



CLC – California Legislative Conference of the Plumbing, Heating & Piping Industry
2020 End of Year Legislative Report

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Introduction

The last actions of the 2020 California legislative session took place on August 30th, which was the deadline for Governor Newsom to sign or veto legislation. In what was a difficult year on many levels from a legislative standpoint, The CLC did achieve success in many areas including providing notification of the skilled and trained workforce mandates, expanded prevailing wage application, securing industry stimulus funds, and mitigating the preponderance of COVID-19 related employer requirements and proposed new taxes. In addition, the CLC took a leading role in defeating or amending dozens of measures that would have been harmful to our contractors and the industry overall.

From a volume standpoint, due to COVID-19 related challenges that necessitated unprecedented actions and a compressed legislative session, the Legislature greatly reduced the number of bills it heard in 2020 to focus on COVID-19 policy response. In a typical year, the Legislature sends just over 2000 bills to the governor for consideration. However, in 2020, the Legislature passed just 428 bills. Of the 428 bills Governor Newsom considered this year, he signed 372 into law and vetoed 56.

The lighter legislative load didn't translate into less work on the state advocacy level. Early in to the pandemic, we were keenly aware of the uncertainty COVID-19 would bring to our industry and we began to discuss the many challenges that lay ahead and how to address them. CLC contractors questioned if they would be allowed to continue to operate, and should they continue to operate, how to keep workers safe and what would be the impact of the pandemic on their bottom line. There were concerns, separate from the health effects of COVID-19, regarding Cal/OSHA violations, impacts to worker compensation rates, and the ability to protect payment rights. The CLC worked to address these issues. We focused, through regulation and the administrative process, on the health and safety of workers, ensuring our industry could continue to deliver projects and protecting our contractor's businesses. Our efforts included:

- Securing from the Newsom Administration, during the development of California's shelter in place orders, state guidelines that defined construction services as an essential business. Ensuring our contractors could continue to operate.
- Pushing Cal/OSHA to develop and release construction industry specific COVID-19 safety guidelines.
- Working with California's Judicial Council to toll the statute of limitations for any civil action, which includes the enforcement of mechanics' liens and stop notices, from April 6, 2020 until 90 days after the governor "lifts" the COVID-19 state of emergency.
- Pursuing regulatory protections from the Workers Compensation Insurance Rating Bureau of California and the California Department of Insurance that would exclude from a contractor's experience modification rate any COVID-19 related incident.

That said, many measures affecting the industry were passed into law this legislative session. Enclosed is an overview of all the pertinent legislation that was passed during the 2020 legislative session that will have an impact on contractors and the construction industry overall. All of the newly enacted laws will become operative January 1, 2021, 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 at bernacchi@politicogroup.com or by phone at (916) 443-3114.

Thank you for your support in making 2020 another successful year for our industry.

Eddie Bernacchi
Legislative Advocate

Codes & Standards

[AB 685](#)

AUTHOR: [Reyes D](#)

TITLE: COVID-19: imminent hazard to employees: exposure: notification: serious violations.

SUMMARY: Requires employers to notify workers, at the same worksite, within one business day of receiving notice of a potential exposure to COVID-19. Employers must also notify local public health officials within 48 hours if they experience an "outbreak" at a worksite. "Outbreaks" are defined as three or more laboratory-confirmed positive COVID-19 cases within 14 days. This new law also gives the California Division of Occupational Safety and Health authority to shut down businesses it believes present an imminent hazard of exposing workers to COVID-19 infection.

STATUS: Approved by the Governor. Chapter 84, Statutes of 2020.

[SB 865](#)

AUTHOR: [Hill D](#)

TITLE: Excavations: subsurface installations.

SUMMARY: Moves the California Underground Facilities Safe Excavation Board - "Dig Safe Board" - from the Office of the State Fire Marshall to the Office of Energy Infrastructure Safety within the Natural Resources Agency.

STATUS: Approved by the Governor. Chapter 307, Statutes of 2020.

Contractors` License Law

[AB 2210](#)

AUTHOR: [Aguilar-Curry D](#)

TITLE: Contractors: violations: disciplinary actions.

SUMMARY: Expands the Contractors State License Board's (CSLB) authority to take enforcement action against a tree-service contractor.

STATUS: Approved by the Governor. Chapter 128, Statutes of 2020.

[AB 2471](#)

AUTHOR: [Maienschein D](#)

TITLE: Senior citizens: rescission of contracts.

SUMMARY: Amends the Business and Professions Code and the Civil Code to provide a definition of a "senior citizen" as anyone 65 or older and providing that any home improvement contract or service & repair contract entered into with a senior citizen owner of a residential property, will now have a five business-day "cooling off" period to be canceled. The same five business days to cancel timeline now applies Property Assessed Clean Energy (PACE) financing obtained by senior citizen starting on the latest of: 1) the date on which the contract was signed, 2) the date on which the property owner received the statutorily-prescribed Financing Estimate or Disclosure, or 3) the date on which the property owner received the notice of their right to cancel..

STATUS: Approved by the Governor. Chapter 158, Statutes of 2020.

[AB 3087](#)

AUTHOR: [Brough R](#)

TITLE: Contractors' State License Law.

SUMMARY: Authorizes the Contractors State License Board (CSLB) to contract with a third-party vendor to administer licensing examinations.

STATUS: Approved by the Governor. Chapter 295, Statutes of 2020.

[SB 878](#)

AUTHOR: [Jones R](#)

TITLE: Department of Consumer Affairs: license: application: processing timeframes.

SUMMARY: Requires the Contractors State License Board (CSLB) to display application processing timeframes on their website.

STATUS: Approved by the Governor. Chapter 131, Statutes of 2020.

[SB 1189](#)

AUTHOR: [McGuire D](#)

TITLE: Contracting business: home improvement: residential property.

SUMMARY: Creates a B-2 Residential Remodeling Contractor license as a new classification of contracting business and revises the definition of home improvement. Specifies that B-2 Residential Remodeling Contractor may perform only minor/cosmetic electrical, mechanical or plumbing work, and provides that a residential remodeling contractor's principal contracting business is in projects that make improvements to, on, or in an existing residential wood frame structure that require the use of at least 3 unrelated building trades or crafts for a single contract.

STATUS: **Approved by the Governor. Chapter 364, Statutes of 2020.**

[SB 1474](#)

AUTHOR: Committee on Business, Professions and Economic Development

TITLE: Business and professions.

SUMMARY: Allows the CSLB Registrar to retroactively renew a contractor's license within 90 days of its expiration if all information, appropriate fees, workers' compensation and bonds have been properly submitted within the 90-day window.

STATUS: **Approved by the Governor. Chapter 312, Statutes of 2020.**

Environment & Energy

[AB 841](#)

AUTHOR: [Ting D](#)

TITLE: Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program.

SUMMARY: Provides for expedited deployment of electric utility ratepayer-funded electric vehicle (EV) charging infrastructure investments within the jurisdiction of the California Public Utilities Commission, including a requirement that all EV charging infrastructure and equipment located on the customer side of the electrical meter, that is funded or authorized by state programs, be installed by a properly licensed contractor and that a portion of all installing electricians hold an Electric Vehicle Infrastructure Training Program (EVITP) certification. Also establishes a new program at the California Energy Commission to fund appliance, plumbing and heating, ventilation, and air conditioning (HVAC) upgrades to schools using existing electric ratepayer-funded energy efficiency incentives.

STATUS: **Approved by the Governor. Chapter 372, Statutes of 2020.**

[SB 895](#)

AUTHOR: [Archuleta D](#)

TITLE: Energy: zero-emission fuel, infrastructure, and transportation technologies.

SUMMARY: Allows the California Energy Commission (CEC) to provide research and development support for zero-emissions fuels, infrastructure, and technologies using available funds that are currently sitting idle in the Diesel Emissions Reduction Fund (DERF) for the development of clean diesel fuels, infrastructure, and technologies. Currently the CEC has no existing diesel research programs upon which to spend DERF funds.

STATUS: **Approved by the Governor. Chapter 120, Statutes of 2020.**

General Industry

[AB 979](#)

AUTHOR: [Holden D](#)

TITLE: Corporations: boards of directors: underrepresented communities.

SUMMARY: Requires a publicly held domestic or foreign corporation whose principal executive office is located in California to have By the end of calendar year 2021, a minimum of one director from an underrepresented community (minority) on its board. By the end of calendar year 2022, requires these subject corporations comply with the following: 1) If its number of directors is nine or more, the corporation shall have a minimum of three directors from underrepresented communities; 2) If its number of directors is more than four but fewer than nine, the corporation shall have a minimum of two directors from underrepresented communities; 3) If its number of directors is four or fewer, the corporation shall have a minimum of one director from an underrepresented community.

STATUS: **Approved by the Governor. Chapter 316, Statutes of 2020.**

[AB 2257](#)

AUTHOR: [Gonzalez D](#)

TITLE: Worker classification: independent contractors: occupations: professional services.

SUMMARY: Effective September 4, 2020, the new law recasts and clarifies the business-to-business, referral agency, and professional services exemption to the 3-part ABC test for employment status and exempts additional occupations and business relationships.

STATUS: Approved by the Governor. Chapter 38, Statutes of 2020.

[AB 2479](#)

AUTHOR: [Gipson D](#)

TITLE: Rest periods: petroleum facilities: safety-sensitive positions.

SUMMARY: Extends the sunset on the exemption from rest period requirements for employees who hold safety-sensitive positions at petroleum facilities to January 1, 2026.

STATUS: Approved by the Governor. Chapter 349, Statutes of 2020.

[AB 3075](#)

AUTHOR: [Gonzalez D](#)

TITLE: Wages: enforcement.

SUMMARY: Expands the information corporations must include in the corporation's statement of information filed with the California Secretary of State. Specifically requires a corporation to include whether any officer or any director or in the case of a limited liability company, a member or manager, has an outstanding final judgment issued by the Division of Labor Standards Enforcement or court of law for a violation of any wage order or labor code violation. Also provides that a successor to any judgment debtor shall be liable for any wages, damages, and penalties owed to a judgment debtor's workforce pursuant to a final judgment.

STATUS: Approved by the Governor. Chapter 357, Statutes of 2020.

[SB 522](#)

AUTHOR: [Hertzberg D](#)

TITLE: Business entities: filings.

SUMMARY: This bill changes the naming requirements for corporations by deleting the existing naming requirements and instead applying a distinguishable in the records of the Secretary of State (SOS) standard; removes exceptions under the Uniform Limited Partnership Act of 2008 and the California Revised Limited Liability Company Act that allow a limited partnership (LP) or a limited liability company (LLC) to have the same name as another LP or LLC registered with the SOS; prohibits the name of an LP from being one that is likely to mislead the public, as determined by the SOS; authorizes the enjoining of the use of a name by an LP or an LLC in violation of the naming requirements, notwithstanding registration by the SOS and requires general filings with the SOS to contain the corporate name and number as they appear in the SOS's records..

STATUS: Approved by the Governor. Chapter 361, Statutes of 2020.

[SB 973](#)

AUTHOR: [Jackson D](#)

TITLE: Employers: annual report: pay data.

SUMMARY: Requires that a private employer with 100 or more employees and who is required to file an EEO-1 (Employer Information Report) under federal law must submit a pay data report to Department of Fair Employment and Housing (DFEH). If an employer is required to file a federal EEO-1 Report, the employer may satisfy their reporting requirements by submitting the EEO-1 Report to DFEH.

STATUS: Approved by the Governor. Chapter 363, Statutes of 2020.

[ACR 153](#)

AUTHOR: [Rivas, Luz D](#)

TITLE: Engineers Week.

SUMMARY: Recognized the week of February 16, 2020, to February 22, 2020, as Engineers Week.

STATUS: Approved by the Governor. Chapter 18, Statutes of 2020

[ACR 154](#)

AUTHOR: [Rivas, Luz](#) D

TITLE: Introduce a Girl to Engineering Day.

SUMMARY: Proclaim February 20, 2020, as Introduce a Girl to Engineering Day.

STATUS: **Approved by the Governor. Chapter 19, Statutes of 2020**

[ACR 169](#)

AUTHOR: [Aguilar-Curry](#) D

TITLE: Women in Construction Week.

SUMMARY: Proclaimed the week of March 1, 2020, to March 7, 2020 as Women in Construction Week.

STATUS: **Approved by the Governor. Chapter 26, Statutes of 2020**

Labor Relations

[AB 1731](#)

AUTHOR: [Boerner Horvath](#) D

TITLE: Unemployment insurance: work sharing plans.

SUMMARY: Mandates that the Director of Employment Development accept an application to participate in, or renew participation in, the work-sharing program that is submitted electronically and requires the Employment Development Department (EDD) to create a portal on its website for the receipt of applications for work share. Requires, for work-sharing plan applications submitted by eligible employers between September 15, 2020, and September 1, 2023, that, upon approval by the director, they are deemed approved for one year. Also requires the EDD to make online claim forms available to the approved employer for each participating employee within five business days following approval of the application if an employer submitted its work-sharing plan application online.

STATUS: **Approved by the Governor. Chapter 209, Statutes of 2020.**

[AB 1867](#)

AUTHOR: Committee on Budget

TITLE: Large employer: supplemental paid sick leave.

SUMMARY: Establishes the California COVID-19 Supplemental Paid Sick Leave (SPSL) program. Effective on September 19, 2020, the new law requires employers that employ 500 or more employees in the United States to provide 80 hours of paid leave to workers that are unable to work because they are subject to one of the following; 1) a federal, state, or local shelter in place order related to COVID-19; 2) have been advised by a health care provider to self-quarantine or self-isolate due to exposure to COVID-19 or; 3) have been prohibited from working by their employer due to health concerns related to the potential transmission of COVID-19. The measure is similar to ordinances passed in some of California's largest cities and mirrors the federal requirements under the Families First Coronavirus Response Act which applies to employers that employ 500 or less employees

STATUS: **Approved by the Governor. Chapter 45, Statutes of 2020.**

[AB 1947](#)

AUTHOR: [Kalra](#) D

TITLE: Employment violation complaints: requirements: time.

SUMMARY: Extends the time that workers have to file a claim with the California Labor Commissioner if their employer retaliates against them for exercising their workplace rights under the Labor Code.

STATUS: **Approved by the Governor. Chapter 344, Statutes of 2020.**

[AB 2017](#)

AUTHOR: [Mullin](#) D

TITLE: Employee: sick leave: kin care.

SUMMARY: Revises Labor Code § 233 (known as the "Kin Care" law) to provide that an employee has the right to designate any provided sick leave for kin care; or for the employee's own health condition or for obtaining relief if the employee is a victim of domestic violence, sexual assault, or stalking. Current law requires an employer, who provides sick leave to an employee, to permit the employee to use the accrued sick leave to attend to the illness of a family member. This designation is up to the employee not the employer. Employers will not be required to provide any additional paid time off.

STATUS: **Approved by the Governor. Chapter 211, Statutes of 2020.**

[AB 2143](#)

AUTHOR: [Stone, Mark](#) D

TITLE: Settlement agreements: employment disputes.

SUMMARY: Allows an employer to include a no-rehire clause in a settlement agreement with a worker if, before the worker filed the complaint, the employer documented that the worker engaged in sexual harassment, sexual assault, or any criminal conduct.

STATUS: **Approved by the Governor. Chapter 73, Statutes of 2020.**

[AB 2399](#)

AUTHOR: Committee on Insurance

TITLE: Paid family leave: qualifying exigency.

SUMMARY: Makes clarifications to definitions in existing law necessary for the proper implementation of the expansion of the Paid Family Leave (paid by State Disability Insurance) for a qualifying exigency related to active duty or call to active duty of an individual's family members in the Armed Forces of the United States, which is set to begin January 1, 2021.

STATUS: **Approved by the Governor. Chapter 348, Statutes of 2020.**

[AB 2992](#)

AUTHOR: [Weber](#) D

TITLE: Employment practices: leave time.

SUMMARY: Expands unpaid leave protections afforded to an employee who is a victim of domestic violence, sexual assault, or stalking to an employee whose immediate family member is deceased as a direct result of a crime.

STATUS: **Approved by the Governor. Chapter 224, Statutes of 2020.**

[SB 1383](#)

AUTHOR: [Jackson](#) D

TITLE: Unlawful employment practice: California Family Rights Act.

SUMMARY: Broadens the application of the California Family Rights Act from employers with 20 or more employees to employers with 5 or more employees and expands the Act to allow employees to use the unpaid job protected leave to care for a domestic partner, grandparent, grandchild, sibling, or parent-in-law who has a serious health condition.

STATUS: **Approved by the Governor. Chapter 86, Statutes of 2020.**

[SB 1384](#)

AUTHOR: [Monning](#) D

TITLE: Labor Commissioner: financially disabled persons: representation.

SUMMARY: Current law provides that the Labor Commissioner may represent a claimant who is financially unable to represent themselves in a hearing where an employer is appealing an order of the commissioner. Extends the authority of the commissioner to also represent a claimant who is financially unable to represent themselves in a hearing where a court order has compelled arbitration.

STATUS: **Approved by the Governor. Chapter 239, Statutes of 2020.**

Public Works

[AB 1981](#)

AUTHOR: [Nazarian](#) D

TITLE: Los Angeles Unified School District: best value procurement.

SUMMARY: Authorizes the Los Angeles Unified School District to enter into best value construction contracts until January 1, 2025. Requires the use of a skilled and trained workforce on those projects.

STATUS: **Approved by the Governor. Chapter 46, Statutes of 2020.**

[AB 2311](#)

AUTHOR: [Low](#) D

TITLE: Public contracts: skilled and trained workforce requirement: notice.

SUMMARY: Ensures all parties to a construction contract, including subcontractors, are aware if there will be a skilled and trained workforce requirement on a project, prior to bidding the project. The bill requires all public agencies to notice the requirement, if applicable, in all bid documents and contracts.

STATUS: **Approved by the Governor. Chapter 347, Statutes of 2020.**

[AB 2231](#)

AUTHOR: [Kalra](#) D

TITLE: Public works.

SUMMARY: Provides that a “public subsidy,” for the purpose of triggering prevailing wage, is de minimis only if it is both less than \$600,000 and less than 2% of the total project cost, and specifies that a public subsidy for a residential project that consists entirely of single-family dwellings is de minimis if it is less than 2% of the total project cost.

STATUS: **Approved by the Governor. Chapter 346, Statutes of 2020.**

[AB 2765](#)

AUTHOR: [O'Donnell](#) D

TITLE: Public works: prevailing wages.

SUMMARY: Expands the definition of “public works” for purposes of prevailing wage requirements, to also include any construction, alteration, demolition, installation, or repair work done under private contract on a charter school project when the project is paid for in whole or in part with money from a conduit revenue bond.

STATUS: **Approved by the Governor. Chapter 355, Statutes of 2020.**

[AB 2932](#)

AUTHOR: [O'Donnell](#) D

TITLE: City of Long Beach: design-build process.

SUMMARY: Authorizes the City of Long Beach, to use the design-build contracting process on contracts for curb ramps that are compliant with the Americans with Disabilities Act. Requires the use of a skilled and trained workforce on those projects

STATUS: **Approved by the Governor. Chapter 54, Statutes of 2020.**

[SB 588](#)

AUTHOR: [Archuleta](#) D

TITLE: Public contracts: Disabled Veteran Business Enterprise Program.

SUMMARY: Tightens state contracting practices related to the disabled veteran business enterprise (DVBE) procurement program by authorizing the withholding of all or portions of the final payment on contracts until the prime contractor has certified DVBE subcontractors have been paid.

STATUS: **Approved by the Governor. Chapter 80, Statutes of 2020.**

Tax & Fee

[AB 2013](#)

AUTHOR: [Irwin](#) D

TITLE: Property taxation: new construction: damaged or destroyed property.

SUMMARY: Provides disaster relief parity between property owners following a Governor-declared disaster by establishing the same property tax treatment for the rebuilding of property and the purchase of a replacement property.

STATUS: **Approved by the Governor. Chapter 124, Statutes of 2020.**

Workers` Compensation

[SB 1159](#)

AUTHOR: [Hill](#) D

TITLE: Workers' compensation: COVID-19: critical workers.

SUMMARY: For employers with more than 5 employees, establishes a workable presumption of compensability for employees who contract COVID-19 from any worksite that experiences an “outbreak” of COVID-19 cases. Provides for an evidentiary standard for employers to controvert a claim, sets an “outbreak” threshold trigger and contains reasonable claim rejection timeline. “Outbreak” is defined if within a 14-calendar day period, one of the following occurs: 1) an employer has 100 or fewer employees at a worksite and at least four (4) employees who reported to the site test positive for COVID-19; 2) an employer has more than 100 employees at a worksite and at least 4% of the number of employees who reported to the site, test positive for COVID-19. The measure sunsets after 2-years.

STATUS: **Approved by the Governor. Chapter 85, Statutes of 2020.**