusiness that provides incorrect information or withholds information that leads to its incorrect classification as such an entity and is awarded a contract because of that classification. This bill would grant an employment social enterprise the preference and status that is provided to a microbusiness for purposes of the provisions described above.**STATUS:** Referred to Com. on G.O.**POSITION:** Active**SB 1445****AUTHOR:** Hertzberg D**TITLE:** Taxation.**SUMMARY:** Would state legislative findings regarding California's tax climate and would state that the intent of the bill is to make 3 changes to the taxation within the state, including broadening the tax base by imposing a modest sales tax on services. This bill would also establish the Retail Sales Tax on Services Fund in the State Treasury and state the intent of the Legislature that moneys in the fund would be appropriated to, among other things, provide tax relief to middle- and low-income Californians to offset the effect of a sales tax on services, among other purposes.**STATUS:** From printer. May be acted upon on or after March 23. Read first time.**POSITION:** Active