



# LAPFCA - Legislative Update

March 26, 2021

**Legislative Summary:**

The bill introduction period for the 2021 Legislative Session concluded on February 19<sup>th</sup>. Since that time, we have sifted through almost 2,500 legislative proposals introduced this year to ensure we are actively involved with all that may affect LAPFCA member contractors.

We suggest that LAPFCA take a position on the legislation detailed below. Other bills of interest that may affect the industry but are currently either spot bills or bills that don't have an impact on the industry as currently in print are monitored in a "watch" file. You will be made aware of these bills if it becomes necessary to establish a position and take action.

**Legislative Key**

**"Support"** Position: *Recommend LAPFCA actively support the legislation.*

**"Oppose"** Position: *Recommend LAPFCA actively oppose the legislation.*

**"Active"** Position: *Recommend LAPFCA actively work on the legislation to produce amendments that would garner our support or neutrality on the legislation or protect against hostile amendments that would result in our opposition to the legislation.*

**"Neutral"** Position: *No action on the legislation.*

**"Pending"** Position: *Need additional input from LAPFCA.*

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**AB 62**

**AUTHOR:** Gray D

**TITLE:** Income taxes: credits: costs to comply with COVID-19 regulations.

**SUMMARY:** The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws. This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2021, to a qualified taxpayer, as defined, in an amount equal to the total amount paid or incurred during the taxable year by the qualified taxpayer to comply with the regulations adopted by the Occupational Safety and Health Standards Board on November 19, 2020, relating to COVID-19 prevention and approved by the Office of Administrative Law. The bill also would state the intent of the Legislature to comply with the additional information requirement for any bill authorizing a new income tax credit.

**STATUS:** Referred to Com. on REV. & TAX.

**POSITION:** Support

**AB 80**

**AUTHOR:** Burke D

**TITLE:** Taxation: Coronavirus Aid, Relief, and Economic Security Act: Federal Consolidated Appropriations Act, 2021.

**SUMMARY:** Would adopt, except as provided, the provisions of the Consolidated Appropriations Act, 2021, prohibiting any reduction in tax deductions, denials of basis adjustments, and reductions in tax attributes based on the exclusion from gross income provided for any loan amount forgiven in modified conformity with the federal CARES Act and its subsequent amendments.

**STATUS:** In committee: Hearing postponed by committee.

**POSITION:** Support



#### [AB 84](#)

**AUTHOR:** Committee on Budget

**TITLE:** Employment: COVID-19: supplemental paid sick leave.

**SUMMARY:** Would provide for COVID-19 supplemental paid sick leave for covered employees, as defined, who are unable to work or telework due to certain reasons related to COVID-19, including that the employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19. The bill would entitle a covered employee to 80 hours of COVID-19 supplemental paid sick leave if that employee either works full time or was scheduled to work, on average, at least 40 hours per week for the employer in the 2 weeks preceding the date the covered employee took COVID-19 supplemental paid sick leave. The bill would provide a different calculation for supplemental paid sick leave for a covered employee who is a firefighter subject to certain work schedule requirements and for a covered employee working fewer or variable hours, as specified.

**STATUS:** From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on B. & F.R.

**POSITION:** **Oppose**

#### [AB 95](#)

**AUTHOR:** [Low D](#)

**TITLE:** Employees: bereavement leave.

**SUMMARY:** Would enact the Bereavement Leave Act of 2021. The bill would require an employer with 25 or more employees to grant an employee up to 10 business days of unpaid bereavement leave upon the death of a spouse, child, parent, sibling, grandparent, grandchild, or domestic partner, in accordance with certain procedures, and subject to certain exclusions. The bill would require an employer with fewer than 25 employees to grant up to 3 business days of leave, in accordance with these provisions. The bill would prohibit an employer from interfering with or restraining the exercise or attempt to exercise the employee's right to take this leave.

**STATUS:** Referred to Com. on L. & E.

**POSITION:** **Active (Ensure bill is not amended to require paid leave)**

#### [AB 246](#)

**AUTHOR:** [Quirk D](#)

**TITLE:** Contractors: disciplinary actions.

**SUMMARY:** Current law provides for the licensure and regulation of contractors by the Contractors' State License Board (board). Under current law, a willful or deliberate disregard by a licensed contractor of various state building, labor, and safety laws constitutes a cause for disciplinary action by the board. This bill would reorganize these provisions and would add illegal dumping to the list of violations that constitute a cause for disciplinary action against a contractor by the board.

**STATUS:** Referred to Com. on B. & P.

**POSITION:** **Support**

#### [AB 281](#)

**AUTHOR:** [Burke D](#)

**TITLE:** Personal income taxes: corporation taxes: gross income.

**SUMMARY:** Would state the intent of the Legislature to enact legislation that would bring California's tax treatment of covered Paycheck Protection Program loans into conformity with federal tax laws.

**STATUS:** From printer. May be heard in committee February 21.

**POSITION:** **Support**

#### [AB 332](#)

**AUTHOR:** Committee on Environmental Safety and Toxic Materials

**TITLE:** Hazardous waste: treated wood waste: management standards.

**SUMMARY:** Former law, as part of the hazardous waste control laws, required treated wood waste to be disposed of in either a class I hazardous waste landfill or in a composite-lined portion of a solid waste landfill unit that meets specified requirements. Former law required the Department of Toxic Substances Control, on or before January 1, 2007, in consultation with specified state agencies and after consideration of any known health hazards associated with treated wood waste, to adopt, and authorized the department to subsequently revise as necessary,



regulations establishing management standards for treated wood waste as an alternative to the requirements specified in the hazardous waste control laws and implementing regulations. These provisions were repealed as of January 1, 2021. This bill would require a regulation that was adopted before January 1, 2008, pursuant to the above-specified provisions exempting a hazardous waste management activity from one or more of the requirements of the hazardous waste control laws to remain valid unless repealed. The bill would repeal this provision as of an unspecified date.

**STATUS:** Referred to Com. on E.S. & T.M.

**POSITION:** Support

#### **AB 416**

**AUTHOR:** [Kalra D](#)

**TITLE:** California Deforestation-Free Procurement Act: public works projects: wood and wood products. **SUMMARY:** Would establish the California Deforestation-Free Procurement Act. The bill would require a contractor, as defined, and specified subcontractors, for any contract entered into, extended, or renewed on or after January 1, 2024, contracting with a state agency for the procurement of products comprised wholly or in part of forest-risk commodities to certify that the commodities were not grown, derived, harvested, reared, or produced on land where tropical deforestation or boreal intact forest degradation or deforestation occurred on or after January 1, 2022. The bill would exempt a credit card purchase of goods of \$2,500 or less, not to exceed a total of \$7,500 of goods per contractor per year, from these certification requirements. The bill would require specified contractors to have a No Deforestation, No Peat, No Exploitation policy, as specified, and would require the contractors to make the policy and corresponding data publicly available.

**STATUS:** Referred to Com. on A. & A.R.

**POSITION:** Active (Ensure the bill is not amended to remove the public works contractor exemption we secured)

#### **AB 569**

**AUTHOR:** [Grayson D](#)

**TITLE:** Contractors: civil penalties: letters of admonishment.

**SUMMARY:** The Contractors State License Law provides for the licensure and regulation of contractors by the Contractors State License Board in the DCA. Current law provides for related disciplinary proceedings and requires the board to promulgate regulations covering the assessment of civil penalties under those disciplinary provisions, as prescribed. Current law, except as specified, prohibits the assessment of a civil penalty in an amount greater than \$5,000. Current law, notwithstanding the administrative fine maximum, authorizes a civil penalty not to exceed \$15,000 for certain violations relating to unlicensed persons. This bill would increase the civil penalty limit from \$5,000 to \$8,000, notwithstanding the administrative fine maximum, and would increase the enhanced civil penalty limit from \$15,000 to \$30,000. The bill would expand the enhanced civil penalty limit to apply to certain violations relating to workers' compensation insurance coverage.

**STATUS:** Referred to Coms. on B. & P. and JUD.

**POSITION:** Support

#### **AB 643**

**AUTHOR:** [Ramos D](#)

**TITLE:** Apprenticeship programs: career fairs.

**SUMMARY:** Current law provides for the establishment of apprenticeship programs in various trades, to be approved by the Chief of the Division of Apprenticeship Standards within the Department of Industrial Relations in any trade in the state or in a city or trade area whenever the apprentice training needs justify the establishment. This bill would require a school district or school to notify each apprenticeship program in the same county as the school district or school of a career or college fair it is planning to hold, as specified.

**STATUS:** Referred to Com. on L. & E.

**POSITION:** Support

#### **AB 712**

**AUTHOR:** [Calderon D](#)

**TITLE:** Local Agency Public Construction Act: change orders.

**SUMMARY:** The Local Agency Public Construction Act regulates contracting by local agencies, including counties



and special districts. The act, for a county, imposes a \$5,000 cap when the total amount of the original contract does not exceed \$50,000. For any original contract that exceeds \$50,000, but does not exceed \$250,000, the cap is 10% of the amount of the original contract. For contracts whose original cost exceeds \$250,000, the cap is \$25,000 plus 5% of the amount of the original contract cost in excess of \$250,000, and prohibits a change or alteration cost from exceeding \$210,000. This bill would require that the existing caps be adjusted annually to reflect the percentage change in the California Consumer Price Index. The bill would modify the cap applicable to contracts exceeding \$250,000 to apply only to contracts exceeding that amount but not exceeding \$25,000,000. The bill would add a new change order cap of \$500,000 for contracts whose original cost exceeds \$25,000,000 and of \$1,000,000 for contracts whose original cost exceeds \$50,000,000, both of which would be adjusted annually to reflect the percentage change in the California Consumer Price Index.

**STATUS:** Referred to Com. on L. GOV.

**POSITION:** [Active \(Request that the bill's provisions sunset on the same date as our change order reform language to ensure the increase in value of change orders doesn't impact the continuation of our language.\)](#)

#### **[AB 846](#) AUTHOR:**

[Low](#) D

**TITLE:** Local Agency Public Construction Act: job order contracting.

**SUMMARY:** The Local Agency Public Construction Act, authorizes job order contracting for school districts and community college districts until January 1, 2022. Current law requires job order contractors to submit a questionnaire to the school district or community college district containing specified information verified under oath. This bill would change the January 1, 2022, repeal date to January 1, 2027, thereby extending authorization for job order contracting for school districts and community college districts indefinitely, and make conforming changes. By extending the operation of those provisions that expand the crime of perjury, this bill would impose a state-mandated local program.

**STATUS:** Referred to Com. on HIGHER ED.

**POSITION:** [Support](#)

#### **[AB 899](#)**

**AUTHOR:** [Cunningham](#) R

**TITLE:** Contractors: unlicensed work: inflation adjustment.

**SUMMARY:** Current law authorizes a person who is not licensed as a contractor to advertise for construction work or a work of improvement covered by existing law only if the aggregate contract price for labor, material, and all other items on a project or undertaking is less than \$500, and the person states in the advertisement that they are not a licensed contractor. This bill would require the Contractors State License Board to annually adjust the \$500 amount by regulation to reflect the rate of inflation, as measured by the Consumer Price Index or other method of measuring the rate of inflation that the board determines is reliable and generally accepted.

**STATUS:** Referred to Com. on B. & P.

**POSITION:** [Active \(Would rather see a modest increase that can be controlled legislatively\)](#)

#### **[AB 919](#)**

**AUTHOR:** [Grayson](#) D

**TITLE:** Construction defects: actions: statute of limitations.

**SUMMARY:** Current law specifies the requirements for actions for construction defects. Current law includes a statute of limitations that, except as specified, prohibits an action from being brought to recover under these provisions more than 10 years after substantial completion of the improvement but no later than the date the notice of completion is recorded. This bill, notwithstanding that 10-year limitation period, would shorten the timeframe in which an action may be brought, for underlying construction projects using a skilled and trained workforce, as defined, to no more than 5 years after substantial completion of the improvement but no later than the date the notice of completion is recorded.

**STATUS:** Referred to Com. on JUD.

**POSITION:** [Support](#)

#### **[AB 995](#)**

**AUTHOR:** [Gonzalez, Lorena](#) D



**TITLE:** Paid sick days: accrual and use.

**SUMMARY:** Current law authorizes an employer to use a different accrual method as long as an employee has no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period. Current law also provides that an employer may satisfy the accrual requirements by providing not less than 24 hours or 3 days of paid sick leave that is available to the employee to use by the completion of the employee's 120th calendar day of employment. This bill would modify the employer's alternate sick leave accrual method to require that an employee have no less than 40 hours of accrued sick leave or paid time off by the 200th calendar day of employment or each calendar year, or in each 12-month period.

**STATUS:** Referred to Com. on L. & E.

**POSITION:** [Active \(Ensure CBA exemption language is not amended\)](#)

#### [AB 1179](#)

**AUTHOR:** [Carrillo D](#)

**TITLE:** Employer provided benefit: backup childcare.

**SUMMARY:** Would require an employer to provide an employee, on or after January 1, 2022, who works in California for the same employer for 30 or more days within a year from the commencement of employment, with up to 60 hours of paid backup childcare benefits, to be accrued and used as provided. The bill would define "backup childcare" as childcare provided by a qualified backup childcare provider to the employee's child when the employee's regular childcare provider cannot be utilized, and "paid backup childcare" as an employee benefit consisting of the employer paying for a qualified backup childcare provider to provide backup childcare for an employee's child that is compensated at the state minimum wage or the federal minimum wage, whichever is higher.

**STATUS:** Referred to Com. on L. & E.

**POSITION:** [Oppose](#)

#### [AB 1256](#)

**AUTHOR:** [Quirk D](#)

**TITLE:** Employment discrimination: cannabis screening test.

**SUMMARY:** Would prohibit an employer from discriminating against a person in hiring, termination, or any term or condition of employment because a drug screening test has found the person to have tetrahydrocannabinol in their urine. The bill would exempt from its provisions an employer that is required to conduct testing for tetrahydrocannabinol by federal law or regulations, or that would lose a monetary or licensing-related benefit for failing to conduct testing for tetrahydrocannabinol. The bill would also exempt employment in the building and construction trades.

**STATUS:** Referred to Coms. on L. & E. and JUD.

**POSITION:** [Active \(Prior to introduction, the author took industry suggested amendments to exclude construction\)](#)

#### [SB 95](#)

**AUTHOR:** [Skinner D](#)

**TITLE:** Employment: COVID-19: supplemental paid sick leave.

**SUMMARY:** Would provide for COVID-19 supplemental paid sick leave for covered employees, as defined, who are unable to work or telework due to certain reasons related to COVID-19, including that the employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19. The bill would entitle a covered employee to 80 hours of COVID-19 supplemental paid sick leave if that employee either works full time or was scheduled to work, on average, at least 40 hours per week for the employer in the 2 weeks preceding the date the covered employee took COVID-19 supplemental paid sick leave. The bill would provide a different calculation for supplemental paid sick leave for a covered employee who is a firefighter subject to certain work schedule requirements and for a covered employee working fewer or variable hours, as specified. The bill would provide that the total number of hours of COVID-19 supplemental paid sick leave to which a covered employee is entitled to under these provisions is in addition to any paid sick leave available under the act, as specified.

**STATUS:** From committee with author's amendments. Read second time and amended. Re-referred to Com. on BUDGET.(Amended 3/15/2021)

**POSITION:** [Oppose](#)



### [SB 216](#)

**AUTHOR:** [Dodd D](#)

**TITLE:** Contractors: workers' compensation insurance: mandatory coverage.

**SUMMARY:** Would, until January 1, 2025, require concrete contractors holding a C-8 license, warm-air heating, ventilation and air-conditioning (HVAC) contractors holding a C-20 license, or tree service contractors holding a D-49 license to also obtain and maintain workers' compensation insurance even if that contractor has no employees. The bill, as of January 1, 2025, would require all licensed contractors or applicants for licensure to obtain and maintain workers' compensation insurance even if that contractor has no employees and would also prohibit the filing of a certificate of exemption.

**STATUS:** From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 14. Noes 0.) (March 8). (Amended 3/15/2021)

**POSITION:** [Support](#)

### [SB 304](#)

**AUTHOR:** [Archuleta D](#)

**TITLE:** Contractors: exemptions.

**SUMMARY:** Current law, the Contractors State License Law, provides for the licensure, regulation, and discipline of contractors by the Contractors State License Board. Current law exempts from this licensing requirement any work or operation on one undertaking or project, by one or more contracts, when the aggregate contract price does not exceed \$500, except when the person performing the work advertises to the public that they are a licensed contractor. This bill would increase the maximum aggregate contract price eligible for this exemption to \$1,000, and make other nonsubstantive changes.

**STATUS:** Set for hearing March 22.

**POSITION:** [Neutral](#)

### [SB 410](#)

**AUTHOR:** [Leyva D](#)

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

**SUMMARY:** Current law generally requires the adoption, amendment, or repeal of standards and orders by the Occupational Safety and Health Standards Board to comply with the rulemaking provisions of the Administrative Procedure Act (APA), but exempts from provisions of the APA relating to public participation and review of proposed regulations a standard or amendment to any standard adopted by the standards board that is substantially the same as a federal standard, including existing APA requirements, for a proposed nonmajor regulation, to prepare a prescribed economic impact assessment and, for a proposed major regulation, to prepare a standardized regulatory impact analysis in a manner prescribed by the Department of Finance. This bill would exempt any occupational safety and health standard and order from the standardized regulatory impact analysis requirement.

**STATUS:** Re-referred to Com. on L., P.E. & R.

**POSITION:** [Oppose](#)

### [SB 606](#)

**AUTHOR:** [Gonzalez D](#)

**TITLE:** Workplace safety: citations: employer retaliation.

**SUMMARY:** Current law gives the Division of Occupational Safety and Health, within the Department of Industrial Relations, the power, jurisdiction, and supervision over every employment and place of employment in this state, which is necessary to adequately enforce and administer all laws requiring that employment and places of employment be safe, and requiring the protection of the life, safety, and health of every employee in that employment or place of employment. Current law requires the division to enforce all occupational safety and health standards, as specified, and to issue a citation for a violation relating to those standards. This bill would require the division to issue a citation to an egregious employer, as defined, for each willful violation, and each employee exposed to that violation would be required to be considered a separate violation for purposes of the issuance of fines and penalties, as provided.

**STATUS:** Set for hearing March 22.

**POSITION:** [Oppose](#)



### **SB 727**

**AUTHOR:** [Leyva](#) D

**TITLE:** Labor-related liabilities: direct contractor.

**SUMMARY:** Current law requires, for contracts entered into on or after January 1, 2018, a direct contractor, as defined, making or taking a contract in the state for the erection, construction, alteration, or repair of a building, structure, or other private work, to assume, and be liable for, any debt owed to a wage claimant or third party on the wage claimant's behalf, incurred by a subcontractor at any tier acting under, by, or for the direct contractor for the wage claimant's performance of labor included in the subject of the original contract. This bill would require, for contracts entered into on or after January 1, 2022, the direct contractor to also be liable for any contributions, deductions, and withholdings that the subcontractor was required to forward to the State of California on account of the performance of the labor and be liable for any relief the Labor Commissioner could seek against the subcontractor for the subcontractor's failure to obtain and maintain valid workers' compensation coverage as provided.

**STATUS:** From committee with author's amendments. Read second time and amended. Re-referred to Com. on RLS.

**POSITION:** [Pending](#) -> [Oppose](#)

### **SCR 16**

**AUTHOR:** [Caballero](#) D

**TITLE:** Women in Construction Week.

**SUMMARY:** This measure would proclaim the week of March 7, 2021, to March 13, 2021, inclusive, as Women in Construction Week.

**STATUS:** Read. Adopted. (Ayes 35. Noes 0.) Ordered to the Assembly. In Assembly. Held at Desk.

**POSITION:** [Support](#)