

SCGMA 2023 CA Legislative Scorecard

The last actions of the 2023 California legislative session took place on October 14th, which was the deadline for Governor Newsom to sign or veto legislation. SCGMA again had a highly effective legislative session pursuing industry measures, including furthering efforts to secure market share for union contractors on industrial facilities and updating contractors' state licensing law to ensure contractors stay informed and properly licensed.

2023 was again a very challenging year regarding general employer legislation, due to the legislature's continued push for employment laws that circumvent the sanctity of our industry collective bargaining agreements. Protecting the efficiencies provided within industry collective bargaining agreements, which allow union contractors to remain competitive, has become the highest priority when reviewing legislation. State mandated deviations from those pacts take away from the union construction industry's ability to not only compete for work, but also recruit workers and organize contractors.

In reviewing the scorecard, you will see that much of our time and political effort goes into opposing measures that would have a negative effect on the industry. It is important to remember that both houses of California's legislature have 2/3 democratic supermajorities, making it difficult to stop progressive and environmentally slanted bills that adversely impact our contractors. Despite that fact, SCGMA was again successful in defeating or amending numerous measures that would have been harmful to our contractors and the industry overall.

Enclosed is a summary of the key bills SCGMA took strong positions on this year and the outcome.

- ☑ = Positive Outcome
- ☒ = Negative Outcome

LEGISLATION SUPPORTED BY SCGMA

- ✓ **AB 400 (Rubio) Local Agency Design-build Procurement Authorization**
Extends the sunset date, from January 1, 2025, to January 1, 2031, on provisions of law authorizing local agencies to use the design-build contracting method. The use of design-build also requires the use of a skilled and trained workforce.
STATUS: *Approved by the Governor.*

- ✓ **AB 1121 (Haney) Debarment of Contractors**
Requires local awarding authorities to submit to the Department of Industrial Relations (DIR) and for DIR to post on its website, a list of contractors that are ineligible to perform work on public works projects, pursuant to local debarment processes. Requires the list to contain the name of the contractor, the CSLB license number of the contractor, the jurisdiction where the debarment or suspension applies, and the effective period of debarment or suspension of the contractor.
STATUS: *Approved by the Governor.*

- ✓ **AB 1204 (Holden) Limiting the Use of Subcontractors Who are Sole Proprietors**
Prohibits a specialty contractor from entering into a contract for the performance of work on the same project with more than one subcontractor in the same license classification as the specialty contractor offering the contract, unless either of the following requirements are satisfied. 1) The subcontractor employs persons to perform work in that license classification, or 2) The specialty contractor is signatory to a collective bargaining agreement. We were able to secure the amendments that clarified that the prohibition only applies if the subcontractor has no employees and that signatory specialty contractors are exempt, while supporting the bill's intent to crackdown on contractors who circumvent employment law.
STATUS: *Approved by the Governor.*

- ✓ **SB 416 (Laird) State Buildings LEED certification**
Requires any new building or major renovation project undertaken by a state agency on or after January 1, 2024, to obtain the Leadership in Energy and Environmental Design (LEED) Gold or higher certification.
STATUS: *Approved by the Governor.*

- ✗ **SB 574 (Wahab) State Agency Project Labor Agreement Mandate**
Would have mandated that the state enter into a project labor agreement and that all state agency construction projects valued over \$35 million dollars be subject to, and governed by, the agreement.
STATUS: *Failed Deadline pursuant to Rule 61(a)(2). 2-year bill.*

- ✓ **SB 630 (Dodd) CSLB Notifications**
Requires a CSLB applicant or licensee to provide the CSLB with a valid email address at the time of application or renewal; in an effort to better keep contractors aware of issues that may affect their licensing status.
STATUS: *Approved by the Governor.*

- ✓ **SB 740 (Cortese) Skilled and Trained Workforce on Heavy Industrial Projects**
Expands the skilled and trained workforce requirements, currently applicable to an owner or operator of a stationary source that is engaged in petroleum-related activities, to also include contracts awarded, extended, or renewed on or after January 1, 2024, by an owner or operator of a stationary source that is engaged in manufacturing hydrogen, biofuels, or chemicals, or in capturing and sequestering, carbon dioxide.
STATUS: *Approved by the Governor.*

LEGISLATION OPPOSED BY SCGMA

- ✓ **AB 524 (Wicks) Anti-discrimination for Family Caregiver Status**
The California Fair Employment and Housing Act (FEHA) makes it an unlawful employment practice for an employer to refuse to hire or employ a person because of various personal characteristics, conditions, or traits. This bill would have expanded the protected characteristics under the FEHA anti-discrimination provisions to include “family caregiver” status.
STATUS: *Vetoed by Governor.*

- ✓ **AB 1100 (Low) Pilot Program to Establish a 32-Hour Workweek in California**
Would establish a 32-hour Workweek Pilot Program in California under the administration of the Department of Industrial Relations.
STATUS: *Failed Deadline pursuant to Rule 61(a)(2). 2-year bill.*

- ✓ **AB 1690 (Kalra) Universal Single-payer Health Care Coverage**
Would have codified the intent of the Legislature to guarantee health care for all Californians through a comprehensive universal single-payer health care program.
STATUS: *Failed Deadline pursuant to Rule 61(a)(3). 2-year bill.*

- ✗ **SB 365 (Wiener) Weakening of Arbitration in Civil Procedures**
Current law authorizes a party to appeal an order dismissing or denying a petition to compel arbitration. Current practice generally sees the court of appeals place a stay on the proceedings in the trial court when the appeal is perfected. Originally this bill

would have prohibited an appeals court from staying the trial court proceedings. As passed, the bill provides that an appeal of a denial or dismissal of a petition to compel arbitration shall not “automatically” stay civil legal proceedings. The amendments to remove the prohibition on the stay were taken to attempt to address our concerns. The amendments make clear that the appeals court still has the authority to place a stay on the trial court proceedings. That said, even as amended, we remained opposed.

STATUS: *Approved by the Governor.*

❌ SB 553 (Cortese) Workplace Violence Prevention Plans

Commencing July 1, 2024, requires employers to develop workplace violence prevention plans as part of existing injury prevention plans required by Cal/OSHA. Industry amendments were taken to remove all requirements to install surveillance systems and metal detectors at all jobsite points of entry and to clarify that on multi-employer worksites, only the employer whose employees experienced the workplace violence incident shall have to record the information in a violent incident log and provide the controlling employer a copy.

STATUS: *Approved by the Governor.*

✅ SB 799 (Portantino) Unemployment Insurance for Striking Workers

Would have authorized workers involved in a trade dispute to collect unemployment insurance benefits, after a two-week wait period, while they are on strike.

STATUS: *Vetoed by the Governor.*

LEGISLATION AMENDED TO ADDRESS SCGMA CONCERNS

✅ AB 43 (Holden) Greenhouse Gas Carbon Trading System for Building Materials

Authorizes the State Air Resources Board (CARB) to create an Embodied Carbon Trading System for measuring and reducing the carbon intensity of building materials used in the construction of new buildings by an entity undertaking a construction project. Industry requested amendments were taken to clarify that an “entity undertaking a construction project” does not include construction contractors and ensured that fines could not be passed down from developers to contractors for materials used that were noncompliant with any compliance standards within the embodied carbon trading system.

STATUS: *Approved by the Governor.*

✅ AB 336 (Cervantes) CSLB Workers’ Compensation Insurance Reporting

Beginning July 1, 2024, requires all active CSLB licensees to certify on their license renewal form, the three workers' compensation insurance classification codes for

which the highest estimated payroll is reported on the policy. If the licensee has fewer than three classification codes reported on the policy, the licensee must provide every classification code reported on the policy. Industry amendments were taken to clarify that CSLB shall not be required to verify, investigate, or enforce the accuracy of the licensee's workers compensation classification codes.

STATUS: [Approved by the Governor.](#)

☑ **AB 594 (Maienschein) Public Prosecutor Labor Code Enforcement**

Authorizes a public prosecutor to independently prosecute an action, either civil or criminal, for a violation of the Labor Code without direction from the Division of Labor Standards Enforcement. The measure also prohibits any “individual agreement” between a worker and employer that limits representative actions or mandates private arbitration, to take precedence over the public prosecutor action. Amendments were taken at our request to clarify that “individual agreement” does not include collectively bargained agreements, ensuring that our industry grievance and arbitration provisions remain valid.

STATUS: [Approved by the Governor.](#)

☑ **SB 27 (Durazo) University of California Contracts**

Requires University of California (UC) vendors, including contractors, to make payroll information available to the UC, and any unions signatory to the UC. Industry amendments were secured that exempts construction contractors signed to a valid CBA from having to comply with the bill.

STATUS: [Approved by the Governor.](#)