

December 30, 2024

Issues on the MCAC Radar for 2024: End of Year Update

Each year a new crop of issues piques our interest. In a state known for its complex legislative and regulatory environment, there is never any shortage of issues to tackle. This year, the issues below were on our watch list. While this is not a complete list of all measures we followed, they represent a sampling of our high priority targets.

Below is a recap of the fate of issues on MCAC's 2024 watch list and other issues of impact to masonry construction businesses.

Bills become effective January 1, 2025 unless otherwise indicated.

California's legislative session wrapped August 31, 2024. The Governor had until September 30 to act on them.

KEY ISSUES AT THE TOP OF OUR LIST:

- Occupational Safety & Health: First Aid: Opidoid Antagonists (AB 1976) - PASSED. MCAC Position: Oppose Unless Amended
- Public Works: Wage Complaints Timeline Extension from 18 to 24 Months (AB 2135) - DEAD. MCAC Position: Oppose
- Surety Liability for Attorney's Fees (AB 2677) VETOED.
 MCAC Position: Support
- Outdoor Heat Illness Certification (AB 2264) VETOED.
 MCAC Position: Oppose
- Workplace Violence Prevention Plan (AB 553) Effective 7/1/24
 MCAC template available to members. Passed 2023.
- Indoor Heat Illness Cal/OSHA Regulation PASSED. MCAC Position: Watch
- PAGA Repeal Ballot Measure Originally Slated for Nov 2024.
 REMOVED FROM BALLOT. MCAC Position: Watch

AB 1927 - Golden State Teacher Grant Program for CTE Instructors

- Outcome: DEAD
- **Significance:** Would have expanded grant program access to designated vocational education instructors.

Would have expanded eligibility for the Golden State Teacher Grant Program to prospective instructors who commit to a 5-year designated subjects career technical education teaching credential who also commit to work for 4 years at a priority school.

The Golden State Teacher Grant (GSTG) Program was established under the Student Aid Commission to encourage teachers to teach at priority schools and preschool programs across California.

AB 1976 – Occupational Safety & Health: First Aid: Opioid Antagonists

- Outcome: PASSED with future implications
- **Significance:** This is a two-part bill with implications to previously passed Heat Illness, Wildfire Smoke, and Construction Jobsite Toilets standards as well as the implementation of new First Aid Kit requirements to prevent overdoses.

Part 1 requires Cal/OSHA to consider adopting revisions to certain standards relating to the prevention of heat illness, protection from wildfire smoke, and toilet facilities on construction jobsites by December 31, 2025.

Part 2 requires Cal/OSHA to consider adopting requirements for workplace first aid materials to include naloxone hydrochloride (otherwise known as Narcan) or another opioid antagonist by December 1, 2028. Proper storage and use guidance for employers is to be included.

AB 2135 – Wage Theft Statue of Limitations: Public Works

- Outcome: DEAD
- **Significance:** Would have extended wage complaint review period, raising compliance demands on contractors in public works.

Would have extended the period of time that the Labor Commission is able to review complaints of wage theft and issue civil wage penalties from 18 to 24 months with possible extension of an *additional 18 months*.

AB 2179 - Local Apprenticeship Programs

- Outcome: PASSED
- **Significance:** Requires school districts to provide apprenticeship program information to parents/guardians of 11th and 12th grade students.

Requires a school district to, at the beginning of the first semester or quarter of the regular school term, provide information on local apprenticeship programs and pre-apprenticeship programs to the parents or guardians of pupils admitted to, or advancing to, grades 11 and 12, as part of the annual notification already in place for college admission requirements and career technical education and include this information on its website.

AB 2264 - Heat Illness Prevention Certification for Outdoor Workers

- Outcome: DEAD
- **Significance:** Would have established certification requirements for outdoor workers effective 2028.

Would have established a heat illness prevention certification requirement for all outdoor workers effective July 1, 2028, subject to the following requirements:

- Employers to include the heat illness prevention certification process as part of on-the-job training for employees
- > Certifications shall be valid for three years from the date of issuance
- > Certification includes an exam that consists of at least 40 questions
- Minimum score of 70 percent on the exam required to pass

AB 2677 - Sureties: Liability: Attorney's Fees

- Outcome: VETOED
- Significance: Prevented bond sureties from limiting excessive costs in the form of attorney fees, which could threaten bond affordability and accessibility for contractors.

Would have removed liability for attorney's fees from bond sureties. The purpose of this bill was to ensure affordable contractor bonds remain available while maintaining consumer protections. The impact to contractors without AB 2677 passage includes:

- Access to bonds may be more difficult because:
 - Sureties may restrict the number of bonds they issue
 - Underwriting standards will likely tighten
 - Sureties may leave the California market
- Bond prices are expected to increase as sureties look to offset exposure to unlimited attorney's fees payouts.
- Since all contractors, at minimum, are required to possess a \$25,000 license bond, this could result in many contractors not being able to afford or qualify.

AB 3106 - Infectious Disease: Excluded Employees

- Outcome: DEAD/AMENDED no longer applicable (Amendments shown in strike through)
- **Significance:** This COVID-19 bill was significantly amended so that it applied exclusively to school districts and no longer applied to general business. The bill, as amended, died.

Would require Cal/OSHA to adopt a permanent standard to ensure COVID-19 cases are excluded from the workplace until return-to-work requirements are met and requires employers to protect the wages, benefits, seniority, job status and all other rights of employees excluded from the workplace due to a positive COVID-19 test as if they had not been excluded. The permanent standard is to be adopted by February 3, 2025.

AB 3186 - Public Works: Prevailing Wages: Access to Records

- Outcome: DEAD (Amendments shown in strike through and blue text)
- **Significance:** Would have expanded Public Works payroll records access to additional parties. Although amended to remove requirements on GC's and subcontractors, the bill was an overreach into business records where existing Certified Payroll Reporting requirements already meet Prevailing Wage statutes.

Would have required *an owner or developer* each contractor and subcontractor performing undertaking work on any public works project to make specified records available upon request to the Division of Labor Standards Enforcement, to multiemployer Taft-Hartley trust funds, and to joint labor-management committees, as specified. The bill would also apply this requirement to *an owner or developer that undertakes* contractors, subcontractors, and covered entities that are developing, undertaking, or performing work a development project *that includes work subject to the requirements of public works* for which contractors are required to maintain and verify payroll records, as specified. Penalties for noncompliance apply.

Workplace Violence Prevention Plan

Nearly all employers are required to maintain a written Workplace Violence Prevention Plan (WVPP) effective July 1, 2024 as a result of Senate Bill 553 (SB 553) signed into law in 2023.

Cal/OSHA is developing a Workplace Violence Prevention regulatory standard for adoption by December 31, 2026. It remains to be seen how the legislation will interact with the regulation. We continue to monitor this evolving issue.

MCAC members access your free template package by entering the member password at https://www.mca-ca.org/members-only/. The California Workplace Violence Prevention Plan Template Package includes:

- 1. Model California Workplace Violence Prevention Plan
- 2. Model Notice for Employees
- 3. Model Hazard Assessment Form
- 4. Model Violent Incident Log
- 5. Model Training Deck
- 6. Overview of Key Provisions of the New Law (California Labor Code Section 6401.9)

<u>Cal/OSHA Workplace Violence and Prevention Guidance and Resources</u> <u>FAQ's</u>

Private Attorneys General Act (PAGA)

Earlier this year, Governor Newsom, the California Chamber of Commerce, and labor groups came together to enact reforms (AB 2288 and SB 92) to the Private Attorneys General Act (PAGA). The goal was to reduce the number of PAGA lawsuits. The reforms went into effect July 1, 2024. But the impact of the reforms remains uncertain. We continue to support the efforts of the California Business & Industrial Alliance (CABIA) to combat the harmful effects of PAGA on employers.

Indoor Heat Illness

This Cal/OSHA regulation went into effect July 23, 2024. It applies to all indoor work areas where the temperature equals or exceeds 82 degrees Fahrenheit when employees are present. Shops, warehouses, and manufacturing plants are examples of workplaces impacted by this rule.

<u>Comparison of Indoor and Outdoor Heat Illness Standards</u> <u>Full Indoor Heat Illness Regulation Text</u>

Corporate Transparency Act (CTA)

Warning! This issue remains a moving target with updates, literally, coming in days apart.

What is the CTA?

Enacted by the U.S. Treasury in 2021, the CTA is aimed at cutting down on fraud, money laundering and terrorism funding that can run through anonymous business entities.

Starting Jan. 1, 2025, businesses with fewer than 20 employees and less than \$5 million in annual revenue are required to report ownership and control information to the federal government every year – more specifically to the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN).

The issue has been the subject of contention in the court system which has made it an on-again / off-again proposition for nearly 32 million businesses across the United States.

Late Dec. 26, 2024, the Fifth Circuit merits panel reinstituted a preliminary injunction against the enforcement of the CTA. Therefore, as of Dec. 27, 2024, there is no requirement or deadline to file a company BOI report pursuant to the CTA.

Supplemental Resources:

Corporate Transparency Act Nationwide Injunction Reinstated - JD Supra 12/30/24

<u>Update: CTA's Beneficial Ownership Information Reporting Requirements Back On Hold;</u>
<u>Nationwide Injunction Reinstated Following Order by Fifth Circuit Merits Panel</u> – The National Law Review 12/30/24

MCAC is the "411" center for mason contractors on legislation, regulations, safety issues, and building codes.

www.mca-ca.org (916) 966-7666