



## NEW CALIFORNIA CONSTRUCTION LAWS FOR 2018

The California Legislature introduced over 2980 bills in the first half of the 2017-2018 session. Below are summaries of some of the more important bills affecting contractors in their roles as contractors, effective January 1, 2018 unless otherwise noted. Not addressed here are many other bills that will affect contractors in their other roles as businesses, taxpayers, and employers. Each of the summaries is brief, focusing on what is most important to contractors, while not mentioning additional, less important provisions. Each summary's title is a live link to the full text of the referenced bill, for those wanting to know in detail the provisions of the new law.

### CLEAN AIR BUILDING

[Buy Clean California Act—Requiring “Green” Materials Purchasing—Coming in 2019, AB 262 \(Bonta D\)](#)

This new law requires the Department of General Services, starting January 1, 2019, to publish in the State Contracting Manual a maximum acceptable global warming potential, as measured by greenhouse gas emissions, for each category of eligible materials in accordance with requirements set out in the law. These new standards will be incorporated in certain public works contracts entered after July 1, 2019. Eligible materials initially will include carbon steel rebar, flat glass, mineral wool board insulation, structural steel, and products that include these materials. The law applies to most public entities and the UC and State colleges. Governor Brown views this measure as a start on addressing climate change, but there is much work to be done. He is ordering several state departments to work with interested parties to make further recommendations.

### PROCUREMENT AND FINANCE

[Community College Districts Now Authorized to Use Job Order Contracting, AB 618 \(Low D\)](#)

K-12 school districts have long been authorized to contract for smaller projects using job order contracting. LAUSD reported favorable results in its program, asserting 9.3% cost savings and cutting procurement time in half. This new law authorizes community colleges to use job order contracting under terms parallel to existing law. To use job order contracting, K-12 and community college districts must enter project labor agreements that cover not only the job order contracts, but also any other project constructed by the district over a dollar threshold determined by the district. To limit collusion, any architect, engineer, consultant, or contractor retained by the school district to assist in the development of the job order contract documents may not assist in preparing a bid or bid for any of the job order contracting work. Opposition to the existing law and this new law is based on the project labor agreement requirements that purportedly drive up the cost of the work.

[California Schools to Be Given Help in Dealing with Facilities Design, Construction, and Finance, AB 203 \(O'Donnell D\)](#)

Current law requires the State Department of Education to take specified actions relating to the construction of school facilities, including to establish standards for use by school districts to ensure that the design and construction of school facilities are educationally appropriate and promote school safety. This new law requires the Department of Education to ensure its standards for designing and constructing school facilities provide districts flexibility to develop strategies to assist small school districts with their school facilities projects. It also requires the Department of Education, the Division of the State Architect, and the Office of Public School Construction to report on how to streamline the school facility funding application process. Finally, the new law requires the Department of Education and the



Office of Public School Construction to each develop regulations that provide flexibility in the design of instructional facilities for consideration by the State Board of Education and the State Allocation Board. Per Governor Brown, “I share the author’s goal of streamlining school design and the process for applying to the state for construction funds.”

[Construction Manager At-Risk Procurement Authorization Extended in Time and Breadth, with Required Project Labor Agreements and Skilled Workforce Requirements, AB 851 \(Caballero D and Gloria D\)](#)

Current law authorizes a county, until January 1, 2018, to utilize construction manager at-risk construction contracts for the erection, construction, alteration, repair, or improvement of any building owned or leased by the county subject to certain requirements, including that the method may only be used for projects that are in excess of \$1 million. This new law extends that authorization to January 1, 2023. It also extends CM at-risk contracting authority to the City of San Diego for specified projects and allows the Santa Clara Valley Water District to use the design-build procurement method for specified types of projects. It adds that for a CM at-risk to be prequalified or “short listed,” the CM must provide an enforceable commitment to the regents that the CM and its subcontractors at every tier will use a skilled and trained workforce, as specified. Merit shops opposed the law as favoring union apprenticeship programs.

## DESIGN BUILD

[Peninsula Health Care District, the Midpeninsula Regional Open Space District, and the Santa Clara Valley Open-Space Authority Authorized to Use Design-Build until January 1, 2023, SB 793 \(Hill D\)](#)

Until January 1, 2023, all counties and cities can use the design-build method to construct buildings and related improvements and other specified types of public works that cost more than \$1 million. Most special districts do not have design-build authority, but last year, the Legislature extended the authority to use the design-build contracting method to any local healthcare district that owns or operates either a hospital or medical clinic. According to the author, “SB 793 is a district bill—it will save taxpayer dollars by allowing three special districts—the Peninsula Health Care District, the Santa Clara Valley Open-Space Authority, and the Midpeninsula Regional Open Space District to utilize design-build on upcoming construction projects. Additionally, the bill will authorize San Mateo County to take advantage of a best value pilot program to facilitate and expedite their 5-year \$444 million Capital Improvement Plan and clarifies that those counties in the best value pilot program have the option to utilize job order contracting in conjunction with the best value pilot program.”

[San Bernardino County Authorized to Use Design-Build for the Mt. Vernon Viaduct Project, AB 1523 \(Oberholte R\)](#)

According to the author, “AB 1523 will allow the San Bernardino County Transportation Authority to utilize Design-Build on the Mount Vernon Viaduct project, an important artery in San Bernardino that has been deemed structurally deficient and is in need of major repairs to meet safety standards. Utilizing Design-Build on this project will significantly speed up the project thus helping make the area safe faster.” The Legislature made special findings and declarations about the need for a special statute for the project.

[Stanislaus Regional Water Authority \(SRWA\) Authorized to Use Design-Build for its Regional Surface Water Supply Project, SB 373 \(Cannella D\)](#)

The surface water supply project proposed by the SRWA would provide existing municipal water purveyors with a long-term, reliable water source that would correct existing system deficiencies. This law is intended to help meet projected future drinking water demand for the cities of Ceres and Turlock in the portion of Stanislaus County south of the Tuolumne River. According to the SRWA, the existing design-bid-build process can be cumbersome and costly, placing unnecessary strain on the viability of the project. Design-build authority is vitally needed so that the agency can move expeditiously and cost-effectively to improve and stabilize the water supply for the citizens of Ceres and Turlock.

## BIDDING & PREQUALIFICATION

### [UC Best Value Construction Contracting Program Extended and Now Requires Qualifying Contractors to Certify Use of Specified Skilled Labor, AB 1424 \(Levine D\)](#)

This new law makes permanent a Best Value Construction Contracting Pilot Program for the Regents of the University of California to award construction contracts based on best value procedures. Best value procurement is an alternative to the traditional design-bid-build method of public works contracting. Under this program, UC prequalifies bidders, then evaluates the bid and assigns a qualification score based upon five factors, which include the bidder's financial condition, relevant experience, demonstrated management competency, labor compliance, and safety record. UC then divides each bidder's price by its qualification score, and the lowest resulting cost per quality point represents the best value bid. In a December 2015 report on the pilot project, UC noted that, since January 2012, it had awarded over 320 construction contracts totaling \$4 billion. Forty of these contracts (13%) totaling \$1.2 billion, utilized the best value construction authority. UC reported that these contracts provided numerous benefits, including decreases in bid protests, disputes, change order requests and claims, and reduced administrative oversight and contract/project management staff time. In addition to making the pilot program permanent, this law adds that for a best value contractor to be prequalified or "short listed," the contractor must provide an enforceable commitment to the Regents that the best value contractor and its subcontractors at every tier will use a skilled and trained workforce, as specified. Merit shops opposed the law as favoring union apprenticeship programs.

## RETENTION

### [Sunset on 5% Retention for Public Works Extended to January 1, 2023, AB 92 \(Bonta D\)](#)

This new law extends from January 1, 2018, to January 1, 2023, the sunset date on existing statutes limiting to 5% the amount of money a public agency may retain from a contractor or subcontractor prior to completion of a public works project. The only identified exception to the 5% retention limit is when a public entity deems that a project is substantially complex during a properly noticed and regularly scheduled public meeting prior to bidding the project. In that case, retention proceeds may exceed 5%. Whether a project is substantially complex for purposes of requiring retention in excess of 5% must be analyzed and approved on a project-by-project basis. The finding and the designated retention amount must be included in the project's bid documents.

## BONDS, LIENS & PAYMENTS

### [Subcontractors Will Now Receive Information Needed to Ensure Prompt Payment Laws are Followed, AB 1223 \(Cabrallero D\)](#)

Current law generally requires a general contractor to pay any subcontractor within seven (7) days of receipt of a progress payment. When a general contractor fails to pay the subcontractor on time, the California prompt payment laws provide subcontractors various remedies to collect payment. For example, provisions in the Business and Professions Code and the Public Contract Code specify that failure to pay a subcontractor timely subjects the general contractor to a penalty, payable to the subcontractor, of 2% of the amount due per month for every month that payment is not made. This new law empowers subcontractors to enforce the prompt payment laws by providing them information about when their hiring general contractors have been paid. On contracts of \$25,000 and greater, the public entity must post on its website, within 10 days following payment, the following: (1) The project for which the payment was made; (2) The name of the construction contractor or company paid; (3) The date the payment was made or the date the state agency transmitted instructions to the Controller or other payer to make the payment; (4) The payment application number or other identifying information; and (5) The amount of the payment.

### [Handling of Liens on Common Interest Developments Simplified, AB 534 \(Gallagher D\)](#)

This non-controversial bill, sponsored by the California Law Revision Commission, takes the rules relating to mechanic's liens for work performed in condominium projects and applies them to other common interest developments (CIDs). This bill makes three modifications to the law to clarify and facilitate the operation of mechanic's liens in the context of work performed on the common areas of CIDs. Specifically, the bill would: (1) impute to all owners a CID

association's authorization to perform work on a common area; (2) allow the claimant on a mechanic's lien to notify the association instead of every individual owner; and (3) clarify that an individual property owner within a CID can remove a mechanic's lien that applies to multiple units within a CID by obtaining and recording a lien release bond for that owner's pro rata share of the overall claim.

## CSLB

### [CSLB to Work with PUC to Develop a Required "Solar Energy System Disclosure Document," AB 1070 \(Gonzalez Fletcher D\)](#)

In 2015, the CSLB created the Solar Task Force to address the increasing number of consumer complaints related to solar power installation. Many consumer complaints received by the CSLB are related to false or misleading advertising, such as where the consumer is told verbally that he or she will only be billed for the energy they use, when the contract states in writing that the consumer is liable (and billed) for all energy produced. Complaints of misrepresentation, where the consumer is falsely told that the solar power generated would be cheaper than the energy provided by a public utility, are also common. According to information provided by the CSLB, the board received 449 solar complaints in 2016, a 61% increase over 2015. In 2016, the CSLB closed 567 solar complaints (including some from prior years) and settled 94 cases, resulting in \$642,461 paid in restitution to injured consumers. This bill is intended to enhance consumer protections for solar energy system customers by establishing a standard consumer disclosure document that gives accurate information about the sale, financing or lease of solar energy systems and establishing a standard method to calculate energy savings generated by solar energy systems, while giving that consumer a three-day period to change their mind about the sale.

### [CSLB Closes Loophole that Allowed Scofflaw Contractors to Start a New Company and Avoid Paying Existing Judgment, AB 1278 \(Low D\)](#)

Licensed contractors who have an unsatisfied final judgment are required to notify the CSLB of the judgment within 90 days, and if the judgment is not resolved within the 90 days, then the license is suspended until the judgment is satisfied or a bond is secured. According to the author, since existing law allows a party time to contest a civil judgment through the appeals process, those who are sued are able to disassociate from the affected license prior to the judgment's becoming final, and become an officer or other personnel of record on another license. This essentially allows the contractor to continue to work under a new license while avoiding responsibility for the judgment against the prior license. The law currently prohibits the personnel of record of a licensee that is named as a judgment debtor in an unsatisfied final judgment from serving as the personnel of record for another licensee. This bill seeks to strengthen this prohibition by further specifying that if a judgment is entered against a qualifying person or the personnel of record of the licensee at the time of the activities on which the judgment is based, then that individual is automatically prohibited from serving as a qualifying individual or other personnel of record of another license, as specified.

### [Roofing Contractors Now Allowed to Make Repairs Following Their Own Roof Inspections, AB 1357 \(Chu D\)](#)

Existing law makes it an unfair business practice for a home inspector or the home inspector's business associates to perform repairs on a structure within 12 months of the home inspector's inspection in connection with the sale or transfer of a home. This bill exempts a licensed contractor who performs repairs based on the contractor's roof inspection. The intent is to allow a roofing contractor who employs a home inspector (or is employed by the home inspector's employer) to perform repairs based on the contractor's roof inspection even if the employed home inspector has performed a home inspection. To fit within this exemption, the contractor must comply with the following requirements: (1) Different employees perform the home inspection and the roof inspection; (2) The roof inspection is ordered prior to, or at the same time as, the home inspection, or the roof inspection is completed before the commencement of the home inspection; (3) The consumer is provided a consumer disclosure before he or she authorizes the home inspection that includes all of the following: (i) The same company that performs the roof inspection and roof repairs will perform the home inspection on the same property; (ii) Any repairs that are authorized by the consumer are for the repairs identified in the roofing contractor's roof inspection report and no repairs identified in the home inspection are authorized or allowed as specified in the roof inspection; and (iii) The consumer has the right to seek a second opinion.

[CSLB Now May Issue Letter of Admonishment Instead of Citation, SB 486 \(Monning D\)](#)

Currently, if the registrar of the Contractors' State License Board has probable cause to believe that a licensee or an applicant for a license has committed any acts or omissions that are grounds for denial, revocation, or suspension of license, he or she, in lieu of a specified proceeding, may issue a citation to the licensee or applicant. This new law authorizes the registrar to issue a written and detailed letter of admonishment instead of a citation. According to the author, "The letter of admonishment will be less severe than a citation, but still provide a means to correct a violation. It will also benefit licensees by providing a quicker, more streamlined process to resolve complaints." The law provides for a hearing and appeal rights.

**EMPLOYMENT & EMPLOYEE WAGES**[General Contractors are Now Guarantors of Payments to Subcontractors' Workers on Private Projects, AB 1701 \(Thurmond D\)](#)

For all contracts on private works jobs entered on or after January 1, 2018, general contractors performing construction work in the state will be guarantors of payments owed to a subcontractor's workers at any tier. Liability extends to unpaid wages, fringe or other benefit payments and contributions, and interest owed, but it does not include penalties or liquidated damages. The new law also requires subcontractors to provide payroll records to general contractors upon request. Notably, employees will not have standing to enforce the new law on their own. Rather, the right to enforce the law is delegated to the California Labor Commissioner, labor-management cooperation committees, and unions. General contractors will need to protect themselves in many ways, such as by requiring indemnity from subcontractors specifically for claims under the new law, personal guarantees by the subcontractors' principals, certified payrolls from subcontractors, rights to inspect and audit subcontractors' books and records, and in-field ongoing investigation of subcontractors' worker payment practices.

[Employers May Not Allow Federal Immigration Officers Warrantless Access to Any Non-Public Areas, AB 450 \(Chiu D\)](#)

Recent executive actions from the new federal administration have signaled that all immigrants here without permission are now enforcement priorities for Immigration and Customs Enforcement. Nationwide, there are reports of ICE agents descending on worksites for mass round-ups of immigrants. Additionally, the Trump administration has called for hiring 10,000 more ICE agents to expedite deportations. This law is intended to ensure that all California workers, regardless of immigration status, enjoy the protections afforded to them under state law "without fear of harassment, detention, or deportation." According to the author, this law will help achieve this by insisting that federal immigration enforcement agents meet the full procedural requirements of federal law and by making affected workers aware of federal enforcement actions and cognizant of their rights during such actions. While well intentioned, the new law will impose significant burdens on employers. They will need to bolster their intake and record keeping procedures and train field and office staff on these rules. There are penalties for improperly disclosing the immigration status information or for failing to provide timely notice to employees that ICE seeks records relating to those employees. Additionally, employers will be faced with having to decide whether to comply with state versus federal law.

[Private Projects Under Contracts with Successors to Redevelopment Agencies and Funded in Part with Public Money Must Pay Prevailing Wages, AB 199 \(Chu D\)](#)

The Legislature approved the dissolution of the state's 400-plus redevelopment agencies as part of the 2011 Budget Act, and redevelopment agencies were officially dissolved as of February 1, 2012 after a period of litigation. To help facilitate the unwinding of these redevelopment agencies, successor agencies were established at the local level to manage redevelopment projects that were underway, to make payments on enforceable obligations, and to dispose of redevelopment assets and properties. This law ensures that the projects managed by the successor agencies will pay prevailing wages same as the redevelopment agencies they replace.

[UC and CSU Prohibited from Allowing “Offshoring” of Jobs, AB 848 \(McCarty D\)](#)

This law is intended to combat the outsourcing of United States jobs to foreign countries and foreign workers, a phenomenon known as “offshoring.” The author argues that “AB 848 would prohibit the offshoring of UC and CSU jobs to foreign countries. This bill would prohibit the UC and CSU from using state funds for services, unless the contractor certifies that the work will be performed solely with workers within the United States. In addition, this bill would prohibit both the segments from using state funds to train contract employees that plan to relocate to a foreign country.” The University of California and the California State University are prohibited from contracting for services performed by workers outside of the United States that would displace a UC or CSU employee.

[Certain Trades Exempted from Skilled and Trained Workforce Percentage Requirements, SB 418 \(Hernandez D\)](#)

Current law defines a “skilled and trained workforce” to mean a workforce that meets certain conditions for when a public entity is required by statute or regulation to obtain an enforceable commitment that a bidder, contractor, or other entity will use a skilled and trained workforce to complete a contract or project. Current law also authorizes a public entity to require that a bidder, contractor, or other entity use a skilled and trained workforce to complete a contract or project. This law revises the existing definition of “skilled and trained workforce” to specify that on or after January 1, 2018, the 40, 50 and 60 percentage graduation rate of skilled journeypersons required for work in specified contracts shall not apply to work performed in the following occupations: acoustical installer, bricklayer, carpenter, cement mason, drywall installer or lather, marble mason, finisher, or setter, modular furniture or systems installer, operating engineer, pile driver, plasterer, roofer or waterproofer, stone mason, surveyor, teamster, terrazzo worker or finisher, and tile layer, setter, or finisher.

**INDEMNITY**[Design Professionals Protected from Broad Defense Obligations, SB 496 \(Cannella R\)](#)

For all design professional services contracts entered into on or after January 1, 2018, the hiring party is prohibited from requiring the design professional to pay the hiring party’s costs of defending a lawsuit in excess of the design professional’s proportionate fault. To quote from the new law, the design professional will have to pay defense costs only if “the claims against the indemnitee arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional.” Further, “[i]n no event shall the cost to defend charged to the design professional exceed the design professional’s proportionate percentage of fault.” This section applies to both public and private contracts with the exception of contracts entered into with the State of California. The new law has quirks and ambiguities that undoubtedly will spawn litigation. One curiosity is this language: “However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, the design professional shall meet and confer with other parties regarding unpaid defense costs.” The law does not state any requirements or goals for the meet and confer obligation, such as who must participate or whether the design professional must in that process agree to pay some part of the incapacitated party’s share of defense costs.

**TRANSPORTATION**[Road Maintenance and Rehabilitation Program Will Fund Roughly \\$52.4 Billion Over Ten Years to Address the State’s Deferred Maintenance on Roads and Highways, SB 1 \(Beall D\)](#)

The deterioration of California’s streets, roads, and state highway system has been widely documented. Specifically, the state highways system is facing a \$59 billion deferred maintenance backlog for road maintenance and repairs. The total shortfall for local streets and roads maintenance is approximately \$7.3 billion annually. According to the author, this bill is a consensus bill between the Senate, Assembly, and the Governor that solves a crisis threatening our deteriorating streets and highways. This bill will provide additional resources for the state to repair the infrastructure under its jurisdiction and it also distributes billions of dollars at the local level for road maintenance. Furthermore, this bill provides additional funding for trade corridor improvements, transit, and active transportation facilities. In addition to new funding, this bill contains roadway performance goals and a number of policy reforms to ensure accountability and transparency of state and local programs funded by the bill.

## MISCELLANEOUS

### [Substantial Businesses Will Now Qualify for Preferences as “Small Businesses,” SB 605 \(Galgiani D\)](#)

Effective January 1, 2019, the definition of “small business” and “microbusiness” is expanded for purposes of the Small Business Procurement and Contract Act. The new law increases the dollar amount threshold for a small business to \$15 million and for a microbusiness to \$5 million as adjusted per the California Consumer Price Index biennially. In addition, this bill revises the definition of small business by specifying that, for public works contracts and engineering contracts for public works projects, a “small business” means a business with 200 or fewer employees and average annual gross receipts of \$36 million or less over the previous three years.

### [New Post-Tensioning and Reinforcing Steel Rules Take Effect on New Year’s Day, 2018](#)

Per the article of the Associated General Contractors’ Dave Jones, the California Office of Administrative Law (OAL) has approved new Cal/OSHA rules covering post-tensioning of concrete and protections for workers engaged in reinforcing steel (rebar) operations. OAL has set January 1, 2018 as the effective date of the rulemaking package. The new and revised rules are found in Construction Safety Orders 1711, 1712, 1717, and 1721. The Standards Board adopted the regulations on September 14, 2017. The rebar portion of the standard is aimed at preventing impalement, falls from elevation, improper placement of materials and hazardous site conditions. The post-tensioning/reinforcing steel rules, mostly directed to controlling (general) contractors, are meant to address the potential structural collapse of vertical formwork, decks, and columns. It also addresses impalement hazards, misuse of material-handling equipment, site conditions, inadequate workspace and insufficient work platforms, and communication between workers performing post-tensioning, their supervisors and the controlling contractor; as well as hoisting and rigging, and training on post-tensioning techniques.

## BILLS TO MONITOR NEXT YEAR

### [AB 5, as introduced, Gonzalez. Employers: Opportunity to Work Act](#)

This bill would create the Opportunity to Work Act. The bill would require an employer with 10 or more employees to offer additional hours of work to an existing nonexempt employee before hiring an additional employee or subcontractor, except as specified. It would also require an employer to post a notice of employee rights, as specified, and would require the employer to maintain certain documentation. The bill would authorize an employee to file a complaint for violation of these provisions with the division and to, in the alternative, bring a civil action for remedies under the act. The bill would require the division to enforce these provisions and would authorize the division to, among other things, adopt rules and regulations. The bill would make a violation of these provisions punishable by a civil penalty.

### [AB 1445, as amended, Reyes. Public Contracting: Small Business Goal](#)

Existing law requires the Director of the Department of General Services and the directors of other state agencies to establish goals for the participation of small businesses, including microbusinesses, in the provision of goods, information technology, services to the state, and in the construction of state facilities. This bill would state findings and declarations of the Legislature related to small business participation in state procurement and contracting.

### [SB 30, as amended, Lara. California-Mexico Border: Federally Funded Infrastructure](#)

This bill, except as specified, would prohibit the state from awarding or renewing any contract with any person who at the time of bid or proposal for a new contract or renewal of an existing contract is a prime contractor that is providing or has provided goods or services to the federal government for the construction of a federally funded wall, fence, or other barrier along California’s southern border. Also, it would provide, for purposes of contracts with the state, the term “responsible bidder” does not include a bidder who, at the time of the bid or proposal for a new contract or renewal of an existing contract, is a prime contractor that is providing or has provided goods or services to the federal government for the construction of a federally funded wall, fence, or other barrier along California’s southern border.

### [SB 686 \(Wilk R\) Public Contracts: Claim Resolution](#)

Current law establishes a claim resolution process applicable to any claim by a contractor in connection with a public works project against a public entity. When a claimant disputes the public entity's response or the public entity fails to respond, current law requires a public entity to schedule a meet and confer conference for the settlement of the dispute. This bill would instead require the public entity to conduct the meet and confer conference within that same period.

### [SB 721 \(Hill D\) Contractors: Decks and Balconies: Inspection](#)

Current law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce. This bill would require an inspection of building assemblies and associated waterproofing elements, including decks and balconies, for buildings with three or more multifamily dwelling units by a licensed architect, licensed civil or structural engineer, or an individual certified as a building inspector or building official.

### [AB 996 \(Cunningham R\) Contractors Licensing Board Web Site: Search Function for Workers' Compensation Claims](#)

Would require the Contractors' State License Board, on or before January 1, 2020, to adopt an enhancement to the current contractor license check search function on its website to permit consumers and licensees to monitor the status and progress of a successfully filed workers' compensation certification that is pending before the board.

### [AB 221 \(Gray D\) Workers' Compensation: Liability for Payment](#)

Current law requires an employer to provide all medical services reasonably required to cure or relieve an injured worker from the effects of a work-related injury. This bill would provide that for claims of occupational disease or cumulative injury filed on or after January 1, 2018, the employee and the employer would have no liability for payment for medical treatment unless one or more of certain conditions are satisfied, including, among others, that the treatment was authorized by the employer.

### [AB 1425 \(Kalra D\) Apprentices](#)

Current law requires contractors on public works projects to comply with various requirements for employing apprentices, including, requiring every contractor to submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. Current law imposes penalties for a violation of requirements relating to apprentices. This bill would require a contractor, within a designated time period, to provide specific written information to applicable apprenticeship committees whose geographic area of operation includes the area of the public works project.

### [SB 414 \(Vidak R\) Transportation Bonds: Highway, Street, and Road Projects](#)

Would provide that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects in the Phase 1 blended system. The bill, subject to the above exception, would require unspent proceeds from outstanding bonds issued and sold for other high-speed rail purposes prior to the effective date of these provisions to be redirected for use in retiring the debt incurred from the issuance and sale of those outstanding bonds.

### [SB 422 \(Wilk R\) Transportation Projects: Comprehensive Development Lease Agreements](#)

Current law authorizes the Department of Transportation and regional transportation agencies to enter into comprehensive development lease agreements with public and private entities for certain transportation projects that may charge certain users of those projects tolls and user fees, subject to various terms and requirements. These arrangements are commonly known as public-private partnerships. Current law provides that a lease agreement may not be entered into under these provisions on or after January 1, 2017. This bill would extend this authorization indefinitely and would include within the definition of "regional transportation agency" the Santa Clara Valley Transportation Authority, thereby authorizing the authority to enter into public-private partnerships.



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Daniel F. McLennon is a Partner in the San Francisco office of Smith Currie. He has been in private practice since 1986, following a yearlong judicial clerkship with Justice Bill Cannon of the 14th District Court of Appeals in Houston. Before joining Smith Currie, he was Managing Partner of McLennon Law Corporation, which merged with Smith Currie in January 2016. Mr. McLennon's legal career has focused on cases litigated in the state and federal courts in California, representing defendants and plaintiffs, alike. He has resolved hundreds of cases through mediation, arbitration and trial, and he has been awarded Martindale-Hubbell's "AV" rating, the highest rating in legal ability and ethics as established by confidential opinions of members of the Bar. His trials include those lasting one day to more than a month.

Mr. McLennon represents public entities, general contractors, subcontractors, suppliers, premises owners, manufacturers, professionals, corporations, and individuals. He practices in the areas of commercial and construction litigation. This includes prosecution and defense of cases in the specific subject areas of disciplinary proceedings, mechanic's liens and stop notices, partnership disputes, payment issues under construction contracts, including acceleration and delay claims, bond claims, commercial landlord-tenant disputes, construction defect actions, contract disputes, indemnity among contractors, insurance bad faith, unfair business practices, and business torts. He has a passion for making insurance companies live up to their promises.

In addition to his trial experience, Mr. McLennon has prosecuted and defended numerous appeals, including four cases resulting in opinions published in the law books in the State of California. Mr. McLennon frequently serves as a mediator or arbitrator for the courts of San Francisco and Marin Counties. He enjoys writing and speaking. His writing includes the editing of a 600-plus-page treatise, numerous articles for associations, and legal newsletters.

Mr. McLennon has been married to Nancy McLennon since 1982, and they have two daughters. He is active in his church and enjoys golfing, mountain bike riding, hiking, and camping.