



WACA
2016 End of Year Legislative Report
December 1, 2016

Introduction

The California Legislature wrapped up the 2016 legislative session on August 31st, sending many bills to the Governor's office. Governor Brown spent the following month reviewing over 1,000 measures. When the dust settled, it was clear our industry had an incredibly successful 2016 legislative session.

Our biggest win was the significant reform of public works change orders. Tackling the inequity in the public works change order process was the top legislative priority of our industry. We also brought home victories in the areas of protecting contractors from disgorgement, and both expanding and improving the requirements for the skilled and trained workforce.

In addition, much of our time was spent amending or attempting to defeat legislation that would have had a negative impact on our industry. We were successful in this area as well. This is evident in the neutralizing of one measure (SB 465) which would have required contractors to report ALL settlement agreements to the Contractors State Licensing Board. Another measure that was neutralized (SB 885) had been intended to ensure design professionals would have no duty to defend claims against other persons or entities until the design professional's degree of fault was determined by a court. Many additional harmful bills were also either killed or amended to protect our contractors.

For a summary of all 2016 industry bills that were passed into law, please see the overview starting below with Codes & Standards.

The complete text of 2016 legislation can be found on the Politico Group's website www.politicogroup.com. Look under "Find a Bill" in their quick links and enter the bill number. All of the newly enacted laws will become operative January 1, 2017, unless otherwise noted.

If you have any questions or comments, or would like additional information, please contact the Politico Group. We may be contacted at bernacchi@politicogroup.com or (916) 444-3770.

Codes & Standards

AB 1928**AUTHOR: Campos D****TITLE: Water efficiency: landscape irrigation equipment**

SUMMARY: Extends the date from January 1, 2010, to January 1, 2019, by which the California Energy Commission (CEC) is required to adopt landscape irrigation equipment performance standards and labeling requirements. Additionally, prohibits the sale of new irrigation equipment on or after an effective date established by the CEC. Requires the CEC to consider recent advancements in landscape irrigation efficiency when developing the standards and requirements.

Chaptered by Secretary of State - Chapter 326, Statutes of 2016

AB 2208**AUTHOR: Santiago D****TITLE: Local planning: housing element: inventory of land for residential development**

SUMMARY: This bill revises the definition of land suitable for residential development to include the airspace above sites owned or leased by a city, county, or city and county.

Chaptered by Secretary of State - Chapter 460, Statutes of 2016

SB 1414**AUTHOR: Wolk D****TITLE: Energy**

SUMMARY: This bill directs the California Energy Commission(CEC) to approve a plan that will promote the installation of central air conditioning and heat pumps in compliance with Part 6 of Title 24 of the California Code of Regulations, and authorizes the CEC to adopt regulations consistent with the approved plan. This bill also prohibits an investor-owned utility (IOU) from paying out a rebate or incentive for energy efficiency upgrades unless the recipient proves closure of regulatory permitting and compliance for the purchase or installation of central air-conditioning or a heat pump, and their related fans.

Chaptered by Secretary of State - Chapter 678, Statutes of 2016

Collection & Lien - Prompt Pay

AB 626**AUTHOR: Chiu D****TITLE: Public contracts: claim resolution**

SUMMARY: Industry sponsored legislation to create a fair and timely payment process for extra work performed on public works projects.

Chaptered by Secretary of State - Chapter 810, Statutes of 2016

Contractors' License Law

AB 1793

AUTHOR: Holden D

TITLE: Contractors: license requirements: recovery actions

SUMMARY: sponsored industry legislation that provides a court judicial discretion regarding unjust disgorgement requests pertaining to lapses in licensure by a contractor on clerical and technical ground.

Chaptered by Secretary of State - Chapter 244, Statutes of 2016

AB 2486

AUTHOR: Baker R

TITLE: Contractors' State License Board: license search by location

SUMMARY: This bill requires the Contractors State License Board, by January 1, 2019, to update its Web site to allow consumers to search for a licensed contractor by zip code or geographic locator.

Chaptered by Secretary of State - Chapter 270, Statutes of 2016

AB 2859

AUTHOR: Low D

TITLE: Professions and vocations: retired category: licenses

SUMMARY: Would authorize any of the boards within the Department of Consumer Affairs (including the Contractors State Licensing Board) to establish by regulation a system for a retired category of license for persons who are not actively engaged in the practice of their profession or vocation.

Chaptered by Secretary of State - Chapter 473, Statutes of 2016

SB 465

AUTHOR: Hill D

TITLE: Building construction: contractors: discipline: reporting: building standards

SUMMARY: Permits the Contractors State Licensing Board (CSLB or Board) to enter into an interagency agreement with state or local agencies to ensure that the Board receives specified disciplinary information relating to a contractor in a timely manner; requires a licensee to report to the CSLB the occurrence of any conviction of any felony or crime related to contracting; requires the California Building Standards Commission to convene a specified working group and recommend any statutory changes or changes to the California Building Standards Code; requires the Division of Occupational Safety and Health (Division), after consultation with the CSLB, to transmit to the CSLB copies of any citations or other actions taken by the division against a contractor; and requires the CSLB to study to determine if the CSLB's ability to protect the public would be enhanced by looking at legal settlements. The last provision, as introduced, unfairly threatened the reputation and record of contractors by requiring all legal settlements to be reported to the Contractors State License Board. The bill

was amended at our request to make the settlement reporting requirement a three-year voluntary program.

Chaptered by Secretary of State - Chapter 372, Statutes of 2016

SB 1039

AUTHOR: Hill D

TITLE: Professions and vocations

SUMMARY: Updates the Contractors State Licensing Board (CSLB) fee structure so the CSLB can better protect consumers, and serve the industry.

Chaptered by Secretary of State - Chapter 799, Statutes of 2016

SB 1085

AUTHOR: Roth D

TITLE: Professional engineers: geologists and geophysicists: land surveyors

SUMMARY: Current law makes the Board for Professional Engineers, Land Surveyors, and Geologists responsible for the certification, licensure, and regulation of the practice of professional engineering, the practice of professional geologists and geophysicists, and the practice of professional land surveyors. This bill requires an applicant for renewal to complete a board-administered online assessment to reinforce the certificate holder's or license holder's.

Chaptered by Secretary of State - Chapter 629, Statutes of 2016

SB 1165

AUTHOR: Cannella R

TITLE: Engineers, geologists, geophysicists, and land surveyors

SUMMARY: That Professional Engineers Act generally permits certificates of registration as a professional engineer and certificates of authority, which authorize the use of specific titles, to be renewed at any time within 3 years after expiration. That act prohibits the renewal, restoration, reinstatement, or reissuance of these certificates unless the applicant meets certain requirements. This bill deletes the requirement that an applicant for licensure as a professional engineer pass the first division examination in order to sit for the 2nd division examination and deletes the requirement that an applicant for a certificate as an engineer-in-training successfully complete 3 years or more of postsecondary education or engineering experience, or a combination of both, before the applicant is eligible to sit for the first division examination.

Chaptered by Secretary of State - Chapter 236, Statutes of 2016

SB 1209

AUTHOR: Morrell R

TITLE: Contractors: discipline

SUMMARY: Provides that citations issued by the Contractors State Licensing Board against a contractor, follow the contractor if he or she is issued a new or additional license.

Chaptered by Secretary of State - Chapter No. 152, Statutes of 2016

Environment & Energy

AB 33

AUTHOR: Quirk D

TITLE: Electrical corporations: energy storage systems: long duration bulk energy storage resources

SUMMARY: Current law requires the Public Utilities Commission to open a proceeding to determine appropriate targets, if any, for each load-serving entity, as defined, to procure viable and cost-effective energy storage systems to be achieved by December 31, 2020. This bill requires the commission to evaluate and analyze the potential for all types of long duration bulk energy storage resources to help integrate renewable generation into the electrical grid.

Chaptered by Secretary of State - Chapter 680, Statutes of 2016

AB 1142

AUTHOR: Gray D

TITLE: Mining and geology: surface mining

SUMMARY: Revise and recast provisions of the Surface Mining and Reclamation Act of 1975 (SMARA) the reforms have been divided between SB 209 and AB 1142. AB 1142 contains the reforms relating to reclamation plans, financial assurances, inspections, and enforcement. The two measures provide more flexibility to counties, establishes a workable fee structure both for the department and the mine operators, and allows the Board of Mining and Geology to establish financial tests in lieu of surety bonds for financial assurances.

Chaptered by Secretary of State - Chapter 7, Statutes of 2016

AB 1637

AUTHOR: Low D

TITLE: Energy: greenhouse gas reduction

SUMMARY: The Public Utilities Commission (PUC) has regulatory authority over public utilities. Current law requires the PUC to require the administration, until January 1, 2021, of a self-generation incentive program for distributed generation resources and energy storage technologies. Current law authorizes the PUC, in consultation with the State Energy Resources Conservation and Development Commission, to authorize the annual collection of not more than the amount authorized for the program in the 2008 calendar year. This bill increases the maximum annual collection the PUC may authorize for the program to double the amount authorized for the program in the 2008 calendar year.

Chaptered by Secretary of State - Chapter 658, Statutes of 2016

AB 1923

AUTHOR: Wood D

TITLE: Bioenergy feed-in tariff

SUMMARY: This measure, for the purposes of the bioenergy feed-in tariff, revises a generally applicable interconnection requirement for electric generation facilities. The bill also requires the Public Utilities Commission to direct the electrical corporations to authorize a bioenergy

electric generation facility with an effective capacity of up to 5 megawatts to participate in the bioenergy feed-in tariff if the facility delivers no more than 3 megawatts to the grid at any time and complies with existing interconnection and payment requirements.

Chaptered by Secretary of State - Chapter 663, Statutes of 2016

AB 2693

AUTHOR: Dababneh D

TITLE: Financing requirements: property improvements

SUMMARY: Creates the PACE Preservation and Consumer Protections Act by adding consumer protections to California's Property Assessed Clean Energy (PACE) Program.

Chaptered by Secretary of State - Chapter 618, Statutes of 2016

AB 2800

AUTHOR: Quirk D

TITLE: Climate change: infrastructure planning

SUMMARY: Until July 1, 2020, requires state agencies to take into account the current and future impacts of climate change when planning, designing, building, operating, maintaining, and investing in state infrastructure. The bill, by July 1, 2017, and until July 1, 2020, requires the agency to establish a Climate-Safe Infrastructure Working Group for the purpose of examining how to integrate scientific data concerning projected climate change impacts into state infrastructure engineering.

Chaptered by Secretary of State - Chapter 580, Statutes of 2016

AB 2861

AUTHOR: Ting D

TITLE: Electricity: distribution grid interconnection dispute resolution process

SUMMARY: Authorizes the Public Utilities Commission to establish an expedited distribution grid interconnection dispute resolution process, with the goal of resolving disputes over interconnection applications within the jurisdiction of the commission in no more than 60 days from the time the dispute is formally brought to the commission. The bill also requires the commission to appoint a qualified electrical systems engineer with substantial interconnection expertise to advise the director of the energy division and to provide adequate commission staff to assist in resolving interconnection disputes.

Chaptered by Secretary of State - Chapter 672, Statutes of 2016

SB 7

AUTHOR: Wolk D

TITLE: Housing: water meters: multiunit structures

SUMMARY: Express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to establish that the practices involving the sub metering of dwelling units for water service are just and reasonable.

Chaptered by Secretary of State - Chapter 623, Statutes of 2016

SB 209

AUTHOR: Pavley D

TITLE: Surface mining: financial assurances: reclamation plans

SUMMARY: Revise and recast provisions of the Surface Mining and Reclamation Act of 1975 (SMARA) the reforms have been divided between SB 209 and AB 1142. SB 209 contains the reforms which formalize a new Division of Mines and Reclamation at the Department of Conservation that will be headed by a Supervisor of Mines and Reclamation. The two measures provide more flexibility to counties, establishes a workable fee structure both for the department and the mine operators, and allows the Board of Mining and Geology to establish financial tests in lieu of surety bonds for financial assurances.

Chaptered by Secretary of State - Chapter 8, Statutes of 2016

SB 734

AUTHOR: Galgiani D

TITLE: Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2011

SUMMARY: The Jobs and Economic Improvement Through Environmental Leadership Act of 2011 authorizes the Governor, until January 1, 2016, to certify projects meeting the requirement that the project creates high-wage, highly skilled jobs that pay prevailing wages and living wages, for streamlining benefits provided by that act. The act provides that if a lead agency fails to approve a project certified by the Governor before January 1, 2017, then the certification expires and is no longer valid. The act requires a lead agency to prepare the record of proceedings for the certified project concurrent with the preparation of the environmental documents. The act is repealed by its own terms on January 1, 2017. This bill would extend the authority of the Governor to certify a project to January 1, 2018.

Chaptered by Secretary of State - Chapter No. 210, Statutes of 2016

General Industry

AB 908

AUTHOR: Gomez D

TITLE: Disability compensation: disability insurance

SUMMARY: This measure will increase the state's compensation rates for lower income workers. The bill would increase the wage replacement rate for paid family leave (PFL) and State Disability Insurance (SDI) benefits from 55% to:

- a) 70% for those who make up to 33% of the California average weekly wage.
- b) 60% percent for those who make more than 33% of the California average weekly wage.

Employers are not affected as the cost is born by employees. The PFL program is part of the SDI program which is paid for by the proceeds of an employee payroll deduction which are deposited in the SDI Fund.

Chaptered by Secretary of State - Chapter No. 5, Statutes of 2016

AB 1963

AUTHOR: Calderon D

TITLE: Common interest developments: construction defects

SUMMARY: Current law, the Davis-Stirling Common Interest Development Act, requires, until July 1, 2017, specified conditions to be met before an association may file a complaint for damages against a builder, developer, or general contractor of a common interest development based upon a claim for defects in the design or construction of the common interest development. This bill deletes the inoperative and repeal dates and instead, makes these provisions inoperative on July 1, 2024, and repeals these provisions as of January 1, 2025.

Chaptered by Secretary of State - Chapter 71, Statutes of 2016

AB 2217

AUTHOR: Hadley R

TITLE: Notary public: service fees

SUMMARY: Current law authorizes the Secretary of State to appoint and commission notaries public in the number that the secretary deems necessary for the public convenience. Current law prohibits fees charged by a notary public from exceeding specified amounts. This bill minimally increases those amounts.

Chaptered by Secretary of State - Chapter No. 133, Statutes of 2016

AB 2257

AUTHOR: Maienschein R

TITLE: Local agency meetings: agenda: online posting

SUMMARY: The Ralph M. Brown Act requires the legislative body of a local agency to post, at least 72 hours before the meeting, an agenda containing a brief general description of each item of business to be transacted or discussed at a regular meeting, in a location that is freely accessible to members of the public and to provide a notice containing similar information with respect to a special meeting at least 24 hours prior to the special meeting. This bill requires an online posting of an agenda for a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site to be posted on the local agency's primary Internet Web site homepage accessible through a prominent, direct link.

Chaptered by Secretary of State - Chapter 265, Statutes of 2016

AB 2535

AUTHOR: Ridley-Thomas D

TITLE: Employment: wages: itemized statements

SUMMARY: This bill clarifies wage stub reporting requirements for exempt employees.

Chaptered by Secretary of State - Chapter 77, Statutes of 2016

AB 2566**AUTHOR: Nazarian D****TITLE: Notaries public: acceptance of identification**

SUMMARY: Expands the list of acceptable non-state and foreign-issued documents that notaries public may reasonably rely upon as evidence to prove a person's identity when acknowledging a written instrument.

Chaptered by Secretary of State - Chapter 762, Statutes of 2016

SB 66**AUTHOR: Leyva D****TITLE: Career technical education**

SUMMARY: Would require the Department of Consumer Affairs to make available, upon request by the Office of the Chancellor of the California Community Colleges, information with respect to every licensee for the sole purpose of enabling the office of the chancellor to measure employment outcomes of students who participate in career technical education programs offered by the California Community Colleges and recommend how these programs may be improved.

Chaptered by Secretary of State - Chapter 770, Statutes of 2016

SB 661**AUTHOR: Hill D****TITLE: Protection of subsurface installations**

SUMMARY: Industry negotiated legislation to create important reforms and increased utility company accountability related to California excavation safety and liability.

Chaptered by Secretary of State - Chapter 809, Statutes of 2016

Labor Relations

AB 1843**AUTHOR: Stone, Mark D****TITLE: Applicants for employment: juvenile criminal history**

SUMMARY: Prohibits an employer from asking an applicant for employment to disclose, or from utilizing as a factor in determining any condition of employment, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of juvenile court law.

Chaptered by Secretary of State - Chapter 686, Statutes of 2016

AB 2288**AUTHOR: Burke D****TITLE: Apprenticeship programs: building and construction trades**

SUMMARY: Requires the California Workforce Development Board and each local board to ensure that funds respectively awarded by them for pre-apprenticeship training in the building and construction trades, fund programs and services that follow the Multi-Craft Core Curriculum implemented by the State Department of Education and that develop a plan to help increase the representation of women in those trades.

Chaptered by Secretary of State - Chapter 692, Statutes of 2016

Public Works

AB 326

AUTHOR: Frazier D

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

SUMMARY: “Clean-up” legislation which clarifies that the Department of Industrial Relations (DIR) must return all funds paid to avoid liquidated damages in prevailing wage proceedings within 30 days following the conclusion of all administrative and judicial review on the case.

Chaptered by Secretary of State - Chapter 345, Statutes of 2016

AB 1926

AUTHOR: Cooper D

TITLE: Public works: prevailing wage: apprentices

SUMMARY: Provides that, unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice to perform work on a public works project and requires the apprentice, upon arrival at the jobsite, to fill out an application or undergo testing, training or other pre-employment process, the apprentice shall be paid for the time spent on the required pre-employment activity.

Chaptered by Secretary of State - Chapter 746, Statutes of 2016

AB 2126

AUTHOR: Mullin D

TITLE: Public contracts: Construction Manager/General Contractor contracts

SUMMARY: Current law authorizes the Department of Transportation to use the Construction Manager/General Contractor method on no more than 6 projects, and requires 4 out of the 6 projects to use department employees or consultants under contract with the department to perform all project design and engineering services. This bill authorizes the department to use this method on 12 projects and would require 8 out of the 12 projects to use department employees or consultants under contract with the department to perform all project design and engineering services.

Chaptered by Secretary of State - Chapter 750, Statutes of 2016

AB 2289

AUTHOR: Frazier D

TITLE: Department of Transportation: capital improvement projects

SUMMARY: Current law requires the Department of Transportation to prepare a state highway operation and protection program for the expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system and that include capital projects relative to maintenance, safety, and rehabilitation of state highways and bridges that do not add a new traffic lane to the system. This bill adds to the program capital projects relative to the operation of those state highways and bridges.

Chaptered by Secretary of State - Chapter 76, Statutes of 2016

AB 2316

AUTHOR: O'Donnell D

TITLE: School facilities: leasing property

SUMMARY: Eliminates the authority for school districts to issue a lease-leaseback contract without advertising for bid, establishes a competitive selections process for awarding lease-leaseback contracts, and ensures contractors will be paid for work on lease-leaseback contracts entered into prior to July 1, 2015, that may be found to be invalid by a court.

Chaptered by Secretary of State - Chapter 521, Statutes of 2016

AB 2374

AUTHOR: Chiu D

TITLE: Construction Manager/General Contractor method: regional transportation agency: County of Placer: bridges

SUMMARY: Current law authorizes regional transportation agencies to use the Construction Manager/General Contractor project delivery method, as specified, to design and construct certain expressways that are not on the state highway system if: (1) the expressways are developed in accordance with an expenditure plan approved by voters, (2) there is an evaluation of the traditional design-bid-build method of construction and of the Construction Manager/General Contractor method, and (3) the board of the regional transportation agency adopts the method in a public meeting. This bill authorizes the use of the Construction Manager/General Contractor method for the construction of 2 bridges in Placer County that are not on the state highway system.

Chaptered by Secretary of State - Chapter 753, Statutes of 2016

AB 2542

AUTHOR: Gatto D

TITLE: Streets and highways: reversible lanes

SUMMARY: Requires the Department of Transportation or a regional transportation planning agency, when submitting a capacity-increasing project or a major street or highway lane realignment project to the California Transportation Commission for approval, to demonstrate that reversible lanes were considered for the project.

Chaptered by Secretary of State - Chapter 525, Statutes of 2016

AB 2551

AUTHOR: Gallagher R

TITLE: Contract procurement: surface storage projects

SUMMARY: Allow a local agency to use the construction manager at-risk, design-build, or design-build-operate method of delivery on a surface storage project. Contractors, who wish to bid on these projects, must guarantee that they will utilize a skilled and trained workforce.

Chaptered by Secretary of State - Chapter 760, Statutes of 2016

SB 693

AUTHOR: Hueso D

TITLE: Public contracts: skilled and trained workforce

SUMMARY: Consolidates and improves the state statutes regarding the skilled and trained workforce requirements for public contracts performed under certain alternative delivery methods.

Chaptered by Secretary of State - Chapter 774, Statutes of 2016

SB 954

AUTHOR: Hertzberg D

TITLE: Public works: prevailing wage: per diem wages

SUMMARY: Clarifies that contracts may take credit towards prevailing wage for payment into industry advancement funds and labor management cooperation committees only if authorized under a valid collective bargaining agreement. If a contractor is not party to a CBA, they must pay those contributions to the employee on their check.

Chaptered by Secretary of State - Chapter 231, Statutes of 2016

SB 957

AUTHOR: Hueso D

TITLE: Health care districts: design-build process

SUMMARY: Allows healthcare districts to use the design-build procurement process when contracting for the construction of a hospital or health facility building. Contractors, who wish to bid on these projects, must guarantee that they will utilize a skilled and trained workforce.

Chaptered by Secretary of State - Chapter No. 212, Statutes of 2016

SB 1214

AUTHOR: Allen D

TITLE: University of California: Best Value Construction Contracting Pilot Program

SUMMARY: Current law authorizes, through January 1, 2017, a pilot program for the Regents of the University of California to contract for construction projects based on best value procedures; this bill extends the provisions of the pilot program until January 1, 2018.

Chaptered by Secretary of State - Chapter 788, Statutes of 2016

Tax & Fee

AB 1847

AUTHOR: Stone, Mark D

TITLE: Earned Income Tax Credit Information Act: California Earned Income Tax Credit

SUMMARY: This bill expands the current employee notification requirement relating to the federal Earned Income Tax Credit(EITC) to include a reference to the California EITC.

Chaptered by Secretary of State - Chapter 294, Statutes of 2016

AB 1856

AUTHOR: Dababneh D

TITLE: Excise taxes: claim for refund: timely filed claims

SUMMARY: This bill allows a taxpayer making installment payments on an outstanding liability on taxes administered by the Board of Equalization to file a single claim for refund to cover all prior overpayments and all subsequent overpayments.

Chaptered by Secretary of State - Chapter 98, Statutes of 2016

Workers' Compensation

SB 914

AUTHOR: Mendoza D

TITLE: Workers' compensation: medical provider networks: independent medical reviews

SUMMARY: Repeals outdated references to certain medical treatment guidelines. Specifically, this bill deletes several references to the American College of Occupational and Environmental Medicine's (ACOEM) treatment guidelines from the Labor Code.

Chaptered by Secretary of State - Chapter 84, Statutes of 2016

SB 1160

AUTHOR: Mendoza D

TITLE: Workers' compensation

SUMMARY: This Bill makes a series of changes to the operation and workers' compensation utilization review (UR) processes, approval of UR processes, and lien filing and collection process.

Chaptered by Secretary of State - Chapter 868, Statutes of 2016

SB 1175

AUTHOR: Mendoza D

TITLE: Workers' compensation: requests for payment

SUMMARY: This bill requires that, for physicians treating injured workers in California's worker's compensation system, requests for payments for medical services or medical-legal services must be submitted within 12 months.

Chaptered by Secretary of State - Chapter No. 214, Statutes of 2016