



NECA - ELECTRICAL CONTRACTORS of CALIFORNIA TRUST 2014 End of Year Legislative Report

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Introduction

Our industry had another productive year during the 2014 California state legislative session, securing positive changes in many areas. This includes:

- 1) Ensuring quality construction of California schools by requiring that school districts pre-qualify their general, mechanical, electrical, and plumbing contractors on large construction projects when utilizing the "lease-leaseback" procurement method (AB 1581).
- 2) Clarifying the "substantially complex" exemption to the 5% retention cap on public works projects (AB 1705).
- 3) Ensuring that every apprenticeship program in California receives an equitable share of grants distributed by the California Apprenticeship Council (AB 1807).
- 4) Enacting a minimum level of skills and training required of workers who perform work on most state and local design-build public works projects (SB 785).

In addition, much of our time was spent amending or defeating legislation that would have had a negative impact on our industry. As in years past, our influence was significant.

Enclosed is an overview of the pertinent legislation that was passed during the 2014 legislative session. All of the newly enacted laws will become operative January 1, 2015, unless otherwise noted.

If you have any questions or comments, or would like additional information, please contact our office. You can reach us by email bernacchi@politicogroup.com or by phone (916) 444-3770.

Complete text of legislation can be found on our website www.politicoonline.com. Look under "Find a Bill" in our quick links and enter the bill number.

Codes & Standards

AB 326

AUTHOR: Morrell R

TITLE: **Occupational safety and health: reporting requirements.**

SUMMARY: Current law requires an employer to make an immediate report by telephone or telegraph of every case involving an employee's serious injury or illness or death to the Division of Occupational Safety and Health. This bill will require every employer to make an immediate report by telephone or email of every case involving an employee's serious injury or illness or death to the division.

Chaptered by Secretary of State - Chapter 91, Statutes of 2014.

AB 1634

AUTHOR: Skinner D

TITLE: **Occupational safety and health: violations.**

SUMMARY: This bill enacts various provisions of law related to an employer's obligation to abate an alleged workplace safety and health hazard as follows:

- 1) For serious violations, the Division of Occupational Safety and Health (DOSH) shall not grant proposed modification to civil penalties for abatement or credit for abatement unless the employer has done any of the following:
 - a) Abated the violation at the time of the initial inspection.
 - b) Abated the violation at the time of a subsequent inspection prior to the issuance of a citation.
 - c) Submitted a signed statement under penalty of perjury and supporting evidence when necessary to prove abatement.
- 2) Whenever a serious violation is not abated at the time of the initial or subsequent inspection, DOSH shall require the employer to submit a signed statement "with supporting evidence when necessary to prove abatement" that he or she has complied with the abatement terms within the period fixed for abatement of the violation.
- 3) DOSH may grant a modification to civil penalties for abatement only if the employer has abated the violation at the time of the initial or subsequent inspection or the statement, signed under penalty of perjury, and supporting evidence are received within 10 working days after the end of the period fixed for abatement. At no time shall the period for abatement be fixed prior to the issuance of a citation. The submission of a signed abatement statement shall not be considered as evidence of a violation during an appeal.
- 4) The filing of a petition for, or the pendency of, reconsideration of a final order or decision involving a citation classified as serious, repeat serious, or willful serious, shall not stay or suspend the requirement to abate the hazards affirmed by the decision or order unless the employer demonstrates by a preponderance of the evidence that a stay or suspension of abatement will not adversely affect the health and safety of employees. The employer must request a stay or suspension of abatement by filing a written, verified petition with supporting declarations within 10 days after the issuance of the order or decision.

Chaptered by Secretary of State - Chapter 497, Statutes of 2014.

AB 2188

AUTHOR: Muratsuchi D

TITLE: **Solar energy: permits.**

SUMMARY: Current law requires a city or county to administratively approve applications to install solar energy systems through the issuance of a building permit or similar nondiscretionary permit. This bill will require a city, county, or city and county to adopt, on or before September 30, 2015, an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems.

Chaptered by Secretary of State - Chapter 521, Statutes of 2014.

AB 2227

AUTHOR: Quirk D

TITLE: Citizens Oversight Board: implementation.

SUMMARY: Current law establishes the Citizens Oversight Board and requires it to annually review all expenditures from the Clean Energy Job Creation Fund. This bill will require members of the board to serve for a term of 4 years and authorize them to serve for up to 2 additional terms. The bill would provide for the appointment of a chair and vice chair of the board, establish the responsibilities of the chair and vice chair, and require the board to meet at least 4 times per year or as often as the chair or the board deems necessary to conduct its business.

Chaptered by Secretary of State - Chapter 683, Statutes of 2014.

AB 2282

AUTHOR: Gatto D

TITLE: Building standards: recycled water systems.

SUMMARY: Will require the Department of Housing and Community Development to conduct research to assist in the development of, and to submit for adoption by the California Building Standards Commission of, mandatory building standards for the installation of recycled water systems for newly constructed single-family and multifamily residential buildings. The bill will authorize the department to expend funds from the existing Building Standards Administration Special Revolving Fund for this purpose, upon appropriation.

Chaptered by Secretary of State - Chapter 606, Statutes of 2014.

Collection & Lien - Prompt Pay

AB 1705

AUTHOR: Williams D

TITLE: Public contracts: payment.

SUMMARY: This new law will provide clarity with respect to the use of the "substantially complex" exemption to the 5% retention cap on public works projects. In addition, the measure extends the sunset on the 5% retention cap to 2018.

Chaptered by Secretary of State - Chapter 670, Statutes of 2014.

Contractors` License Law

AB 1702

AUTHOR: Maienschein R

TITLE: Professions and vocations: incarceration.

SUMMARY: Current law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. This bill provides that an individual who has satisfied any of the requirements needed to obtain a license while incarcerated, who applies for that license upon release from incarceration, and who is otherwise eligible for the license shall not be subject to a delay in processing the application or a denial of the license solely on the basis that some or all of the licensure requirements were completed while the individual was incarcerated.

Chaptered by Secretary of State - Chapter 410, Statutes of 2014.

AB 2396

AUTHOR: Bonta D

TITLE: Convictions: expungement: licenses.

SUMMARY: Current law prohibits a board from denying a license on the ground that the applicant has committed

a crime if the applicant shows that he or she obtained a certificate of rehabilitation in the case of a felony, or that he or she has met all applicable requirements of the criteria of rehabilitation developed by the board in the case of a misdemeanor. This bill prohibits a board within the Department of Consumer Affairs from denying a license based solely on a conviction that has been dismissed pursuant to the above provisions.

Chaptered by Secretary of State - Chapter 737, Statutes of 2014.

SB 315

AUTHOR: Lieu D

TITLE: Contractors.

SUMMARY: The Contractors' State License Law establishes an enforcement division within the Contractors' State License Board that is required to enforce prohibitions against unlicensed activity. The act authorizes persons employed as enforcement representatives in the division and designated by the Director of Consumer Affairs to issue written notices to appear in court. This bill additionally requires that the enforcement division, when participating in the activities of the Joint Enforcement Strike Force on the Underground Economy, be granted free access to all places of labor.

Chaptered by Secretary of State - Chapter 392, Statutes of 2014.

SB 1159

AUTHOR: Lara D

TITLE: Professions and vocations: license applicants: individual tax identification number.

SUMMARY: Current law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. This bill, no later than January 1, 2016, requires those licensing bodies to require an applicant to provide either an individual tax identification number or social security number if the applicant is an individual. The bill would require the licensing bodies to report to the Franchise Tax Board, and subject a licensee to a penalty, for failure to provide that information.

Chaptered by Secretary of State - Chapter 752, Statutes of 2014.

Environment & Energy

AB 1104

AUTHOR: Salas D

TITLE: California Environmental Quality Act: biogas pipelines: exemption.

SUMMARY: CEQA provides some exemptions from its requirements for specified projects, including for a project that consists of the inspection, maintenance, repair, restoration, reconditioning, relocation, replacement, or removal of an existing pipeline, if specified conditions are met. This bill provides that, for purposes of that exemption, until January 1, 2018, "pipeline" also means a pipeline located in Fresno, Kern, Kings, or Tulare County, that is used to transport biogas and that meets the existing requirements for the exemption and all local, state, and federal laws.

Chaptered by Secretary of State - Chapter 534, Statutes of 2014.

AB 2597

AUTHOR: Ting D

TITLE: Energy: PACE program.

SUMMARY: Modifies the California Alternative Energy and Advanced Transportation Financing Authority's (CAEATFA) underwriting standard for the Property Assessed Clean Energy (PACE) program by providing that financing cannot exceed 15% for the first \$700,000 of the value of the property and 10% for the remaining value of the property, and substitutes the term "loan" with "financing" within various parts of the PACE program..

Chaptered by Secretary of State - Chapter 614, Statutes of 2014.

SB 674

AUTHOR: Corbett D

TITLE: California Environmental Quality Act: exemption: residential infill projects.

SUMMARY: This bill modifies the CEQA exemption for infill housing projects by changing the definition of residential within the exemption. Specifically, this bill changes the definition by increasing the maximum retail use from 15% of floor area to 25% of total building square footage.

Chaptered by Secretary of State - Chapter 549, Statutes of 2014.

SB 699

AUTHOR: Hill D

TITLE: Public utilities: electrical corporations.

SUMMARY: This bill requires the Public Utilities Commission (PUC) to consider adopting rules to address physical security risks to the distribution systems of electrical corporations.

Chaptered by Secretary of State - Chapter 550, Statutes of 2014.

General Industry

AB 229

AUTHOR: John A. Pérez D

TITLE: Local government: infrastructure and revitalization financing districts.

SUMMARY: Authorize the creation by a city, county, city and county, or joint powers authority of an infrastructure and revitalization financing district and the issuance of debt with 2/3 voter approval. The bill authorizes the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years. The bill authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.

Chaptered by Secretary of State - Chapter 775, Statutes of 2014.

AB 674

AUTHOR: Quirk-Silva D

TITLE: Microenterprise.

SUMMARY: This bill modifies the definition of microenterprise to also include a limited liability company, increase the number of employees to 5 or fewer, and require that the entity generally lack sufficient access to loans, equity, or other financial capital.

Chaptered by Secretary of State - Chapter 101, Statutes of 2014.

AB 1797

AUTHOR: Rodriguez D

TITLE: California Workforce Investment Board.

SUMMARY: This bill requires the California Workforce Investment Board, in consultation with the Division of Apprenticeship Standards, to expanding job training and employment for allied health professions. The bill would require the board, on or before December 1, 2015, to prepare and submit to legislative committees a report documenting the above findings and making recommendations based on those findings.

Chaptered by Secretary of State - Chapter 157, Statutes of 2014.

AB 1870

AUTHOR: Alejo D

TITLE: Public works: prevailing wage: multiemployer apprenticeship program grants.

SUMMARY: This bill requires that if there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and county for which the training contributions were made to the California

Apprenticeship Council (CAC), the grant shall be divided among those programs based on the number of apprentices from that county registered in each program.

Chaptered by Secretary of State - Chapter 890, Statutes of 2014.

AB 1897

AUTHOR: Hernández, Roger D

TITLE: Labor contracting: client liability.

SUMMARY: Requires a client employer to share with a labor contractor all civil legal responsibility and civil liability for all workers supplied by that labor contractor for the payment of wages and the failure to obtain valid workers' compensation coverage. The bill prohibits a client employer from shifting to the labor contractor legal duties or liabilities under workplace safety provisions with respect to workers provided by the labor contractor. The bill defines a client employer as a business entity that obtains or is provided workers to perform labor within the usual course of business from a labor contractor.

Chaptered by Secretary of State - Chapter 728, Statutes of 2014.

AB 1937

AUTHOR: Gordon D

TITLE: Natural Gas Pipeline Safety Act of 2011: school and hospital notification of nonemergency excavation or construction of gas pipelines.

SUMMARY: Requires a gas corporation to provide at least three days' notice to a school or hospital prior to performing excavation construction of gas pipeline maintenance or testing of the work is located within 500 feet of a school or hospital.

Chaptered by Secretary of State - Chapter 287, Statutes of 2014.

AB 2312

AUTHOR: Nestande R

TITLE: Metal theft.

SUMMARY: Requires a junk dealer or recycler to request to receive metal theft alert notifications from an Internet-based theft alert system and requires a junk dealer or recycler to provide a statement that they have requested to receive theft alert notifications when seeking a weighmasters license.

Chaptered by Secretary of State - Chapter 608, Statutes of 2014.

AB 2752

AUTHOR: Committee on Transportation

TITLE: Transportation.

SUMMARY: Makes various technical and non-substantive changes to provisions of law related to transportation. The bill included provisions to exempt contractors working on behalf of a utility to restore service during an emergency from state hours-of-service rules and made technical amendments to the California Uniform Public Construction Cost Accounting Act (CUPCCAA).

Chaptered by Secretary of State - Chapter 345, Statutes of 2014.

SB 434

AUTHOR: Hill D

TITLE: Public Utilities Commission: removal of a commissioner.

SUMMARY: Provide that, beginning June 1, 2014, a commissioner of the Public Utilities Commission who acts as an owner, director, or officer of a nonstate entity that was established as a result of an order, decision, motion, settlement, or other action by the Public Utilities Commission in which the commissioner participated, neglects his or her duty and may be removed pursuant to the California Constitution, irrespective of when the nonstate entity was established.

Chaptered by Secretary of State - Chapter 546, Statutes of 2014.

Labor Relations

AB 1522

AUTHOR: Gonzalez D

TITLE: **Employment: paid sick days.**

SUMMARY: Enacts the Healthy Workplaces, Healthy Families Act of 2014 to provide that an employee who on or after July 1, 2015, works in California for 30 or more days within a year from the commencement of employment is entitled to paid sick days, to be accrued at a rate of no less than one hour for every 30 hours worked. An employee would be entitled to use accrued sick days beginning on the 90th day of employment. Amendments were secured specifically for the construction industry that will provide union construction employers with some relief from the new law. Those amendments provide that:

1. Employees in the construction industry covered by a valid collective bargaining agreement entered into before January 1, 2015 are not covered by the new law.

2. Employees in the construction industry covered by a valid collective bargaining agreement entered into after January 1, 2015 are not covered by the new law if the collective bargaining agreement expressly waives the requirements of the new law in clear and unambiguous terms.

Chaptered by Secretary of State - Chapter 317, Statutes of 2014.

AB 1723

AUTHOR: Nazarian D

TITLE: **Employees: wages.**

SUMMARY: This bill Provides that, in a citation by the Labor Commissioner for failure to pay minimum wage, an employer who fails to pay the minimum wage shall be subject to any applicable "waiting time" penalties under existing law in addition to existing civil penalties, restitution of wages, and liquidated damages.

Chaptered by Secretary of State - Chapter 886, Statutes of 2014.

AB 2074

AUTHOR: Hernández, Roger D

TITLE: **Recovery of wages: liquidated damages.**

SUMMARY: This bill clarifies that the statute of limitations for a suit filed to pursue liquidated damages for the failure to pay the minimum wage will run until the expiration of the statute of limitations for the wages in which the penalties are being sought.

Chaptered by Secretary of State - Chapter 211, Statutes of 2014.

Public Works

AB 26

AUTHOR: Bonilla D

TITLE: **Construction: prevailing wage.**

SUMMARY: Clarifies that work performed during the postconstruction phases of construction on a public works project, including all cleanup work at the jobsite, is considered part of the project and should be compensated at the prevailing wage rate.

Chaptered by Secretary of State - Chapter 864, Statutes of 2014.

AB 155

AUTHOR: Alejo D

TITLE: Monterey County Water Resources Agency: design-build.

SUMMARY: This bill authorizes the Monterey County Water Resources Agency to award a design-build contract for the combined design and construction of a project to connect Lake San Antonio, located in the County of Monterey, and Lake Nacimiento, located in the County of San Luis Obispo, with an underground tunnel or pipeline for the purpose of maximizing water storage, supply, and groundwater recharge. The bill also requires the Agency to ensure that the design-build entity selected for the project enters into a project labor agreement (PLA) that will bind all of the contractors performing work on the project.

Chaptered by Secretary of State - Chapter 865, Statutes of 2014.

AB 1581

AUTHOR: Buchanan D

TITLE: School facilities: construction contracts.

SUMMARY: This bill requires that school districts entering into lease-leaseback or lease-to-own contracts comply with the school construction pre-qualification mandate. Current law requires that school districts pre-qualify their general, mechanical, electrical, and plumbing contractors on large construction projects when utilizing the "lease-leaseback" procurement method.

Chaptered by Secretary of State - Chapter 408, Statutes of 2014.

AB 1650

AUTHOR: Jones-Sawyer D

TITLE: Public contracts: bidders: employment practices.

SUMMARY: This bill enacts the Fair Chance Employment Act, which would require that any person submitting a bid to the state on a contract involving onsite construction-related services shall certify that the person will not ask an applicant for onsite construction-related employment to disclose orally or in writing information concerning the conviction history of the applicant on or at the time of an initial employment application. The bill specifies that this prohibition does not apply to a position for which the person or state agency is otherwise required by state or federal law to conduct a conviction history background check. In addition the bill further provides that this prohibition does not apply to the extent that the employer obtains workers from a hiring hall pursuant to a bona fide collective bargaining agreement.

Chaptered by Secretary of State - Chapter 880, Statutes of 2014.

AB 1939

AUTHOR: Daly D

TITLE: Public works: prevailing wages: contractor's costs.

SUMMARY: This bill authorizes a contractor to bring an action in a court of competent jurisdiction to recover from the hiring party that the contractor directly contracts with, any increased costs, including labor costs, penalties, and legal fees incurred as a result of any decision by the Department of Industrial Relations, the Labor and Workforce Development Agency, or a court that classifies, after the time at which the hiring party accepts the contractor's bid, awards the contractor a contract when no bid is solicited, or otherwise allows construction to proceed, the work covered by the project, or any portion thereof, as a public work.

Chaptered by Secretary of State - Chapter 161, Statutes of 2014.

AB 2170

AUTHOR: Mullin D

TITLE: Joint powers authorities: common powers.

SUMMARY: Current law provides that 2 or more public agencies, by agreement, may form a joint powers authority to exercise any power common to the contracting parties. This bill would provide that the parties to the agreement may exercise any power common to the contracting parties, including the authority to levy a fee, assessment, or tax.

Chaptered by Secretary of State - Chapter 386, Statutes of 2014.

AB 2272

AUTHOR: Gray D

TITLE: Public works: prevailing wage.

SUMMARY: Revises the definition of "public works" to also include infrastructure project grants from the California Advanced Services Fund, which is awarded by California Public Utilities Commission. The bill specifies that for purposes of this provision, the California Public Utilities Commission is not the awarding body or body awarding the contract.

Chaptered by Secretary of State - Chapter 900, Statutes of 2014.

AB 2376

AUTHOR: Weber D

TITLE: State construction projects: insurance.

SUMMARY: This bill eliminates a contractor's \$25,000 minimum deductible for an insurance policy issued under the Department of General Services' (DGS) master builders' risk insurance program, and instead requires the amount of the deductible under the policy to be outlined in the request for bids or proposals for a state contracting project.

Chaptered by Secretary of State - Chapter 115, Statutes of 2014.

AB 2744

AUTHOR: Committee on Labor and Employment

TITLE: Public works: apprenticeship program.

SUMMARY: Effective June 27, 2012, the Division of Apprenticeship Standards Public Works Unit and the Electrician Certification Unit were merged with the Division of Labor Standards Enforcement (DLSE) Public Works Unit. This merger allowed DLSE to enforce all aspects of public works law and makes DLSE responsible for enforcing public works laws involving the payment of wages for journey workers and apprentices and for apprenticeship ratio complaints. However, some code sections were not properly amended to reflect the changes made by this reorganization. This bill would make the necessary clean-up changes to reflect this merger of duties within DLSE and more fully integrate enforcement of apprenticeship standards within the enforcement mechanisms already available to address other violations of the requirements for contractors and subcontractors on public works projects under existing law.

Chaptered by Secretary of State - Chapter 297, Statutes of 2014.

SB 266

AUTHOR: Lieu D

TITLE: Prevailing wages.

SUMMARY: This bill clarifies the procedure for providing notice of completion or acceptance of a public work to the Labor Commissioner (LC). Specifically, this bill 1) Requires, within 10 days after receipt of a written request from the LC, the awarding body to furnish a copy of the valid notice of completion or a document evidencing acceptance of a public work, whichever occurs later, to the LC by United States Postal Service first-class mail. 2) Provides that if no document has been filed to the office of the county recorder and there is no document evidencing the awarding body's acceptance of the public work on a particular date, the awarding body shall notify the LC. 3) Requires that after the notification of no documentation, the awarding body must supply copies of the applicable document within ten days after filing a valid notice of completion with the county recorder's office or the awarding body's acceptance of the public work. 4) Provides that if the awarding body fails to timely furnish the LC with the documents identified, the period for service of assessments shall be tolled until the LC's actual receipt of the valid notice of completion or a document evidencing the awarding body's acceptance of the public work.

Chaptered by Secretary of State - Chapter 916, Statutes of 2014.

SB 502

AUTHOR: Block D

TITLE: University of California: bidding requirements.

SUMMARY: Raises the University of California (UC) dollar threshold for informal bidding on construction projects from \$100,000 to \$640,000. The University must solicit bids in writing and award the work to the lowest

responsible bidder. All bidders on a UC informally bid construction project must complete and submit a qualification questionnaire. The qualification questionnaire shall cover, at a minimum, the issues covered by the Model Pre-qualification Questionnaire developed by the Department of Industrial Relations pursuant to subdivision (a) of Section 20101. The procedures shall also require a bidder to complete and submit a financial statement, unless the bidder is a contractor who has qualified as a Small Business Administration entity. A bidder who is required to complete and submit a qualification questionnaire shall include the general contractor and, if utilized, the electrical, mechanical, and plumbing subcontractor.

Chaptered by Secretary of State - Chapter 364, Statutes of 2014.

SB 785

AUTHOR: Wolk D

TITLE: Design-build.

SUMMARY: This bill repeals existing law authorizing the Department of General Services (DGS), the Department of Corrections and Rehabilitation (CDCR), and specified local agencies to use the design-build (DB) procurement process; and enacts uniform provisions authorizing DGS, CDCR, and most local agencies to utilize the DB procurement process for public works projects. In addition, this bill requires that all contractors and subcontractors bidding state and local design build projects authorized under SB 785 guarantee that a high percentage of their workers are graduates of an apprenticeship program for the applicable occupation that was approved by the Chief of the Division of Apprenticeship Standards or an apprentices registered in an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards. The skilled labor force requirement takes effect January 1, 2016.

Chaptered by Secretary of State - Chapter 931, Statutes of 2014.

SB 854

AUTHOR: Committee on Budget and Fiscal Review

TITLE: State and local government.

SUMMARY: Established the Public Works Contractor Registration Program. All contractors and subcontractors who bid or work on a public works project must register and pay a \$300 annual fee to DIR. The phase-in timetable is as follows:

July 1, 2014: Registration program became effective. Initial registrations will be valid through June 30, 2015.

March 1, 2015: No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with DIR.

April 1, 2015: No contractor or subcontractor may work on a public works project unless registered with DIR.

Once the registration requirement becomes mandatory, an awarding body may not accept a bid or enter into a contract for public work with an unregistered contractor.

Chaptered by Secretary of State - Chapter 28, Statutes of 2014.

SB 1433

AUTHOR: Hill D

TITLE: Local Agency Public Construction Act: transit design-build contracts.

SUMMARY: This bill extends the sunset date on statutory authority for transit operators to use design-build (DB) procurement for transit projects from January 1, 2015 to January 1, 2017.

Chaptered by Secretary of State - Chapter 929, Statutes of 2014.