



CLC 2024 CA Legislative Scorecard

The last actions of the 2024 California Legislative Session took place on September 30th, which was the deadline for Governor Newsom to sign or veto legislation. The California Legislative Conference of the Plumbing, Heating & Piping Industry (CLC) again had an effective legislative session pursuing industry measures, highlighted by major reforms to the Private Attorney General Act (PAGA), including an extension to the union construction industry PAGA carveout. The carveout allows union signatory contractors to remove themselves from all PAGA litigation through language in their collective bargaining agreements (CBAs).

It was 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 CBAs. Protecting the efficiencies provided within industry CBAs, 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, the CLC 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 the CLC took strong positions on this year and the outcome.

- ☑ = Positive Outcome
- ☒ = Negative Outcome

LEGISLATION SUPPORTED BY THE CLC

✓ AB 1034 (Grayson) - Extends PAGA Waivers for Union Construction

The Private Attorneys General Act of 2004 (PAGA) exempts, until January 1, 2028, from its applicability, an employee in the construction industry covered by a valid collective bargaining agreement in effect any time before January 1, 2025, that provides premium wage rates and expressly waives the requirements of PAGA in clear and unambiguous terms. This bill would delete the January 1, 2025, date and extends this important industry exemption until January 1, 2038.

STATUS: [Approved by the Governor](#)

✓ AB 2179 (Davies) - Promotion of Industry Apprenticeship Programs

Require a school district to, at the beginning of the first semester or quarter of the regular school term, provide information on local state approved apprenticeship programs to the parents or guardians of students advancing to grades 11 and 12.

STATUS: [Approved by the Governor](#)

✗ AB 2182 (Haney) - Levels the Playing Field for Union Contractors on Public Works

Establishes a pilot program, for all large scale (\$35 million and over) local agency public works projects, that will require current prevailing wage determinations be applicable to those projects at the time the work is performed. Under existing California law, DIR publishes prevailing wage determinations twice a year in February and August and the wages required to be paid to workers on public works are determined by the prevailing rates that are published at the time of the projects bid advertisement date. AB 2182 is a first step in creating an even playing field for the union construction industry when bidding on public works projects across the state. The policy would be especially helpful on change-orders, as it would allow contractors to bill at the current prevailing wage rate.

STATUS: [Vetoed by the Governor](#)

✓ AB 2192 (Carrillo) - Updates to the CA Uniform Public Construction Cost Accounting Act

Increases project cost limits specified in the California Uniform Public Construction Cost Accounting Act (Act) and broadens the California Uniform Construction Cost Accounting Commission's authority to oversee and enforce the Act to ensure that public agencies subject to the Act are following the Act's procedures.

STATUS: [Approved by the Governor](#)

✓ AB 2288 (Kalra) - Employer Friendly PAGA Reforms

Reflects one half of the PAGA compromise struck between the business community and organized labor. This bill limits standing for PAGA plaintiffs to those employees who personally suffered a violation of the same code section as those alleged for other employees and creates new reduced penalty tiers for paystub violations where a worker

can still determine that they were paid properly. The bill also creates a lower penalty structure for employers who take "all reasonable steps" to come into compliance pre-PAGA notice (15%) or post-PAGA notice (30%).

STATUS: [Approved by the Governor](#)

☑ **AB 3190 (Haney) - Prevailing Wage on State Incentivized Affordable Housing**

Subjects affordable housing projects that utilize low-income housing tax credits to prevailing wage.

STATUS: [Approved by the Governor](#)

☑ **SB 92 (Umberg) - Employer Friendly PAGA Reforms**

Reflects one half of the PAGA compromise struck between the business community and organized labor. Creates a formal right to cure process on PAGA litigation. If companies cure a labor code violation to the satisfaction of the Labor and Workforce Development Agency then a PAGA suit cannot be commenced.

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

☒ **SB 984 (Wahab) - Project Labor Agreements on Large-Scale State Construction Projects**

Requires, by January 1, 2027, that the Judicial Council of California and the California State University system identify and select at least three major state construction projects, that exceed a total estimated cost of \$35 million each, to be subject to project labor agreements.

STATUS: [Vetoed by the Governor](#)

☑ **SB 1162 (Cortese) - Updates to Skilled and Trained workforce Compliance Reports**

Requires contractors to include the full name of, and identify the apprenticeship program name, location, and graduation date of all workers on monthly compliance reports made to the awarding body for projects with a skilled and trained workforce requirement. This bill also requires the Division of Apprenticeship Standards (DAS) to, on or before July 1, 2025, create and maintain a public online database to verify that a worker graduated from a California apprenticeship program by providing the apprenticeship program name, location, and graduation date for apprenticeship graduates.

STATUS: [Approved by the Governor](#)

☑ **SB 1321 (Wahab) - ETP Funding Withheld from Nonunion Construction Apprenticeship**

Provides additional criteria and minimum standards for projects the Employment Training Panel (ETP) considers funding, including meeting the Division of Apprenticeship Standards' (DAS) criteria for high road training programs that do not duplicate or compete against DAS-approved apprenticeship programs.

STATUS: [Approved by the Governor](#)

LEGISLATION OPPOSED BY THE CLC

- ✔ **AB 2009 (Rendon) - Allows School Districts to Perform More Work “In-House”**
Would increase from \$15,000 to \$34,500, the “force account” threshold for school districts, which requires non-maintenance construction work to be contracted out. Would also require the Superintendent of Public Instruction to annually raise the limit to reflect the percentage change in the California Cost Consumer Price Index.
STATUS: DEAD

- ✔ **AB 2200 (Kalra) - California Single Payer Healthcare Program**
Establishes the California Guaranteed Health Care for All Act and enacts a framework of governance, benefits, program standards, and health care cost controls to implement a single-payer healthcare system in California. The bill does not contain a carveout for industry sponsored labor and management health and welfare trusts, meaning industry health and welfare trusts would be dissolved if the measure became law.
STATUS: DEAD

- ✔ **AB 2264 (Arambula) - New Worker Heat Illness Prevention Certification**
Requires employees who work outdoors to obtain a heat illness prevention certification from the California Division of Occupational Safety and Health within 30 days of hire and to maintain the certification for the duration of their employment by renewing every three years.
STATUS: DEAD

- ✔ **AB 2751 (Haney) - Ban on Communications with Employees During Nonworking Hours**
Requires employers to establish a workplace policy that provides an employee the right to disconnect from employer communications during non-work hours. The measure defined the “right to disconnect” to mean that, except for an emergency or for scheduling, an employee has the right to ignore communications from the employer during nonworking hours. The measure also provided that an employee experiencing a pattern of violation may file a complaint with the Labor Commissioner, punishable by a civil penalty.
STATUS: DEAD

- ✘ **SB 399 (Wahab) - Ban on Employer Sponsored Religious and Political Communications**
This bill enacts the California Worker Freedom from Employer Intimidation Act to prohibit an employer from subjecting, or threatening to subject, an employee to disciplinary action or termination because the employee declines to participate in an employer-sponsored meeting regarding the employer’s opinion about religious or political matters.
STATUS: Approved by the Governor

- ✔ **SB 1073 (Skinner) - Removal of Contractor Choice of Materials on State Public Works**
Authorizes state agencies to enter into forward contracts (up to 10 years in advance) for the purchase of low-carbon cement or concrete products. These advanced procurement agreements don't fit with how construction contracts are awarded and raise many fundamental questions, such as; how to deal with a nascent supply chain, limited availability of low-carbon concrete, products not meeting specifications, future pricing vs. contracted pricing, and liability.
STATUS: DEAD

- ✔ **SB 1116 (Portantino): Access to Unemployment Insurance for Workers on Strike**
Provides unemployment benefits to striking workers. In doing so, the bill would fundamentally alter the nature of unemployment insurance (UI) by providing unemployment to workers who still have a job and have chosen to temporarily refuse to work as a negotiating tactic. This policy would specifically have a negative impact on the union construction industry. Under this measure, when construction unions choose to strike the long-term effect, after the strike has concluded, is that the UI "experience ratings" of all the signatory employers to the striking union will be raised; driving up their UI costs for years to come and making those union contractors less competitive in the market.
STATUS: DEAD

LEGISLATION AMENDED TO ADDRESS THE CLC's CONCERNS

- ✔ **AB 2622 (Carrillo) - Increase in Value of Work Unlicensed "Handymen" May Perform**
Current law allows a person to act as a contractor without a license if the total construction contract price for labor, material, and all other items is under \$500. This bill would revise the exemption by increasing the maximum aggregate contract price to \$1,000 and adds that the exemption only applies if the work does not require a building permit. *We were able to secure amendments to reduce the limit from \$5000 to \$1000 and remove an annual inflation adjustment to the threshold.*
STATUS: Approved by the Governor

- ✔ **SB 778 (Ochoa Bogh) - Updates to the Dig Safe Act**
Revises provisions in the Dig Safe Act related to operator and excavator responsibilities when preparing for and conducting excavations, including a requirement that excavation must cease once an excavation ticket expires and updates to the emergency and notification procedures when an excavator discovers or causes damage to a subsurface installation. *Industry requested amendments were made to the bill that removed authorization to allow a utility operator to require, on projects of their choosing, that they have a representative onsite during excavation activity for excavation to proceed.*
STATUS: Approved by the Governor

☑ **SB 1280 (Laird) - Prohibition on the Sale of Nonrefillable Propane Cylinders**

Beginning January 1, 2028, prohibits the sale of nonrefillable propane cylinders. *Bill was amended at our request to include an exemption to the prohibition for nonrefillable propane cylinders that are customarily used in the construction industry.*

STATUS: Approved by the Governor

☑ **SB 1340 (Smallwood-Cuevas) - Increased Demographic State Reporting**

Authorizes local entities to enforce the employment components of California's civil rights laws that prohibits workplace discrimination on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status. *Amendments were taken, at our request, to remove requirements which stated that contractors and subcontractors, performing work on public works projects, report demographic information of employees to the California Civil Rights Department on a monthly basis.*

STATUS: Approved by the Governor