Introduction

The last actions of the 2019 California legislative session took place on October 13th, the deadline for Governor Newsom to sign or veto legislation.

Overall, 2019 was a positive 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.

In addition, we took the leading role in opposing many measures that would have been harmful to our contractors and the industry overall.

Enclosed is an overview of the pertinent industry legislation that was passed during the 2019 legislative session. All of the newly enacted laws will become operative January 1, 2020, 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.politicogroup.com. Look under “Find a Bill” in our quick links and enter the bill number.

Thank you for your support in making 2019 another successful year for our industry!

Eddie Bernacchi
Legislative Advocate - President Politico Group


2019 Legislative Summary:

**Codes & Standards**

**AB 35**  
**AUTHOR:** Kalra D  
**TITLE:** Worker safety: blood lead levels: reporting.  
**SUMMARY:** Requires the California Department of Public Health (DPH) to report high lead level blood tests to the Division of Occupational Safety and Health (Cal/OSHA) and mandates certain inspection and reporting requirements by the Cal/OSHA upon receiving the results.  
**STATUS:** Approved by the Governor. Chaptered by Secretary of State - Chapter 710, Statutes of 2019.

**AB 178**  
**AUTHOR:** Dahle R  
**TITLE:** Energy: building standards: photovoltaic requirements.  
**SUMMARY:** Exempts, until January 1, 2023, any residential construction intended to “repair, restore, or replace” a residential building that was damaged or destroyed as a result of a disaster in an area in which the Governor has declared a state of emergency, before January 1, 2020, from the state’s recently adopted requirements for solar photovoltaic systems.  
**STATUS:** Approved by the Governor. Chaptered by Secretary of State - Chapter 259, Statutes of 2019.

**AB 203**  
**AUTHOR:** Salas D  
**TITLE:** Occupational safety and health: Valley Fever.  
**SUMMARY:** Requires construction employers performing work that disturbs the soil where Valley Fever is highly endemic to provide effective awareness training to employees on the disease.  
**STATUS:** Approved by the Governor. Chaptered by Secretary of State - Chapter 712, Statutes of 2019.

**AB 206**  
**AUTHOR:** Chiu D  
**TITLE:** Public nuisance: abatement: lead-based paint.  
**SUMMARY:** To protect those opting to voluntarily participate in a lead paint abatement program, this bill provides limited immunity from lawsuits and other claims associated with the participation in the lead abatement program.  
**STATUS:** Approved by the Governor. Chaptered by Secretary of State - Chapter 171, Statutes of 2019.

**AB 729**  
**AUTHOR:** Chu D  
**TITLE:** Carpet recycling: carpet stewardship.  
**SUMMARY:** Revises the Product Stewardship for Carpets Program to, among other things, require the stewardship plan include a funding mechanism with differential assessments, require a "contingency plan" in the absence of an approved plan by the California Department of Resources Recycling and Recovery (CalRecycle), and increase the administrative penalties from $1,000 per day to $5,000 per day.  
**STATUS:** Approved by the Governor. Chaptered by Secretary of State - Chapter 680, Statutes of 2019.
SB 190
AUTHOR: Dodd D
TITLE: Fire safety: building standards: defensible space program.
SUMMARY: Requires the State Fire Marshal (SFM) to develop a model defensible space program, as specified; requires the SFM to develop and make available a Wildland-Urban Interface (WUI) Fire Safety Building Standards Compliance training; and, requires the SFM to develop a WUI Products listing of products and construction assemblies that comply with the WUI Fire Safety building standards.

Collection & Lien - Prompt Pay

AB 456
AUTHOR: Chiu D
TITLE: Public contracts: claim resolution.
SUMMARY: Extended the sunset for seven years, until January 1, 2027, 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: Approved by the Governor. Chaptered by Secretary of State - Chapter 489, Statutes of 2019.

SB 197
AUTHOR: Beall D
TITLE: Department of Transportation: retention proceeds.
SUMMARY: 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: Approved by the Governor. Chaptered by Secretary of State. Chapter 842, Statutes of 2019.

Contractors` License Law

SB 610
AUTHOR: Glazer D
TITLE: Contractors: licensing and regulation.
SUMMARY: 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.
Environment & Energy

AB 560
AUTHOR: Santiago D
TITLE: Public utilities: unionization.
SUMMARY: Under the provisions of this measure, a public utility may not recover in rates any expenses incurred in assisting or deterring union organizing. Costs associated with assisting or deterring union organizing will be borne exclusively by the utility's shareholders.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 429, Statutes of 2019.

AB 1144
AUTHOR: Friedman D
TITLE: Self-generation incentive program: community energy storage systems: high fire threat districts.
SUMMARY: Requires the California Public Utilities Commission (CPUC) to allocate at least 10% of the 2020 funds from the Self Generation Incentive Program (SGIP) for the installation of energy storage and other eligible distributed energy resources (DERs) at facilities that provide critical infrastructure to communities in High Fire Threat Districts (HFTD) to support community resiliency.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 394, Statutes of 2019.

AB 1208
AUTHOR: Ting D
TITLE: Utility user taxes: exemption: clean energy resource.
SUMMARY: Extends the sunset on the exemption from local utility user taxes for electricity generated by a clean energy resource located solely on the customer’s premises for use only by that customer until January 1, 2027.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 238, Statutes of 2019.

SB 44
AUTHOR: Skinner D
TITLE: Medium- and heavy-duty vehicles: comprehensive strategy.
SUMMARY: Requires the Air Resources Board (ARB) to update the 2016 mobile source strategy to include a comprehensive strategy for the deployment of medium duty and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas (GHG) emissions from the medium duty and heavy-duty vehicle sector.

SB 210
AUTHOR: Leyva D
TITLE: Heavy-Duty Vehicle Inspection and Maintenance Program.
SUMMARY: Directs the Air Resources Board (ARB) to work in coordination with multiple state agencies in order to develop and implement a Heavy-Duty Inspection and Maintenance Program for non-gasoline, heavy-duty, on-road trucks. The bill was amended from a mandated program to pilot program status and now requires ARB to work with stakeholders on program development.
SB 247
AUTHOR: Dodd D
TITLE: Wildland fire prevention: vegetation management.
SUMMARY: Makes several changes related to the vegetation management requirements of electrical corporations, including: requiring specified notifications to the California Public Utilities Commission (CPUC) Wildfire Safety Division (WSD) about the vegetation management conducted; requiring audits by the WSD; authorizing the WSD to engage an independent evaluator and issue a report; and requiring prevailing wages for line clearance tree trimmers, and other requirements.

SB 676
AUTHOR: Bradford D
TITLE: Transportation electrification: electric vehicles: grid integration.
SUMMARY: requires the California Public Utilities Commission (CPUC) to establish electric vehicle (EV)-grid integration strategies for certain load-serving entities. Also requires local publicly owned electric utilities to consider EV-grid integration strategies in their integrated resources plans and requires Community Choice Aggregators (CCAs) to report specified information to the CPUC regarding EV-grid integration activities.
STATUS: Approved by the Governor. Chaptered by Secretary of State. Chapter 484, Statutes of 2019.

General Industry

AB 5
AUTHOR: Gonzalez D
TITLE: Worker status: employees and independent contractors.
SUMMARY: Codifies the decision of the California Supreme Court in Dynamex Operations West, Inc. v. Superior Court of Los Angeles (2018) that presumes a worker is an employee unless a hiring entity satisfies a three-factor test. Clarifies the requirements for the relationship between a contractor and an individual performing work pursuant to a subcontract in the construction industry to be governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341 (Borello), including the requirement of being licensed with the Contractors State License Board (CSLB). Exempts, until January 1, 2022, a subcontractor providing construction trucking services from the requirement of having a CSLB license if certain criteria are satisfied, including registration with the Department of Industrial Relations as a public works contractor. Requires, for work performed after January 1, 2020, that any business entity that provides construction trucking services to a licensed contractor utilizing more than one truck is the employer for all drivers of those trucks.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 296, Statutes of 2019.
AB 48
AUTHOR: O'Donnell D
SUMMARY: Places a $15 billion state bond on the March 2020 ballot to fund the construction and refurbishing of public schools, colleges and universities. The largest such bond in the state’s history, providing: $2.8 billion for new construction of K-12 schools, $5.2 billion for modernization of K-12 schools, $1 billion to be equally divided between charter schools and career technical education, $2 billion for community college construction and modernization, $2 billion for University of California construction and modernization, $2 billion for California State University construction and modernization. The measure also provides a preference for access to the bond funds for K-12 school districts that have a project labor agreement in place.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 530, Statutes of 2019.

AB 185
AUTHOR: Grayson D
TITLE: California Transportation Commission: transportation and transportation-related policies: joint meetings.
SUMMARY: Requires the California Department of Housing and Community Development to participate in statutorily-required joint meetings between the California Transportation Commission and the California Air Resources Board.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 534, Statutes of 2019.

AB 252
AUTHOR: Daly D
TITLE: Department of Transportation: environmental review process: federal program.
SUMMARY: Existing law gives the Department of Transportation full possession and control of the state highway system. Existing federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery program, under which the participating states may assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Existing law, until January 1, 2020, provides that the State of California consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the program. This bill would extend the operation of these provisions indefinitely.

AB 285
AUTHOR: Friedman D
TITLE: California Transportation Plan.
SUMMARY: Updates requirements of the California Transportation Plan (CTP) to reflect the state’s recent environmental legislation and requires a review of the implementation of the CTP.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 605, Statutes of 2019.
AB 759
AUTHOR: Bigelow R
TITLE: Traffic safety: work zones: positive protection measures.
SUMMARY: Requires the California Department of Transportation to update guidance by July 1, 2021, to specify the appropriate use of positive protection measures with the goal of isolating workers or work zones from traffic.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 617, Statutes of 2019.

AB 1166
AUTHOR: Levine D
SUMMARY: Requires every operator of a subsurface installation to supply an electronic positive response through the regional notification center before the excavation start date.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 453, Statutes of 2019.

AB 1668
AUTHOR: Carrillo D
TITLE: California Conservation Corps: Education and Employment Reentry Program.
SUMMARY: Establishes, upon appropriation by the Legislature, the Education and Employment Reentry Program (Program) within the California Conservation Corps (CCC) and authorizes the director to enroll formerly incarcerated individuals.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 587, Statutes of 2019.

SB 143
AUTHOR: Skinner D
TITLE: Junk dealers and recyclers: nonferrous material: payment by general use prepaid cards.
SUMMARY: Authorizes general use prepaid cards (general use card) as a form of payment junk dealers or recyclers may provide for nonferrous material; requires the junk dealer or recycler to pay any one-time or initial use fees associated with the card; and prohibits specified fees from being charged to the general use card.

SB 326
AUTHOR: Hill D
TITLE: Common interest developments.
SUMMARY: Makes two changes to the laws governing homeowners associations (HOAs). First, it establishes a mandatory inspection regime for exterior elevated elements (EEEs), such as balconies, decks, walkways, stairways, and railings, within HOAs. Second it nullifies any provision in an HOA’s governing documents that purports to condition or limit the ability of the HOA to bring construction defect litigation against the developer or builder of the HOA.
SCR 19
AUTHOR: Galgiani D
TITLE: Women in Construction Week.
SUMMARY: Proclaims the week of March 3, 2019, to March 9, 2019, inclusive, as Women in Construction Week.
STATUS: Chaptered by Secretary of State - Chapter 24, Statutes of 2019.

**Labor Relations**

AB 9
AUTHOR: Reyes D
TITLE: Employment discrimination: limitation of actions.
SUMMARY: Extends the filing period with the Department of Fair Employment and Housing (DFEH) for complaints of unlawful employment practices to three years but prohibits the revival of lapsed claims.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 709, Statutes of 2019.

AB 51
AUTHOR: Gonzalez D
TITLE: Employment discrimination: enforcement.
SUMMARY: Prohibits requiring applicants for employment or employees to waive their right to a judicial forum as a condition of employment or continued employment.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 711, Statutes of 2019.

AB 406
AUTHOR: Limón D
TITLE: Disability compensation: paid family leave: application in non-English languages.
SUMMARY: Requires, effective January 1, 2025, the Employment Development Department (EDD) to make the application for paid family leave (PFL) available in all languages spoken by a substantial number of applicants.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 386, Statutes of 2019.

AB 595
AUTHOR: Medina D
TITLE: Community colleges: apprenticeship programs.
SUMMARY: Authorizes the use of an individual tax identification number for purposes of conducting background checks required by class or program for a student enrolled in a community college apprenticeship or internship training program who does not have a social security number.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 176, Statutes of 2019.
AB 749
AUTHOR: Stone, Mark D
TITLE: Settlement agreements: restraints in trade.
SUMMARY: Prohibits an agreement to settle an employment dispute from containing a provision that prohibits, prevents, or otherwise restricts a settling party that is an aggrieved person, as defined, from working for the employer against which the aggrieved person has filed a claim or any parent company, subsidiary, division, affiliate, or contractor of the employer.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 808, Statutes of 2019.

SB 83
AUTHOR: Committee on Budget and Fiscal Review
TITLE: Employment.
SUMMARY: Increase benefits under the state’s paid family leave program from 6 weeks to 8 weeks of subsidized time off, beginning July 1, 2020.

SB 142
AUTHOR: Wiener D
TITLE: Employees: lactation accommodation.
SUMMARY: 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.

SB 188
AUTHOR: Mitchell D
TITLE: Discrimination: hairstyles.
SUMMARY: The California Fair Employment and Housing Act prohibits discrimination based on specified personal characteristics, including race. The act also prohibits discrimination because of a perception that a person has one of those protected characteristics or is associated with a person who has, or is perceived to have, any of those characteristics. Current law defines terms such as race, religious beliefs, and sex, among others, for purposes of the act. This measure provides that the definition of race for these purposes also include traits historically associated with race, including, but not limited to, hair texture and hairstyles, including “braids, locks and twist.”
STATUS: Approved by the Governor. Chaptered by Secretary of State. Chapter 58, Statutes of 2019.
SB 530
AUTHOR: Galgiani D
TITLE: Construction industry: discrimination and harassment prevention.
SUMMARY: Provides 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.

SB 688
AUTHOR: Monning D
TITLE: Failure to pay wages: penalties.
SUMMARY: Expands the Labor Commissioner's (LC) citation authority for an employer's failure to pay minimum wages to include an employer's failure to pay contract wages. Defines "contract wages" as wages based upon an agreement, in excess of the applicable minimum wage, for regular, non-overtime hours.

SB 778
AUTHOR: Committee on Labor, Public Employment and Retirement
TITLE: Employers: sexual harassment training: requirements.
SUMMARY: Extends the deadline for covered employers to provide sexual harassment prevention training and education to their existing supervisory and nonsupervisory employees to January 1, 2021.

Public Works

AB 356
AUTHOR: Santiago D
TITLE: Los Angeles Community College District: best value procurement: pilot program.
SUMMARY: Authorizes the Los Angeles Community College District to utilize a best value procurement process as a pilot project until January 1, 2025, for construction projects over $1 million. In addition, the use of this option requires the prime contractor and all subcontractors to utilize a skilled and trained workforce on those projects.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 173, Statutes of 2019.

AB 695
AUTHOR: Medina D
TITLE: Community college facilities: design-build contracts.
SUMMARY: 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: Approved by the Governor. Chaptered by Secretary of State - Chapter 492, Statutes of 2019.
AB 707
AUTHOR: Kalra D
TITLE: Santa Clara Valley Water District: contracts.
SUMMARY: Current law prescribes competitive bidding procedures for any improvement or unit of work contracted by the Santa Clara Valley Water District if the district estimates the work to cost over $25,000. This measure raised that informal bidding threshold to work estimated to cost over $50,000. Also places a limit of $50,000 on the District for work it can perform with its own forces, all construction work valued above that amount must be contacted out.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 264, Statutes of 2019.

AB 825
AUTHOR: Mullin D
TITLE: San Mateo County Flood and Sea Level Rise Resiliency District.
SUMMARY: Renames the San Mateo County Flood Control District the San Mateo County Flood and Sea Level Rise Resiliency District, and would add addressing and protecting against the impacts of sea level rise to the powers of the district. Commencing January 1, 2020, the district to be governed by a board of directors, as provided, which would replace the Board of Supervisors of the County of San Mateo as the governing board of the district.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 292, Statutes of 2019.

AB 971
AUTHOR: Salas D
TITLE: Public contracts: contractor evaluations.
SUMMARY: 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: Approved by the Governor. Chaptered by Secretary of State - Chapter 496, Statutes of 2019.

AB 1290
AUTHOR: Gloria D
SUMMARY: Requires the use of project labor agreements (PLAs) as a condition of receiving construction financing under the Safe Drinking Water State Revolving Fund Law (Drinking Water Fund) or financial assistance from the State Water Pollution Control Revolving Fund (Water Pollution Fund) for work performed for any portion of the Pure Water San Diego Program (Pure Water Program).

AB 1365
AUTHOR: Committee on Veterans Affairs
TITLE: Disabled Veteran Business Enterprise Program.
SUMMARY: Requires a contract-awarding state department to maintain all records of the information provided by a prime contractor under the Disabled Veteran Business Enterprise (DVBE) Program and to retain the records for a minimum of six years.
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 689, Statutes of 2019.
AB 1768  
AUTHOR: Carrillo D  
TITLE: Prevailing wage: public works.  
SUMMARY: Expands the definition of public works to include work conducted during site assessment or feasibility studies. This bill would also specify that preconstruction work, including design, site assessment, feasibility studies, and land surveying, is deemed to be part of a public work, regardless of whether any further construction work is conducted.  
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 719, Statutes of 2019.  

AB 1475  
AUTHOR: Bauer-Kahan D  
TITLE: Construction Manager/General Contractor method: transportation projects.  
SUMMARY: Allows regional transportation planning agencies (RTPAs) to utilize the construction manager/general contractor (CM/GC) procurement method on any transportation project that is not on the state highway system. The measure also makes it clear that when using the CM/GC construction delivery model, the awarding agency must utilize a CM/GC firm that is licensed by Contractors State License Board.  
STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 289, Statutes of 2019.  

SB 137  
AUTHOR: Dodd D  
TITLE: Federal transportation funds: state exchange programs.  
SUMMARY: Allows Caltrans to exchange up to $100 million annually federal transportation funds for state transportation funds for specific types of locally-sponsored projects thereby reducing duplicative federal and state review processes, reducing project costs, and expediting project delivery.  

SB 780  
AUTHOR: Committee on Governance and Finance  
SUMMARY: Public Contract Code Section 20145 allows the Board of Supervisors of the County of Los Angeles, by ordinance, to authorize a county officer to adopt and advertise plans and specifications, and award and change contracts, for construction projects up to $75,000. This amount has not been increased since 1982. SB 780 increases the delegated authority threshold for advertising plans and awarding construction contracts to $330,000 to keep up with inflation since it was last adjusted, and provides that nothing in the section shall be construed to remove the county’s requirement to follow applicable provisions of the Public Contract Code regarding advertising of public works projects and award of contracts.  
Tax and Fee

AB 1413
AUTHOR: Gloria D

TITLE: Transportation: transactions and use taxes.

SUMMARY: Current law creates the Placer County Transportation Planning Agency as a local area planning agency to provide regional transportation planning for the area of the County of Placer, exclusive of the Tahoe Basin. This law authorizes the agency to impose a transactions and use tax applicable to the entirety of, or a portion of, the County of Placer, excluding the Tahoe Basin, in conformity with the Transactions and Use Tax Law at a rate of no more than 1% if certain requirements are met, including a requirement that the ordinance proposing the transactions and use tax be submitted to, and approved by, the voters. Requires that any revenues derived from the tax be spent within, or for the benefit of, the portion of the county to which the tax would apply and be spent only on transportation and transit infrastructure and services. In addition the law prohibits a subject transportation agency from entering into a construction contract over $1,000,000 that would be in part or wholly financed through a tax applicable to only a portion of the county with any entity unless the entity provides to the transportation agency an enforceable commitment that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or a contract that falls within an apprenticeship occupation in the building and construction trades.

STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 758, Statutes of 2019.