



# NECA 2019 CA Legislative Scorecard

The last actions of the 2019 California legislative session took place on October 13<sup>th</sup> which was the deadline for Governor Newsom to sign or veto legislation. NECA once again had a very successful legislative session with victories in the areas of prompt payment relating to change orders, the expansion of the skilled and trained workforce provisions and much needed industry relief to comply with the state's new sexual harassment training requirements. NECA also took the leading role in opposing or amending dozens of measures that would have been harmful to our contractors and the industry overall.

Below is a summary of the key bills NECA took positions on this year and the outcome.

## LEGISLATION SPONSORED/SUPPORTED BY NECA

### **AB 456 - Public Contracts: Change Order Claims Resolutions**

NECA sponsored legislation to extend the sunset for seven years in Public Contract Code §9204. That section of law provides California public works contractors an avenue to pursue prompt payment for change order/extra work performed.

➤ Status: **Signed by Governor**

### **AB 520 - Public Works: Public Subsidy**

State Building & Construction Trades Council sponsored legislation to provide that a public subsidy, for the purpose of triggering prevailing wage, is de minimis if it is both less than \$500,000 and less than 2% of the total project cost.

➤ Status: **Vetoed by Governor**

### **AB 695 - Community College Facilities: Design-Build Contracts**

Authorizes community college districts to enter into design-build construction contracts until January 1, 2030 and requires the prime contractor and all subcontractors to utilize a skilled and trained workforce on those projects.

➤ Status: **Signed by Governor**

### **AB 1613 - Public Works: Prevailing Wages**

State Building & Construction Trades Council sponsored legislation to expand the definition of "public works," for purposes of prevailing wage requirements, to also include any construction, alteration, demolition, installation, or repair work done under private contract on a charter school project when the project is paid for in whole or in part with the proceeds of conduit revenue bonds.

➤ Status: **Vetoed by Governor**

### **AB 1736 - Bid Notification Requirements**

American Subcontractors Association sponsored measure to require a local agency to create a policy for notifying bidders of the award of a bid within a reasonable timeframe.

➤ Status: **Vetoed by Governor**

### **SB 197 - Department of Transportation: Retention Proceeds**

Makes permanent state law prohibiting Caltrans from withholding any retention funds from contractors when making progress payments for work performed on a Caltrans project.

➤ Status: **Signed by Governor**

- ✔ **SB 530 - Construction Industry: Discrimination and Sexual Harassment Training**  
NECA amended measure to provide that discrimination and sexual harassment training certificates, which are valid for two years, shall be portable for CBA covered construction employees working for employers who are signatory to the same CBA. The measure also authorizes joint labor management apprenticeship committees and labor management cooperation committees to provide the requisite training and be the custodian of records.
  - Status: [Signed by Governor](#)
  
- ✔ **SB 610 - Contractors' State License Board**  
The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board (CSLB), This measure extended the operation of the CSLB to January 1, 2024.
  - Status: [Signed by Governor](#)
  
- ✔ **SB 778 - Employers: Sexual Harassment Training: Requirement Extension**  
NECA supported measure to extend the deadline for covered employers to provide sexual harassment prevention training and education to their existing supervisory and nonsupervisory employees to January 1, 2021.
  - Status: [Signed by Governor](#)

## **LEGISLATION OPPOSED BY NECA**

- ✔ **AB 882 - Termination of Employment: Drug Testing**  
This bill would have prohibited an employer from discharging an employee for testing positive for a drug that is being used as a medical-assisted treatment under the care of a physician or licensed treatment program.
  - Status: [Failed Passage](#)
  
- ✔ **AB 1339 - Mechanics Liens: Attachment Date**  
This bill proposed to change the priority of a lien, mortgage, deed of trust, or other encumbrance on a work of improvement to ensure that lenders had priority over contractors, workers, material suppliers and trust funds.
  - Status: [Failed Passage](#)
  
- ✔ **SB 171 - Annual Pay Data Reports**  
This measure would have required large employers to report annually, to the Department of Fair Employment and Housing, payroll data broken down by race, ethnicity, and sex.
  - Status: [Failed Passage](#)
  
- ✔ **SB 297 - School Facilities: Approval of Plans: Preliminary Build Contract**  
This bill would have authorized a school district to enter into a construction contract for the construction or alteration of a school building, without the plans having final approval from the Division of the State Architect (DSA). No protections were provided for contractors regarding who would be responsible for any changes and associated costs should DSA make changes to the plans after the bid was awarded.
  - Status: [Held – 2 Year Bill](#)
  
- ✔ **SB 566 - Professional Land Surveyors and Engineers**  
This measure would have dramatically expanded the definitions of civil engineering and land surveying into work currently being performed by industry personnel.
  - Status: [Failed Passage](#)

## **BILLS AMENDED TO ADDRESS CONCERNS**

- ✔ **AB 572 - California Deforestation-Free Procurement Act: Wood Products on Public Works Projects**  
This bill would have established the Deforestation-Free Procurement Act and required contractors that contract with state agencies and utilized wood or wood products, to certify that the commodities were not grown, derived, harvested, reared, or produced on land where tropical deforestation occurred. The bill was amended to exempt construction contractors on public works projects from the certification requirements.
  - Status: **Failed Passage**
  
- ✔ **AB 971 - Public Contracts: Contractor Evaluations**  
This bill requires an awarding state department on state contracts, to conduct a post evaluation of all contractors providing services with a value of \$500,000 or more, and post the results of the evaluation on their website. The bill was amended to remove its application to construction contractors on public works contracts.
  - Status: **Signed by Governor**
  
- ✔ **SB 142 - Wiener. Employees: Lactation Accommodation**  
The bill, in general, requires employers with more than 50 employees to provide private space (other than a bathroom) for lactating employees. The bill was amended to provide workable construction industry protocols that require a general contractor, coordinating a multiemployer worksite, to either provide lactation accommodations or provide a safe and secure location for a subcontractor employer to provide lactation accommodations on the worksite, within two business days, upon written request of any subcontractor employer with an employee that requests an accommodation.
  - Status: **Signed by Governor**
  
- ✔ **SB 588 - Disabled Veteran Business Enterprise Program**  
Originally required the Department of General Services to suspend contractors that failed to comply with the Disabled Veteran Business Enterprise certification requirements and prohibit them from bidding on state contracts. The bill was amended to remove the contractor suspension provisions.
  - Status: **Held – 2 Year Bill**