

Contractors Face New Laws in 2007

On January 1, 2007, legislation that was passed and signed into law last year will be enacted. As a contractor, and a company doing business in California, several of these laws will have an impact on the way you do business in 2007 and beyond. The descriptions below are not intended to cover every aspect of the legislation – only the highlights.

If you have specific interest in any of the bills, please access the Internet at www.leginfo.ca.gov. Click on "Bill Information", and under "Session" click on "(2005-2006) Prior", then type in the bill number. If you have any questions or difficulty, please contact Brad Barnum, Vice President Government Relations, at 858-558-7444, extension 103 or at bbarnum@agcsd.org.

Wages

AB 1835 - Minimum Wage

Increases the California minimum wage to \$7.50 per hour on January 1, 2007, and to \$8 per hour on January 1, 2008.

Transportation

AB 521 - Transportation facilities: public-private partnerships

Provides that the Legislature has 60 legislative days to act after submittal of a negotiated lease agreement for a public-private partnership project. Unless both houses reject the agreement, the agreement will be deemed approved.

AB 713 - High-Speed Passenger Train Bond Act

Moves the \$9.8 billion bond measure to provide funding for high-speed rail from the November 2006 ballot to the 2008 November General Election.

AB 1039 - Government: environment: bonds: transportation

A companion statute passed as part of the infrastructure bond package that exempts specified levee and highway and bridge seismic retrofit projects from review under the California Environmental Quality Act.

AB 1467 - Transportation projects: facilities: public-private partnerships

Allows Caltrans and local agencies to enter into no more than four public-private partnership agreements allowing private capital to be invested in transportation projects.

AB 2520 - Transportation

Authorizes the Santa Clara Valley Transportation Authority to purchase tunnel boring machines by competitive negotiation. Any work performed by the machines would be let by competitive bid under the Public Contract Code.

SB 369 - Solid Waste: tire recycling: rubberized asphalt concrete

Revises the eligibility qualifications for public works grants that use rubberized asphalt. Requires that the project use at least 1,250 tons of rubberized asphalt concrete. Requires the California Integrated Waste Management Board to annually calculate the amount of a grant, based on the amount of rubberized asphalt concrete used on a project, and increases the maximum amount of grant money that can be awarded to \$250,000.

SB 463 - Toll roads: State Highway Route 125 (San Diego County)

Provides for a 10 year extension to the State Route 125 franchise agreement.

General Construction

AB 2160 - State buildings: green building

Requires the Department of General Services to define a life cycle cost analysis model to be used with respect to certain state building design and construction decisions. Requires the State Energy Commission to consult with various state entities to identify and develop appropriate financing and project delivery mechanisms to facilitate state building energy and resource efficient projects.

AB 2362 - Public contracts: job order contracting: school districts

Extends the authorization for the Los Angeles Unified School District to use job order contracting authority until December 1, 2012.

SB 1659 - Hospital seismic retrofit

Authorizes the Office of Statewide Health Planning to permit electronic submission of plans.

SB 1661 - Health facilities: seismic safety: construction

Authorizes the Office of Statewide Health Planning to grant an additional extension of up to two years, of the January 1, 2013, deadline to meet seismic safety retrofit requirements.

SB 1838 - Health facilities: construction plans

Expedites the approval of hospital construction plans by the Office of Statewide Health Planning.

Design-Build

AB 372 - Transit design-build contracts

Extends the authorization for transit districts to use design-build authority until January 1, 2011. Requires a transit operator to select the design-build entity, for non-rail transit projects that exceed \$2.5 million, based on either the lowest responsible bidder, or best value. Authorizes the design-build method of procurement for a capital maintenance or capacity-enhancing rail project with projects costs of \$25 million or more.

SB 535 - Design-build contracts: City of Victorville

Adds the City of Victorville to the list of cities that are allowed to use the design-build method of public works procurement.

Career Technical Education

AB 368 - Technical Education: equipment: sales

Requires the State Department of Education to develop and maintain a registry of career technical education equipment that is listed for sale and will be accessible to school districts via the Internet. Requires the equipment listed in the registry to be offered for sale to other school districts.

AB 2419 - New construction and modernization: career technical education facilities

Requires the career technical education advisory committee of a school district, in conjunction with an application of the district for funding of any construction/modernization project, to provide written confirmation that the need for vocational and career technical facilities is being adequately met within the district.

SB 1543 - High school curriculum: high school coursework requirements

Allows standards-aligned and academically rigorous coursework in career and technical education (CTE) to be used by high school students as a “general elective” credit for admissions to California’s publicly funded university systems.

California State Licensing Board**AB 2456 - Contractors: licenses**

Prohibits a licensee whose license was suspended for failure to resolve outstanding final debts, as well as those who serve as personnel of record of such a licensee, from serving in any capacity requiring a Board license until the debt is satisfied.

AB 2897 - Contractors: revoked licenses

Increases the penalty for individuals whose contractors’ license has been revoked by the Contractors State License Board but who subsequently become associated with a licensee of another construction company. A revoked licensee is allowed to work in the construction industry but only as a bona fide non-supervisory employee and not in an ownership or management capacity.

Public Work**AB 1986 - Public contracts: California State University: auxiliary organizations**

Prevents the California State University from circumventing the Public Contract Code by using a private foundation to bid public work on any campus.

AB 2372 - Public Projects: sanction for noncompliance

Establishes penalties for any public agency that violates the provisions of the Uniform Construction Cost Accounting Act. Any agency found in violation would be prohibited from using the Cost Accounting Act bidding procedures for a period of 5 years.

Insurance**AB 573 - Design professionals: indemnity**

Essentially eliminates Type I indemnity agreements between public entities and design professionals.

AB 881 - Worker’s compensation: roofers

Requires roofing contractors (C-39 classification) to have either a valid Certification of Workers’ Compensation Insurance or a valid Certification of Self-Insurance on file with the Contractors State License Board, regardless of whether or not they have employees. These requirements remain in effect until January 1, 2011.

AB 2068 - Worker’s Compensation: designation of physician

Deletes the April 30, 2007, repeal date and the limit on the maximum percentage of employees that may designate a personal physician.

SB 1690 - Unemployment insurance

Authorizes the Employment Training Panel to allocate funds for training in job related vocational skills to increase the productivity and extend retention of training workers in seasonal industries.

Excavation

AB 463 - Subsurface installations: excavation.

Allows a contractor to use vacuum excavation devices, power-operated or power-driven, and excavating or boring equipment if it is mutually agreeable to the operator(s) of the subsurface installation and the excavator.

SB 1359 - Underground excavations

Requires the owner of underground utilities to meet with the excavation contractor prior to the commencement of work when the excavation will occur within 10 feet of a high voltage cable or hazardous fuel line. This bill was strongly supported by AGC.

SB 1605 - Public contracts: public works

Specifies that a contractor notify the local public entity in writing of any subsurface or latent physical conditions that differ from the conditions indicated by information about the site made available to bidders prior to the deadline for submitting bids.

Public Contract

SB 667 - Public contracts: competitive bidding: University of California

Allows the University of California, San Francisco to use a “best value” alternative contract award process rather than using the procedures in the Public Contract Act.

Miscellaneous

AB 32 - Air Pollution: Greenhouse Gasses

Requires the California Air Resources Board (CARB) to adopt regulations to require the reporting and verification of statewide greenhouse gas emissions and to monitor and enforce compliance. By 2020, CARB is required to adopt emission limits equivalent to the statewide greenhouse gas levels in 1990.

AB 2330 - Small businesses: Office of Small Business Advocate

This bill requires the Office of the Small Business Advocate to have a study prepared by October 1, 2007, regarding the cost impact of state regulations on small businesses.

AB 2641 - Native American human remains

Provides additional procedures to be followed after the discovery of Native American human remains on privately-owned land. Requires the landowner ensure that the immediate vicinity is not damaged or disturbed until specific conditions are met.

AB 2861 - Lead Abatement

A violation of a regulation deemed prohibited by a local hazardous waste enforcement agency is subject to a fine of no more than \$1,000. This bill makes a 2nd or subsequent violation a misdemeanor punishable by a fine not to exceed \$5,000, imprisonment for no more than six months in the county jail, or both a fine and imprisonment.

SB 1436 – Small Business: State Agency Information

Re-establishes prior law requiring every state agency regulating small businesses to have a small business liaison, and requires links on state agency websites regarding information applicable specifically to small businesses.