



California Legislative Conference of the Plumbing, Heating and Piping Industry (CLC)

2012 End of Year Legislative Report

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Introduction

The 2012 session of the California State Legislature concluded with another legislative victory for CLC contractors. The CLC has championed the development and use of contractor prequalification by public agencies for the past two decades. This year, we passed legislation to further that cause. Governor Brown recently signed the CLC sponsored measure (AB 1565) which requires prequalification of bidders on school public works projects costing \$1 million or more. The measure requires that the prequalification questionnaire and uniform system to rate bidders on those projects contain, at a minimum, the information covered by the questionnaire and guidelines for rating bidders developed by the Department of Industrial Relations. In addition, the bill specifies that prequalified bidders shall include the general contractor and if utilized all electrical, mechanical and plumbing subcontractors. Further, the bill requires that the school district make available a list of all prequalified electrical, mechanical and plumbing subcontractors at least five days prior to the public bid opening date. The goal of this measure is to increase market share for union subcontractors on public school construction projects.

Our industry was also able to secure positive changes in many other areas. This includes closing workers' compensation loopholes for unscrupulous contractors within the Contractors State Licensing Law (AB 1730), providing disincentives to charter cities who vote to ban the use of project labor agreements on their local projects (SB 829), clarification on prevailing wage and the use of variable or additional pensions within collective bargaining agreements (AB 2677) and workers' compensation reform in general (SB 863).

In addition, much of our time is spent amending or defeating legislation that would have a negative impact on our industry. As in years past, our influence was significant as we either amended or defeated the majority of harmful measures proposed this year.

Enclosed is an overview of the pertinent legislation that was passed during the 2012 legislative session. All of the newly enacted laws will become operative January 1, 2013, unless otherwise noted.

If you have any questions or comments, or would like additional information, please contact us. You can reach us by email at bernacchi@politicogroup.com or by calling (916) 443-3114.

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

Codes & Standards

AB 801

AUTHOR: Swanson D

TITLE: Illegal dumping enforcement officers and code enforcement officers.

SUMMARY: Current law defines "code enforcement officer" to mean specified persons employed by any governmental subdivision, public or quasi-public corporation, public agency, public service corporation, any town, city, county, or municipal corporation, whether incorporated or chartered, who have enforcement authority for health, safety, and welfare requirements, and whose duties include enforcement of any statute, rules, regulations, or standards, and who are authorized to issue citations, or file formal complaints. The term also refers to any person who is employed by the Department of Housing and Community Development who has enforcement authority for health, safety, and welfare requirements relating to housing, as specified. This bill will additionally authorize a code enforcement officer, to exercise the powers of arrest of a peace officer in the manner described above to the extent necessary to enforce laws related to illegal waste dumping or littering.

Chapter Number 298, Statutes of 2012

AB 1750

AUTHOR: Solorio D

TITLE: Rainwater Capture Act of 2012.

SUMMARY: This bill enacts the Rainwater Capture Act of 2012, which would provide that use of rainwater collected from rooftops does not require a water right permit from the state board.

Chapter Number 537, Statutes of 2012

AB 2030

AUTHOR: Olsen R

TITLE: Building standards: press boxes.

SUMMARY: This bill will require the commission, as part of the next triennial building code cycle that begins on or after January 1, 2013, to adopt standards for press boxes that require that the press boxes, as defined, are located on a route that is accessible to persons with disabilities.

Chapter Number 370, Statutes of 2012

AB 2114

AUTHOR: Smyth R

TITLE: Swimming pool safety.

SUMMARY: The Swimming Pool Safety Act generally requires, whenever a building permit is issued for the construction of a new swimming pool or spa, that the pool or spa be equipped with specified safety features, including that the swimming pool or spa have at least 2 circulation drains per pump that are hydraulically balanced, and symmetrically plumbed through one or more "T" fittings, and that are separated by a distance of at least 3 feet in any dimension between the drains. Current law also requires a public wading pool to have at least 2 circulation drains per pump, as specified, that are separated by a distance of at least 3 feet in any dimension between the drains. This bill would instead require a swimming pool, spa, or public wading pool that is subject to the above safety provisions to have at least 2 circulation suction outlets, as defined, per pump, and be separated by a distance of at least 3 feet in any dimension between the suction outlets, or be designed to use alternatives to suction outlets, including, but not limited to, skimmers or perimeter overflow systems to conduct water to the

recirculation pump. The bill would also require the circulation system to have the capacity to provide a complete turnover of pool water.

Chapter Number 679, Statutes of 2012

SB 1222

AUTHOR: Leno D

TITLE: Solar energy: permits.

SUMMARY: This bill limits the fees that cities and counties charge for permits related to the installation of rooftop solar energy systems.

Chapter Number 614, Statutes of 2012

Collection & Lien - Prompt Pay

AB 1517

AUTHOR: Buchanan D

TITLE: Public contracts: information technology goods and services.

SUMMARY: Current law generally requires the Department of General Services, for any contract for information technology goods or services meeting specified requirements, to provide that not less than 10% of the contract price is withheld until final delivery and acceptance of the goods and services, and requires the department to conduct a risk evaluation, as specified. Current law, until July 1, 2013, requires the department, if it determines that lesser withholding levels are appropriate based on the evaluation of risk, to withhold no less than 5% of the contract price, if the contract price is \$10,000,000 or more, or no less than 3% of the contract price, if the contract price is less than \$10,000,000, until final delivery and acceptance of the goods or services. This bill will delete the dates on which the above provisions become inoperative and are repealed, and would make them operative indefinitely. The bill will also remove the requirement that, on and after July 1, 2013, a contractor submit a faithful performance bond.

Chapter Number 187, Statutes of 2012

AB 1671

AUTHOR: Huffman D

TITLE: Department of Transportation: retention proceeds: State Contract Act: bids: bidder's security.

SUMMARY: Extends, until January 1, 2020, the sunset date prohibiting the Department of Transportation (CalTrans) from withholding retention proceeds to its contractors when making progress payments for work performed on a public works project, and makes legislative findings and declarations.

Chapter Number 290, Statutes of 2012

SB 1092

AUTHOR: De León D

TITLE: Vehicles: brokers of construction trucking services: surety bonds.

SUMMARY: This bill will require a broker of construction trucking services to annually provide written evidence of the broker's valid surety bond to a 3rd-party nonprofit organization that is related to the industry and regularly maintains a published database of bonded brokers or to post a current copy of the surety bond on the broker's

Internet Web site. The bill will also prohibit a 3rd-party nonprofit organization from charging a broker for posting evidence of a valid surety bond or from limiting the posting of the bond only to the organization's members.

Chapter Number 490, Statutes of 2012

Contractors` License Law

AB 1794

AUTHOR: Williams D

TITLE: Unemployment insurance: use of employer reports: reporting and payroll: enforcement.

SUMMARY: This bill will, until January 1, 2019, authorize the Employment Development Department to provide new employee information (i.e. the requirement to file EDD form DE 34) to the Joint Enforcement Strike Force on the Underground Economy, the Contractors' State License Board (CSLB), and the State Compensation Insurance Fund. The CSLB believes the required reporting will assist in stopping or preventing fraudulent unemployment and workers' compensation payments through the timely detection of ineligible claimants. The CSLB has the authority to take disciplinary action against contractors who violate any state law and have indicated they will use this requirement to take action against contractors believed to be currently misrepresenting their payroll.

Chapter Number 811, Statutes of 2012

AB 2219

AUTHOR: Knight R

TITLE: Contractors' workers' compensation insurance coverage.

SUMMARY: Eliminates the sunset date on existing law requiring roofing contractors who hold a C-39 classification to maintain workers' compensation insurance, whether or not they have employees.

Chapter Number 389, Statutes of 2012

AB 2237

AUTHOR: Monning D

TITLE: Contractors: definition.

SUMMARY: Would define the term "consultant" for purposes of the definition of a contractor to include a person who provides a bid, or who arranges for and sets up work schedules and maintains oversight of a construction project, with respect to a home improvement contract.

Chapter Number 371, Statutes of 2012

AB 2554

AUTHOR: Berryhill, Bill R

TITLE: Contractors.

SUMMARY: This bill provides that the revocation of a license shall not deprive the Contractors State License Board jurisdiction to proceed with disciplinary proceedings against a licensee.

Chapter Number 85, Statutes of 2012

AB 2570

AUTHOR: Hill D

TITLE: Licensees: settlement agreements.

SUMMARY: The bill prohibits licensees of any board, bureau or program under the Department of Consumer Affairs (DCA), including the Contractors State License Board from including a "regulatory gag clause" in civil settlement agreements. A licensee in violation of these provisions would be subject to disciplinary action by the board, bureau, or program. The bill would also prohibit a board, bureau, or program from requiring its licensees in a disciplinary action that is based on a complaint or report that has been settled in a civil action to pay additional moneys to the benefit of any plaintiff in the civil action.

Chapter Number 561, Statutes of 2012

SB 691

AUTHOR: Lieu D

TITLE: Unemployment insurance: use of information.

SUMMARY: This bill permits information sharing between the Employment Development Department (EDD) and the Contractors' State License Board (CSLB) to assist with its workers' compensation fraud investigations.

Chapter Number 832, Statutes of 2012

Environment & Energy

AB 1073

AUTHOR: Fuentes D

TITLE: Energy: solar thermal powerplants: conversion to solar photovoltaic technology.

SUMMARY: Permits the proposed Calico solar project in San Bernardino County, which was approved by the California Energy Commission (CEC) in 2010 as a solar thermal project, to re-file for approval by the CEC as a photovoltaic (non-thermal) project, rather than following the ordinary permitting process for photovoltaic powerplants under current law i.e., local and/or state agency review under the California Environmental Quality Act (CEQA).

Chapter Number 14, Statutes of 2012

AB 1124

AUTHOR: Skinner D

TITLE: Landlord and tenant.

SUMMARY: Current law requires that any building with a dwelling unit maintain certain characteristics in order to be tenantable, including the maintenance of adequate heating and hot water systems that conform to the standard of quality set by applicable law. This bill will require that these provisions would not be interpreted to prohibit a tenant or owner from qualifying for energy savings assistance programs for repair or replacement of heating or hot water systems.

Chapter Number 600, Statutes of 2012

AB 1456

AUTHOR: Hill D

TITLE: Gas corporations: safety performance metrics: rate incentive program.

SUMMARY: This bill requires the California Public Utilities Commission (PUC) with regard to natural gas pipeline safety to:

- 1) Perform an analysis of benchmark data and adopt safety performance metrics.
- 2) Consider specified principles when adopting safety performance metrics:
 - a) Each safety performance metric shall be designed to be an indicator of safety performance, reevaluated within a useful timeframe, and that the data inputs to the metric are verifiable. The adopted set of safety performance metrics shall be robust enough to serve as a useful indicator of pipeline safety.
- 3) Evaluate a regulated gas corporation's safety performance based on the standards adopted per 1) above. The PUC is further authorized to implement a rate incentive program that may contain penalties based on a gas corporation's performance.

Chapter Number 469, Statutes of 2012

AB 1715

AUTHOR: Smyth R

TITLE: Underground storage tanks: tank case closure.

SUMMARY: Establishes new requirements for the State Water Resources Control Board (SWRCB) for review, reporting and enforcing the closure of underground Storage Tank (UST) clean-ups.

Chapter Number 237, Statutes of 2012

AB 2161

AUTHOR: Achadjian R

TITLE: Energy: renewable energy resources.

SUMMARY: This bill adds San Luis Obispo to the list of counties which are eligible for grants from the California Energy Commission (CEC) for the development or revision of rules and policies including general plan elements, zoning ordinances, and natural community conservation plans, that facilitate the development of renewable energy resources and associated transmission facilities.

Chapter Number 250, Statutes of 2012.

AB 2249

AUTHOR: Buchanan D

TITLE: Solar Water Heating and Efficiency Act of 2007.

SUMMARY: Expands the definition of a solar water heating system and revises exclusions from the definition of a solar water heating system. Specifically, this bill:

- 1) Requires investor owned gas utilities to implement a solar water heating incentive program.
- 2) Prescribes criteria to qualify for the solar water heating incentive program.

Chapter Number 607, Statutes of 2012

AB 2514

AUTHOR: Bradford D

TITLE: Net energy metering.

SUMMARY: This bill will require the Public Utilities Commission to complete a study by October 1, 2013, to determine who benefits from, and who bears the economic burden, if any, of, the net energy metering program, and to determine the extent to which each class of ratepayers and each region of the state receiving service under the net energy metering program is paying the full cost of the services provided to them by electrical corporations, and the extent to which those customers pay their share of the costs of public purpose programs. The bill would require the commission to report the results of the study to the Legislature within 30 days of its completion.

Chapter Number 609, Statutes of 2012

AB 2516

AUTHOR: Bradford D

TITLE: Independent System Operator.

SUMMARY: This bill requires the California Independent System Operator (ISO) to conduct internal operations in a manner that minimizes cost impacts on ratepayers and to communicate with all balancing area authorities in the state in a manner that supports electrical reliability.

Chapter Number 127, Statutes of 2012

AB 2559

AUTHOR: Buchanan D

TITLE: Local government: pipeline projects: approval.

SUMMARY: Provides the state's gas utilities with expedited ministerial permitting for pipeline inspection, remediation, removal and replacement work undertaken pursuant to pipeline integrity management.

Chapter Number 486, Statutes of 2012

SB 594

AUTHOR: Wolk D

TITLE: Energy: net energy metering.

SUMMARY: This bill will authorize an eligible customer-generator with multiple meters to elect to aggregate the electrical load of the meters located on the property where the generation facility is located and on all property adjacent or contiguous to the property on which the generation facility is located, if those properties are solely owned, leased, or rented by the eligible customer-generator.

Chapter Number 610, Statutes of 2012

SB 880

AUTHOR: Corbett D

TITLE: Common interest developments: electric vehicle charging stations.

SUMMARY: The Davis-Stirling Common Interest Development Act defines and regulates common interest developments, which include community apartment projects, condominium projects, planned developments, and stock cooperatives. Beginning January 1, 2012, any covenant, restriction, or condition in a deed or other instrument affecting the transfer or sale of an interest in a common interest development, or any provision of the governing documents of a common interest development, that prohibits or restricts the installation or use of an

electric vehicle charging station is void and unenforceable. The bill will also authorize an association or owners to install a charging station in the common area for the use of all members, and would require the association to develop appropriate terms of use for the charging station.

Chapter Number 6, Statutes of 2012

SB 1128

AUTHOR: Padilla D

TITLE: Energy: alternative energy financing.

SUMMARY: Current law establishes the California Alternative Energy and Advanced Transportation Financing Authority and requires the authority to establish programs to provide financial assistance to participating parties for projects related to alternative energy sources and advanced transportation projects. Current law authorizes the authority to issue revenue bonds or other securities of up to \$1 billion in total outstanding debt as a financing mechanism for providing financial assistance to those projects. This bill will revise and recast those provisions to, among other things, require the authority to establish programs providing financial assistance to projects for renewable energy generation facilities, combined heat and power systems, facilities designed for the production of renewable fuels, distributed generation and energy storage technologies eligible under the self-generation incentive program as determined by the Public Utilities Commission, and energy efficiency devices and technologies. The bill will eliminate the \$1 billion limitation on the amount of outstanding indebtedness the authority may incur to provide the financial assistance.

Chapter Number 677, Statutes of 2012

SB 1332

AUTHOR: Negrete McLeod D

TITLE: Renewable energy resources: electric utilities.

SUMMARY: This bill requires the governing board of a local publicly owned utility to consider avoided costs of distribution and transmission upgrades, the offset of peak demand and all current and anticipated environmental and greenhouse gas reduction compliance costs, and requires that the specified publicly-owned utilities (POUs) adopt a Feed-in-Tariff (FIT) by July 1, 2013.

Chapter Number 616, Statutes of 2012

SB 1409

AUTHOR: Pavley D

TITLE: Office of Planning and Research: energy security.

SUMMARY: This bill will require the Office of Planning and Research (OPR) to identify those state agencies that develop and implement state energy and environmental policies that directly impact on the United States Department of Defense's energy security and military mission goals. The bill will require those identified state agencies, when developing or implementing those state policies, to consider those direct impacts. The bill will require OPR to serve as a liaison to coordinate effective inclusion of the United States Department of Defense in the development and implementation of state energy and environmental policy.

Chapter Number 617, Statutes of 2012

General Industry

AB 578

AUTHOR: Hill D

TITLE: Public utilities: natural gas pipelines: safety.

SUMMARY: Requires the California Public Utilities Commission (PUC) to implement recommendations of the National Transportation Safety Board (NTSB) regarding natural gas pipeline safety.

Chapter Number 462, Statutes of 2012

AB 1508

AUTHOR: Carter D

TITLE: Junk dealers and recyclers: nonferrous materials.

SUMMARY: Revises the exemption on the purchase of nonferrous materials with a value of \$20 or less from certain payment restrictions by requiring that the majority of the transaction be for the redemption of beverage containers and prohibiting the purchase of materials made of copper or copper alloys.

Chapter Number 531, Statutes of 2012

AB 1511

AUTHOR: Bradford D

TITLE: Real property: disclosures: transmission pipelines.

SUMMARY: This bill requires real estate sale contracts to include a specified notice informing purchasers of residential property about the existence of a database where information regarding gas and hazardous liquid transmission pipelines can be obtained.

Chapter Number 91, Statutes of 2012

AB 1971

AUTHOR: Buchanan D

TITLE: Theft: junk, metals, and secondhand materials.

SUMMARY: Current law provides that every dealer in or collector of junk, metals, or secondhand materials, or the agent, employee, or representative of that dealer or collector, who buys or receives any wire, cable, copper, lead, solder, mercury, iron, or brass which he or she knows or reasonably should know is ordinarily used by or ordinarily belongs to a railroad or other transportation, telephone, telegraph, gas, water, or electric light company or county, city, city and county, or other political subdivision of this state engaged in furnishing public utility service without using due diligence to ascertain that the person selling or delivering the same has a legal right to do so, is guilty of criminally receiving that property, and shall be punished by imprisonment as specified, by a fine of not more than \$250, or by both that fine and imprisonment. This bill increases that maximum fine to an amount not to exceed \$1,000.

Chapter Number 82, Statutes of 2012

AB 2492

AUTHOR: Blumenfield D

TITLE: The False Claims Act.

SUMMARY: Amends various provisions of California's False Claim Act (CFCA) to conform to the Federal False Claim Act. In addition, a small victory for contractors was secured in the measure, as the bill will also require the defendant in a CFCA suit be awarded its reasonable attorney's fees and expenses if the defendant prevails in the action and the court finds that the claim was clearly frivolous, clearly vexatious, or brought primarily for purposes of harassment.

Chapter Number 647, Statutes of 2012

SB 1003

AUTHOR: Yee D

TITLE: Local government: open meetings: cease and desist letters.

SUMMARY: This bill amends local government open meeting laws to authorize legal action against a legislative body to determine if certain ongoing or past actions of that body within the last nine months have violated those laws.

Chapter Number 732, Statutes of 2012

SB 1099

AUTHOR: Wright D

TITLE: Regulations.

SUMMARY: The Administrative Procedure Act generally sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies. The act specifically provides that a regulation or order of repeal required to be filed with the Secretary of State shall become effective on the 30th day after the date of filing, subject to certain exceptions. This bill will instead provide that a regulation or order of repeal is effective on January 1, April 1, July 1, or October 1.

Chapter Number 295, Statutes of 2012

SB 1370

AUTHOR: Berryhill R

TITLE: Prevailing wages: public works: director: code list.

SUMMARY: This bill requires the Director of the Department of Industrial Relations to post a list on their Web site of every California code section, and the language of those sections, that relates to prevailing wage rate requirements for workers employed on a public works project.

Chapter Number 280, Statutes of 2012

SB 1387

AUTHOR: Emmerson R

TITLE: Metal theft.

SUMMARY: This bill prohibits junk dealers and recyclers from possessing fire hydrants, manhole covers or backflow devices without proper certification and provides that possession of stolen fire hydrants, manhole covers or backflow devices by persons engaged in the salvage, recycling, purchase or sale of scrap metal, shall be punishable by an additional fine up to \$3000.

Chapter Number 656, Statutes of 2012

Labor Relations

AB 2677

AUTHOR: Swanson D

TITLE: Public works: wages: employer payment contributions.

SUMMARY: California prevailing wage laws clearly state that on public works projects contractors must pay the employee at least the basic hourly rate as determined by the Department of Industrial Relations (DIR) for each craft and must also make sure that the total payment to the employee, including benefits is at least the total package hourly rate as determined by the DIR for that same craft. This bill will provide that an increased employer contribution that is collectively bargained and results in a lower taxable wage is not a violation of the applicable prevailing wage determination as long as the total package hourly rate is met.

Chapter Number 827, Statutes of 2012

SB 829

AUTHOR: Rubio D

TITLE: Public contracts: public entities: project labor agreements.

SUMMARY: This bill provides that if a charter provision, initiative, or ordinance of a charter city prohibits, limits, or constrains in any way the governing board's authority or discretion to adopt, require, or utilize a project labor agreement for some or all of the construction projects to be awarded by the city, state funding or financial assistance may not be used to support any construction projects awarded by the city.

Chapter Number 11, Statutes of 2012

SB 1234

AUTHOR: De León D

TITLE: Retirement savings plans.

SUMMARY: This bill establishes the California Secure Choice Retirement Savings Investment Board (Board), as defined, and the California Secure Choice Retirement Savings Trust (Trust), a continuously appropriated fund, for the purpose of creating a statewide program known as the California Secure Choice Retirement Savings Program (SCRSP). SCRSP will exist to provide a statewide retirement savings plan for private workers who do not participate in any other type of employer sponsored retirement savings plan. Contributions by employers and employees will be voluntary. In order for SCRSP to become operational, this bill requires that the Board conduct a market analysis to determine various factors in regard to implementing the SCRSP and to report to the Legislature on its findings; the analysis may be done only if sufficient funds to do so are made available through a non-profit or private entity, federal funding, or an annual Budget Act appropriation. Once created, administrative costs for the SCRSP shall be paid for from earnings on investments into the trust and shall be no more than 1%, annually, of the total program fund assets.

Chapter Number 734, Statutes of 2012

SB 1255

AUTHOR: Wright D

TITLE: Employee compensation: itemized statements.

SUMMARY: Current law requires every employer, semimonthly or at the time of each payment of wages, to furnish each employee an accurate itemized statement in writing showing specified information, including, among other things, the name of the employee and the last 4 digits of his or her social security number or an employee

identification number, the gross wages earned, all deductions, net wages earned, the inclusive dates of the period for which the employee is paid, and the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined, the name and address of the legal entity that secured the services of the employer. Current law provides that an employee suffering injury as a result of a knowing and intentional failure by an employer to comply with this requirement is entitled to recover the greater of all actual damages or a sum, not exceeding an aggregate penalty of \$4,000, and is entitled to an award of costs and reasonable attorney's fees. This bill would provide that an employee is deemed to suffer injury for purposes of the above-referenced penalty if the employer fails to provide a wage statement. The bill would also provide that an employee is deemed to suffer injury for that penalty if the employer fails to provide accurate and complete information, and the employee cannot promptly and easily determine from the wage statement alone the amount of the gross or net wages paid to the employee during the pay period, the deductions the employer made from the gross wages to determine the net wages paid to the employee during the pay period, the name and address of the employer, and the name of the employee and only the last 4 digits of his or her social security number.

Chapter Number 843, Statutes of 2012

Public Works

AB 16

AUTHOR: Perea D

TITLE: High-Speed Rail Authority.

SUMMARY: Will require the High-Speed Rail Authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws.

Chapter Number 413, Statutes of 2012

AB 482

AUTHOR: Williams D

TITLE: Ventura Port District: dredging contracts.

SUMMARY: Authorizes the Ventura Port District to contract for the performance of dredging work within district boundaries without competitive bidding, provided that both the dredging contractor has been selected through a competitive bidding process for a federal dredging project then underway in the County of Ventura and the board of the Ventura Port District makes certain findings regarding cost savings.

Chapter Number 51, Statutes of 2012

AB 1565

AUTHOR: Fuentes D

TITLE: Public contracts: school districts: bidding requirements.

SUMMARY: This bill requires prequalification of bidders for school public works projects costing \$1 million or more and funded in whole or in part by any state bond funds. The measure requires that the prequalification questionnaire and uniform system a school district uses to rate bidders on those public works projects contain at a minimum, the issues covered by the questionnaire and guidelines for rating bidders developed by the Department of Industrial Relations.

In addition, the bill specifies that prequalified bidders shall include the general contractor, and if utilized, all electrical, mechanical and plumbing subcontractors. Further, the bill requires that the school district make

available a list of all prequalified electrical, mechanical and plumbing subcontractors to bidders at least five days prior to the public bid opening date.

In order to allow school districts time to develop prequalification guidelines, the bill's operative date is January 1, 2014.

Chapter Number 808, Statutes of 2012

AB 1598

AUTHOR: Buchanan D

TITLE: Public contracts: public works: installation.

SUMMARY: For purposes of prevailing wage requirements, this bill modifies the definition of installation to include the assembly and disassembly of freestanding and affixed modular office systems.

Chapter Number 810, Statutes of 2012

AB 1783

AUTHOR: Perea D

TITLE: Public contracts: small business preferences.

SUMMARY: This bill requires the Department of General Services (DGS) to publish on the DGSs Web site, and makes available to local agencies for their use, a list of small businesses and microbusinesses that have been certified as such by DGS. Specifically, this bill (1) allows local agencies to have access to the DGS list of certified small business for use as a reference for local programs, (2) eliminates the ability of the small business to be certified by local governments and have that made available for use by the State of California, and (3) allows local governments to set additional criteria for local preference purposes.

Chapter Number 114, Statutes of 2012

AB 2440

AUTHOR: Lowenthal, Bonnie D

TITLE: Los Angeles County Metropolitan Transportation Authority: contracting.

SUMMARY: This bill requires that on public works projects, the Los Angeles County Metropolitan Transportation Authority shall require, at a minimum, that prospective bidders for a construction contract complete and submit to the authority the questionnaire and guidelines for rating bidders developed by the Department of Industrial Relations.

Chapter Number 703, Statutes of 2012

AB 2498

AUTHOR: Gordon D

TITLE: Department of Transportation: Construction Manager/General Contractor project method.

SUMMARY: Current law sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by state agencies for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement. This bill would authorize the Department of Transportation to engage in a Construction Manager/General Contractor project delivery method for projects for the construction of a highway, bridge, or tunnel.

Chapter Number 752, Statutes of 2012

AB 2508

AUTHOR: Bonilla D

TITLE: Public contracts: public health agencies.

SUMMARY: Would prohibit, with specified exceptions, a state agency authorized to enter into contracts relating to public benefit programs from contracting for services provided by a call center that directly serves applicants for, recipients of, or enrollees in, those public benefit programs with a contractor or subcontractor unless that contractor or subcontractor certifies in its bid for the contract that the contract, and any subcontract performed under that contract, will be performed solely with workers employed in California. This bill would impose a civil penalty, as provided, for knowingly providing false information in that certification. This bill would also require the contract to include a clause providing for a right by the state to terminate the contract for noncompliance and specified penalties, if the contractor or subcontractor performs the contract or the subcontract with workers not employed in California during the life of the contract. This bill would allow a state agency to conduct a solicitation without applying the provisions described above if the California Health and Human Services Agency or the board of the California Health Benefit Exchange makes certain determinations, including if a prior solicitation was conducted and the bids received were priced unreasonably high as a result of including these provisions.

Chapter Number 824, Statutes of 2012

SB 736

AUTHOR: Cannella R

TITLE: County road commissioner: Merced County.

SUMMARY: Current law provides for the appointment of a road commissioner in each county by the board of supervisors, with specified powers and duties relating to county roads. Current law provides for exceptions to this requirement in cases in which the duties of the road commissioner have been transferred by the board of supervisors to the county director of transportation or another authorized person. Current law, in the case of Orange County, authorizes the board of supervisors of that county to transfer the duties of the county road commissioner to a county environmental management agency. This bill, until January 1, 2018, will authorize the board of supervisors of Merced County to transfer the duties of the county road commissioner to the county director of the department of public works.

Chapter Number 378, Statutes of 2012

SB 1068

AUTHOR: Rubio D

TITLE: Local Agency Public Construction Act: Golden Empire Transit District: Sacramento Regional Transit District.

SUMMARY: Will require contracts of the Golden Empire Transit District and the Sacramento Regional Transit District for the purchase of supplies, equipment, and materials that exceed \$100,000 to be let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submits a proposal that provides the best value, as defined. This section applies solely to the procurement of supplies, equipment, and materials and shall not apply to construction contracts.

Chapter Number 220, Statutes of 2012

SB 1280

AUTHOR: Pavley D

TITLE: Public contracts: University of California and community college districts: competitive bidding: best value.

SUMMARY: Current law requires the Regents of the University of California, except as provided, to let all contracts involving an expenditure of more than \$100,000 annually for goods and materials or services to the lowest responsible bidder, or to reject all bids. Current law requires the governing board of any community college district

to let contracts involving an expenditure of more than \$50,000 for goods and materials or services to the lowest responsible bidder, or else to reject all bids. This bill will provide that, before January 1, 2018, the bid evaluation and selection for these contracts may be determined by the best value for the University of California or community college district. This new law applies solely to the procurement of goods, materials, or services and shall not apply to construction contracts.

Chapter Number 708, Statutes of 2012

SB 1509

AUTHOR: Simitian D

TITLE: School facilities: design-build contracts.

SUMMARY: Current law authorizes, until January 1, 2014, a school district governing board or community college district governing board to enter into a design-build contract for both the design and construction of a school facility or community college facility, respectively. This bill extends this design-build authority until January 1, 2020.

Chapter Number 736, Statutes of 2012

Tax & Fee

No Bills Enacted

Workers` Compensation

SB 863

AUTHOR: De León D

TITLE: Workers' compensation.

SUMMARY: A July 2012 filing by the Workers' Compensation Insurance Rating Bureau (WCIRB), which requested an 18% pure premium rate increase, triggered an urgent effort by the Legislature to enact cost saving reforms to the workers' compensation system in the closing days of the 2012 legislative session. In an effort to offset some of the increased costs associated with the requested rate hike, SB 863 by Senator De Leon was amended to address problem areas that the Department of Industrial Relations had previously identified within the workers' compensation system. The measure was amended, passed by the legislature and signed by Governor Brown shortly thereafter.

SB 863 is designed to increase permanent disability payments to injured workers while offsetting those costs with savings to employers through the reduction of frictional costs and inefficiencies within the workers' compensation system.

Specifically, SB 863 will:

Reduce the high number of medical treatment liens overwhelming the courts.

Reduce delays and denials in the delivery of medical treatment.

Increase the benefits being awarded to injured workers within the Permanent Disability Ratings Schedule (PDRS); while making the PDRS more predictable which will reduce insurance costs.

Increase oversight of medical provider networks.

Remove incentives to over or underutilize services based on profit margins.

Reduce ongoing medical disputes.

Eliminate all workers compensation injury add-on's like sleep, sexual and psychological dysfunctions.

Provide fee schedules for system providers.

The WCIRB estimates that the savings to the workers' compensation system provided by the reforms will be close to 500 million dollars annually and has hinted that the reforms could reduce their request for a premium increase by about 5-7%.

Chapter Number 363, Statutes of 2012