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**REPORT ON THE FINAL RESULTS OF
THE CALIFORNIA STATE
LEGISLATURE
FOR THE YEAR 2024**

**PRESENTED TO:
FLASHER BARRICADE
ASSOCIATION**

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2024 – ‘Thanks’ for Budget Shortfalls & Election Year Politics (and a ‘Presidential Aspirant’)!

Once again in California’s ‘One-Party’ Legislature, Labor was the ‘500-pound gorilla’ this session, but with a Different Outcome on Key Bills

2024 was the second-year of the biannual session of the California State Legislature. As I reported last year, this has been the most diverse Legislature in its history with freshmen constituting one-fourth of the membership. It has included a record number of women, with 50 (out of the 120 members), an all-time high number of Latino legislators, lawmakers who openly identify as LGBTQ, and even its first Muslim and Sikh members.

In total, the 2023- 2024 Session of the California State Legislature constituted well over a two-thirds super-majority of Democrats in both houses with 62 of the 79 members in the Assembly and 32 of the 40 members in the Senate (there’s one vacancy in the Assembly due to Republican Assemblyman Vince Fong moving over to Congress to replace former House Speaker Kevin McCarthy).

With regard to bill introductions this year, the Legislature introduced more than 2,500 bills, and ultimately sent 1,206 to the governor. From this amount, he signed 1,017 and vetoed 189, for a veto rate of 15.7%¹

Labor’s Impact

While Labor still maintains the ‘500-hundred-pound gorilla’ title around the halls of the Capitol, their influence was not as successful this year. Specifically, their highest priority bill for 2024 was [SB 1116](#), a bill that would provide unemployment insurance to striking workers after two weeks on strike (a similar bill was vetoed by the governor last year). This year’s version died in the Assembly Insurance Committee due to a dispute with the Jewish members of the committee who took an affront to labor’s support of striking students and faculty over Israel’s war with Palestine.

¹ Numbers came from my colleague, Chris Micheli, who acknowledges he’s the legislative ‘nerd!’

Other bills the governor vetoed that were sponsored by labor included:

AB 1890 (Patterson, Joe) Vetoed by Governor. - Public works: prevailing wage. Would have required an awarding body of public works projects to provide notice to the Department of Industrial Relations (DIR) of any changes or additions regarding the project registration within 30 days.

It also would have required the awarding body to provide notice to the DIR if the total amount of the contract change exceeds specified thresholds.

And, exempted projects of awarding bodies operating **labor compliance programs that are approved and monitored by the DIR and covered by a valid project labor agreement.**

AB 2182 (Haney) Vetoed by Governor. - Public works. Would have modified state public works law by: 1) granting joint labor-management committees (JLMCs) reasonable access to public works jobsites and 2) requiring a change in a prevailing wage rate as determined by the Department of Industrial Relations' (DIR) Director to apply to certain contracts from July 1, 2026, to January 1, 2031. Among other things, it would have required paying higher prevailing wage rates to existing public works projects when a wage increase occurred during the project.

AB 2286 (Aguiar-Curry) Vetoed by Governor. - Vehicles: autonomous vehicles. Would have required a driver to serve as backup on all autonomous trucks among other things. This is the second year in a row that the governor has vetoed this Teamster's sponsored bill.

SB 984 (Wahab) Vetoed by the Governor. In Senate. Consideration of Governor's veto pending. - Public agencies: project labor agreements.

This bill would have required the Judicial Council and the California State University (CSU), by January 1, 2027, to identify and select a minimum of three major construction projects and subject those projects to a Project Labor Agreement (PLA). It also allowed that a decision of a labor organization not to participate in the negotiations of the agreement shall not invalidate the resulting agreement.

See the outcome of the governor's bill actions later in this report under "Bill Status File" according to subject matter. For the bills that he vetoed, I also include his messages as to why he vetoed each of them.

Labor & Management Came Together on PAGA Reform

One very important victory for both workers and employers was in achieving major reforms to the California Private Attorneys General Act (PAGA). The Labor Code [Private Attorneys](#)

General Act (PAGA) authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of the State of California for Labor Code violations. Those who intend to pursue PAGA claims must follow the requirements specified in **Labor Code Sections 2698 – 2699.8**.

On July 1, Governor Gavin Newsom signed two bills that reform aspects of PAGA, **with the reforms taking effect retroactively to June 19, 2024**.

The Reforms Include:

- **Penalty caps:** Absolute maximum exposure could now be as little as 15% or 30% of the penalty set, depending on the steps that the employer has taken either prior to receiving the PAGA notice or immediately after receiving the notice.
- **More robust right to cure:** Prior to these reforms, almost nothing under PAGA was curable.
- **Specific mechanisms** depending on if you're a larger or small business.
- **Changes in standing:** Recent court opinions had made standing so broad that the worker simply had to allege that they experienced one violation, and then they could sue on behalf of every other worker in California for any other violation under the Labor Code, which led to a lot of abuse. The reforms limit standing to say that the plaintiff must have personally experienced the alleged violations and they must file their case within the one-year time period.
- **Nonprofit exception:** There is now a narrow exception for some nonprofits.

Steps to Limit Exposure

PAGA now includes the possibility for a significant reduction in penalties if employers have taken all reasonable steps to be in compliance, Saad explains.

Reasonable Steps Can Include:

- **Conducting payroll audits** and then acting on those audits based on the results. For example, PAGA actions can be based on a variety of Labor Code violations, some of which are more common, such as unpaid overtime, meal and rest break violations or expense reimbursements. If an employer finds through their audit that they don't have a practice in place to ensure that employees are getting late meal period premiums paid, then they should take action immediately.

- **Having written policies in place** related to wage and hour practices and ensuring those policies are distributed and enforced.
- **Being aware of industry-specific applicable wage orders** and ensuring company policies are in line with those wage orders.
- **Provide training.** Ensure supervisors and managers are trained on applicable Labor Code requirements and basic wage and hour rules.
- **Take corrective action** with supervisors and other personnel who may be involved with wage and hour violations. For example, if an employer has a supervisor who is lenient about the timing of when they're taking their meal and rest periods, the employer needs to address it with the supervisor through coaching, additional training, or even disciplinary action, if it's a repeated action.
- **Document** any efforts around the steps above.

What About Gavin?

Noted political columnist, Dan Walters, summed Newsom up best with this recent article:

“Gavin Newsom’s flirtation with national political status ended abruptly when Vice President Kamala Harris, often depicted as his rival, became the Democratic Party’s presidential candidate.

For months California’s governor had been soliciting national media attention, making campaign-like visits to other states and otherwise acting like an aspirant for the White House — all the while insisting that he had “sub-zero” interest in such a goal.

Virtually ignored at the Democratic National Convention, Newsom’s disdain for the party’s rapid embrace of Harris was [evident in a podcast interview](#).

“Now we went through a very open process, a very inclusive process,” Newsom responded to a question about party leaders’ anointment of Harris. “It was bottom-up, I don’t know if you know that. That’s what I’ve been told to say.”

Moreover, as he returns to gubernatorial duties and reality, Newsom is finding that his status in California has also taken a beating.

A [poll the Public Policy Institute of California](#) took in June found that 62% of adults believe the state is headed in the wrong direction and only 44% approve of Newsom's performance as governor.

Newsom's diminished popularity and the simple fact that his governorship is beginning to wind down manifest a declining ability to dominate the state's political playing field.

One example is the presence of two major measures on the Nov. 5 ballot that he opposes, Propositions 35 and 36.

[Prop. 35](#), if passed, would make a tax on health care plans permanent and direct its proceeds and the extra federal money it would draw into higher reimbursements for those providing care to Medi-Cal recipients. Indirectly, it prevents Newsom from using the funds, billions of dollars, to close chronic budget deficits.

[Prop. 36](#) toughens penalties for some crimes, modifying [Prop. 47](#), a landmark measure voters passed in 2014 that reduced penalties. Newsom tried — and failed — to [head off Prop. 36](#) with a rival measure.

Earlier in his governorship, when he enjoyed high approval ratings, Newsom could pretty much dictate legislation and thwart adverse ballot measures, but he clearly lacks such domination now.”

What About Newsom's Rapport with the Leadership in the Legislature?

The following ‘insight’ comes from a close friend ‘in the know’ within the Capitol:

“Dysfunction starts at the top. Saturday night (August 31st, the last night of the legislative session) exemplified how the imperious and distant Newsom has horrible relations with his fellow Democrats in the Legislature. He treats them more like children than partners. Newsom leads like an island unto himself, **now relocated to Marin**. All Rivas (Assembly Speaker) and McGuire (Speaker Pro Tem in the Senate) have done is replicate Newsom's style of bad governance.

They have become their own islands. None of them seem to care what the other two think. They are bereft of the civic mindedness of putting the public first, leaving egos at the door and making some really tough decisions. They all have come to prefer island living. The longer this threesome has been in power, the worse their coordination has become. The implosion at the end of this session may be a small taste of what is to come.

Newsom finds himself in political steerage with Kamala Harris' ascendancy to the Democratic Party's throne. He is fast becoming an asterisk on the national stage. He has grown so tired of Sacramento that his family no longer calls it home (**as previously noted, they moved back to Marin recently!**).

None of this bodes well for his home stretch as governor. Real answers to any of our crises - housing, insurance, electricity, homeless, climate change - will not be popular. For California's three top Democrats, real change means respectfully working together, reaching a consensus, watching each other's back and working with legislators on both sides of the aisle; and that simply isn't happening. Good governance is an endangered species in Sacramento. With the threesome of Newsom, Rivas and McGuire, it is on the verge of extinction."

Then There is the issue of the Democrats' Super Majority in both houses of the Legislature. Again, I defer to columnist Dan Walters:

In California's One-Party System, Political Family Feuds Fill Competitive Vacuum

"Aristotle is said to have coined the phrase "[nature abhors a vacuum](#)" — or "horror vacui" in Latin — as a principle in the physical world. However, it applies equally well to politics, particularly in a one-party state such as California.

For many decades, the state's politics were marked by competition between the two major parties.

California was largely a Republican state for its first century, but after World War II, as its population expanded rapidly, Democrats gained parity.

For several decades, voters switched back and forth, sometimes favoring Republicans in high-profile contests for president, governor, and U.S. senator but often switching to Democrats.

Eventually, for several reasons, Republican strength waned, and today Democrats hold all statewide offices, own presidential electoral votes, and have super-majorities in the Legislature and congressional delegation.

One-party dominance creates a vacuum; so, in the absence of inter-party competition, Democrats have developed factions or quasi-parties defined by ideology, gender, ethnicity, personality or, sometimes, geography. The fault lines are often exploited by interest group lobbyists.”

Another Reason to Dislike Super Majorities

Want another reason to seriously dislike super-majorities? Read this article from CalMatters!

“For those in the Legislature’s Democratic supermajority, voting “yes” on a colleague's bill may come easily. Voting “no,” however, isn’t as straightforward — and that may be why [so few Democrats actually do so](#).

In an analysis of more than 1 million votes cast by current legislators since 2017, CalMatters Digital Democracy reporter [Ryan Sabalow](#) and CBS Sacramento reporter Julie Watts found that Democrats vote “no” less than 1% of the time on average. Monterey Park Assemblymember [Mike Fong](#), for example, has voted more than 6,000 times since being elected in 2022, and never once voted “no.”

As the opposition party, Republicans unsurprisingly vote “no” more often — an average 21% of the time.

In lieu of voting against a bill, legislators will often decline to cast a vote. Last year, at least 15 bills died because of a lack of votes.

Why don’t lawmakers go on record with their objections?

While the Democratic legislators contacted by CalMatters wouldn’t talk about it, not voting is a common tactic for lawmakers. They may want to avoid drawing the ire of their colleagues or activists, or may want to stop a bill’s momentum without directly voting against it.”

Finally, while the Republicans in the Legislature certainly have their problems as well (including relevancy), this joint press release by the Republican Minority Leaders in the Legislature, Senator Brian Jones and Assemblyman James Gallagher, deserves a reprint by me who has 51 years of working ‘in the trenches’ at the Capitol with ‘both sides of the aisle’ and long for the comradery that used to exist!

The California Dream is fading. Democrats should stop resisting bipartisan solutions

Opinion by Brian Jones & James Gallagher, September 25th

“A billboard advertising the problems of retail theft stands near Folsom Boulevard and 67th Street. The Sacramento County Sheriff’s Office has taken out numerous billboards across the county to advertise their efforts to stop theft. California has long served as a beacon of hope and opportunity.

Now we are known for our historic problems - declining affordability, homelessness, and rising crime - that leave many wondering if the California Dream is still alive. It’s not just us Republicans who see these problems. Long-time observers of state politics are increasingly pointing out that Democrat lawmakers have a direct responsibility for California trending toward a state of few “haves” and lots of “have nots.”

Despite decades of decline, we believe there is hope to turn things around. But our leaders must put aside polarizing politics and instead advance real solutions that put people over party. That’s where Republican lawmakers are focusing our efforts.

ATTACK AFFORDABILITY FROM THE POLITICAL MIDDLE

Affordability simply doesn’t exist in this state today. In one of California’s most notorious cities, San Francisco, an adult with one child and a minimum wage job would have to work 22 hours a day, seven days a week, to afford just basic living expenses in an average paying job. California’s poverty and homelessness are the highest in the nation and current policies fail to offer lasting solutions.

OPINION

The responsibility for today’s affordability crisis lies with one party. Democrat officials occupy all statewide elected posts and control both houses of the legislature. Meanwhile, the so-called “progressives” that have taken over the California Democrat Party largely abandoned any desire to collaboratively implement solutions to our shared issues. They’ve instead spent the last few

decades eroding and undoing laws that protect public safety, stimulate economic growth, and ensure public services reach those in need. They've imposed taxes and fees that drive up the price of everything from gas at the pump to coffee in the pot, they've spent public funds on failed social experiments, and they've put party platforms ahead of the public good. If Democrats were willing to reach across the aisle to find common-ground solutions, rather than cater to their radical far left, we could make collaborative progress to make California once again an affordable place to live.

MAKE CRIME ILLEGAL AGAIN

On crime, Republicans warned that the “progressive” Proposition 47 would devastate our small businesses by essentially decriminalizing smash-and-grab robberies and organized theft rings. The proposition made it a misdemeanor to steal less than \$950 of merchandise each and every day. Since its passing, we're facing a crime wave unseen since the 1980s. Seeing the error of their ways, some Democrats have joined forces to support a new ballot measure to roll back Prop. 47's failed policies and make crime illegal again.

If California elected officials can make crime illegal again and pass measures that punish felons when they smash main street windows or peddle fentanyl in our schools. If we can come together for the common-sense goal of fixing the homeless crisis. If we can stop driving employers from the state, leaving workers hungry for jobs that no longer exist. If California's leaders can do these things, there is not just a glimmer of hope, but an absolute certainty of a future rich with opportunities for everyone to achieve the California Dream.

HOMELESSNESS: DEMOCRATS NOW BORROW OUR STRATEGY

Recently, as Democrat experiments continue to crumble under the weight of social and economic realities, some of the common-sense alternatives we've proposed have gotten a second look. For years Republicans advocated to compassionately clear encampments, deliver services, and lift homeless Californians off our streets.

Instead, Governor Newsom opted for ill-conceived approaches leading to \$27 billion in wasted tax dollars. Recently, however, Newsom has shifted course and issued an executive order to compassionately clear homeless encampments on state property. He's even gone so far as to use the same verbiage that Republicans advanced all along and it's not because he's our biggest fan, it's because it simply makes sense.

Of course, Democrat politicians aren't saying out loud that these ideas are ripped straight from the pages of Republican policy proposals, but that's just fine with us — we don't need credit or headlines. We just want results for Californians. We aim to help Californians fulfill their ambitions, achieve their goals, and enjoy the fruits of a California Dream that may have soured in recent years, but that still promises the same sweet sustenance it has throughout our history.

With reasonable solutions and policies, we can fix California and return our state to glory.”
Senator Brian W. Jones serves as the California Senate Minority Leader and represents the 40th Senate District which includes portions of the City and County of San Diego.
Assemblyman James Gallagher serves as the California Assembly Republican Leader and represents the 3rd Assembly District which includes all or parts of Butte, Glenn, Placer, Sutter, Tehama, and Yuba counties.

FINAL OUTCOME OF ALL BILLS SENT TO GOVERNOR THAT IMPACT YOUR BUSINESS BY SUBJECT MATTER

Following are the highlights of all bills that went to the governor that I tracked on your behalf this session, sorted according to subject matter. To access the complete text of a bill, click on the blue bill number link and then on the Chaptered PDF. All Chaptered bills become law effective January 1, 2025 unless it states it is an urgency measure which means it became law immediately upon the governor’s signature; OR lists another effective date.

Bonds

[AB 2677](#) (Chen) **Vetoed by the Governor** - Sureties: liability.

Current law authorizes a beneficiary to enforce the liability on a bond against both the principal and sureties by civil action. Under current law, a judgment of liability on a bond, except as specified, is in favor of the beneficiary and against the principal and sureties, and obligates each of them jointly and severally. Current law provides that except as specified, the aggregate liability of a surety to all persons for all breaches of the condition of a bond is limited to the amount of the bond, and that the liability of the principal is not limited to the amount of the bond. This bill would define “aggregate liability,” for purposes of the provisions above, to include all liability for damages, costs, and attorney’s fees, including any attorney’s fees that may be assessed as costs, if recoverable.

Governor’s Message: To the Members of the California State Assembly: I am returning Assembly Bill 2677 without my signature. This bill would cap the aggregate liability of an insurer that issues a surety bond to the amount of the bond. While I appreciate the author’s attempt to reduce the cost of bonds for licensees, California law offers numerous avenues for insurers to limit their liability for attorney fees when faced with meritorious claims. I am concerned that this bill’s limitation of attorney fees could have the unintended consequence of preventing all but the most affluent consumers from being able to seek redress if they are harmed. For this reason, I cannot sign this bill. Sincerely, Gavin Newsom

Unfortunately, the Governor received some bad advice. Read what I wrote about this unexpected veto:

Governor Vetoes AB 2677 (Chen), A Critical Contactor Surety Bond Bill

Incredibly, Governor Newsom has vetoed **AB 2677 (Chen)**. This measure was introduced to address a recent California appellate court opinion (**Karton v. Ari Design 61 Cal. App. 5th 734**) which found that surety bond companies holding licensed contractor bonds may be ordered to pay the attorney fees of the litigating parties when a genuinely disputed claim must be resolved through litigation. Consequently, sureties are beginning to receive attorney claims for their fees due to this decision, including a \$90,000 award to the attorney from the Karton case.

The ‘fix’ to Karton by way of AB 2677 would have defined “aggregate liability” on a bond payout to include all liability for damages and costs. An amendment taken on April 17th clarified that AB 2677 applies to surety bonds issued by admitted surety insurers and does not alter existing laws related to attorney fee recovery up to the face amount of the bond. In other words, on a \$25,000 contractor license bond, if a homeowner obtained \$15,000 in payments from the surety against the license bond, their attorney could receive the remaining amount of \$10,000.

This bill was strongly supported by virtually every contractor association as well as the Contractors State License Board due to the fact that there are many significant impacts on licensed contractors in California as a result of this court decision:

- 1).** Since contractors indemnify the surety company for any and all costs charged against a bond, the contractor will be liable to reimburse the surety for the attorney’s fees.
- 2).** Since attorney’s fees can be substantial (in the Karton case they were \$90,000!), it is likely that many contractors will be forced into bankruptcy.
- 3).** If the contractor files for bankruptcy, or cannot pay for whatever the reason, the surety will pay the fees. Because of the risk of exposure to unlimited attorney’s fee payouts due to contractors being unable to pay the costs, the potentially significant costs to the surety will be offset by charging the remaining bondholders (contractors) higher bond premiums.
- 4).** Sureties, knowing they could face unlimited attorney fee payouts, will tighten underwriting standards so that only those contractors with the healthiest balance sheets will be able to qualify for these bonds.
- 5).** Sureties may limit the number of contractor bonds they issue.
- 6).** It prevents contractors from having an opportunity to litigate disputed claims. Why? Because, to avoid exposure to attorney fees in excess of the bond’s penal sum, sureties will be incentivized to pay the claim rather than allow the contractors to litigate their dispute.

7). Sureties Leaving California Market

One other major driver affecting both surety bond affordability and availability is the fact that surety companies already have and will continue to, exponentially, leave the California market if the Karton decision is not resolved. Indeed, one of the largest writers of surety bonds in California, **Suretec Insurance/Markel Surety**, has already withdrawn from writing contractor license bonds in the California surety marketplace, while several other sureties are currently deliberating whether to withdraw, especially now that the governor has vetoed AB 2677!

8). Finally, any and all increased costs that contactors will be faced with will be passed on to the consumer. This could seriously impact the construction economy, because many projects, due to their increased costs, will be put ‘on hold.’

Then there’s the realization that many of these existing as well as prospective contractors, who will be unable to qualify or afford the increased license bond, will simply work unlicensed. This will mean then that all of the consumers who contract with these individuals will lose even the most basic protection that would be afforded to them by way of the \$25,000 license bond.

What makes the governor’s veto particularly questionable is the fact that AB 2677 had passed the Assembly on Consent (meaning it was voted out unanimously) and through the Senate on a 34-3 vote. The other amazing fact is that the chair of the Senate Judiciary Committee, Senator Tom Umberg (which is the policy committee the bill had to pass through in the Senate), and who is a Democrat, served as the “Senate Floor Jockey” (a senator is required to present the bill before the full senate on the floor on 3rd reading).

In reading the governor’s veto message, it sounds like he virtually copied the arguments made by the “Consumers for Auto Reliability and Safety” (a ‘shill’ organization for the consumer attorneys) who were upset that, while the Contractor’s License Board provides a significant amount of information to consumers about their rights, such as information about license bonds and how to collect on them, the Department of Motor Vehicles (DMV) does NOT provide ‘diddly’ for consumers aggrieved by an auto dealer who are required to post a \$50,000 license bond with the DMV. By the way, AB 2677 addressed ALL professions that are required to provide a license bond as part of their licensure since they all equally are affected by the Karton decision.

The lack of consumer information about bonds by the DMV was not our issue and we did not want to lose the bill by requiring the DMV to provide more consumer information. Doing so would have added significant costs to the bill which absolutely would have killed it in the legislature.

Despite this unexpected setback of the veto, we will regroup and come back next year for another fight! Not addressing Karton will have far too many adverse consequences for both the construction industry and the consumers. Stay tuned!!

Competitive Bidding

[AB 1957](#) (Wilson) Chapter 58, Statutes of 2024 - Public contracts: best value construction contracting for counties.

Current law establishes a pilot program to allow the Counties of Alameda, Los Angeles, Monterey, Riverside, San Bernardino, San Diego, San Mateo, Santa Clara, Solano, and Yuba to select a bidder on the basis of best value, as defined, for construction projects in excess of \$1,000,000. Current law also authorizes these counties to use a best value construction contracting method to award individual annual contracts, not to exceed \$3,000,000, for repair, remodeling, or other repetitive work to be done according to unit prices, as specified. Current law establishes procedures and criteria for the selection of a best value contractor and requires that bidders verify specified information under oath. Current law requires the board of supervisors of a participating county to submit a report that contains specified information about the projects awarded using the best value procedures described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2024. Current law repeals the pilot program provisions on January 1, 2025. This bill would instead authorize any county of the state to utilize this program and would extend the operation of those provisions until January 1, 2030. The bill would instead require the board of supervisors of a participating county to submit the report described above to the appropriate policy committees of the Legislature and the Joint Legislative Budget Committee before March 1, 2029.

Contractors & Contractors State License Board

[AB 2622](#) (Carrillo, Juan) Chapter 240, Statutes of 2024 - Contractors: exemptions: work and advertisements.

The Contractors State License Law establishes the Contractors State License Board within the Department of Consumer Affairs and sets forth its powers and duties relating to the licensure and regulation of contractors. Current law makes it a misdemeanor for a person to act as a contractor without a license, unless exempted. Current law exempts from the Contractors State License Law a work or operation on one undertaking or project by one or more contracts, if the aggregate contract price for labor, material, and all other items is under \$500, except as specified. This bill would revise the exemption by increasing the maximum aggregate contract price to \$1,000 and specifying that the exemption would apply if the work or operation does not require a building permit. The bill would specify that the exemption would not apply to a person who employs another person to perform, or assist in performing, the work or operation.

[SB 1455](#) (Ashby) Chapter 485, Statutes of 2024 - Contractors: licensing.

Extends the sunset date for the Contractors State Licensing Board to January 1st, 2029, and delay until January 1st, 2028, the mandate that all contractors other than verified solo practitioners carry workers' comp coverage. The bill requires the CSLB to develop a process to verify whether or not a contractor is operating without employees by January 1st, 2027.

Employer/Employee

AB 1976 (Haney) Chapter 689, Statutes of 2024. - Occupational safety and health standards: first aid materials: opioid antagonists.

Current law grants the Division of Occupational Safety and Health, which is within the Department of Industrial Relations, jurisdiction over all employment and places of employment, and the power necessary to enforce and administer all occupational health and safety laws and standards. Current law requires the division, before December 1, 2025, to submit to the standards board a rulemaking proposal to consider revising certain standards relating to the prevention of heat illness, protection from wildfire smoke, and toilet facilities on construction jobsites. Current law also requires the standards board to review the proposed changes and consider adopting revised standards on or before December 31, 2025. This bill would require the division, before December 1, 2027, to submit a draft rulemaking proposal to revise specified regulations on first aid materials and emergency medical services to require first aid materials in a workplace to include naloxone hydrochloride or another opioid antagonist approved by the United States Food and Drug Administration to reverse opioid overdose and instructions for using the opioid antagonist. The bill would also require the division, in drafting the rulemaking proposal, to consider, and provide guidance to employers on, proper storage of the opioid antagonist in accordance with the manufacturer's instructions. The bill would require the standards board to consider for adoption revised standards for the standards described above on or before December 1, 2028.

AB 2011 (Bauer-Kahan) Chapter 147, Statutes of 2024 - Unlawful employment practices: small employer family leave mediation program: reproductive loss leave.

The California Fair Employment and Housing Act establishes the Civil Rights Department within the Business, Consumer Services, and Housing Agency and sets forth its powers and duties relating to enforcement of civil rights laws with respect to housing and employment. Current law requires the department to create a small employer family leave mediation pilot program for the resolution of alleged violations of prescribed provisions on family care and medical and bereavement leave, applicable to employers with between 5 and 19 employees. Current law requires the department to generally initiate the mediation within 60 days following a request, prohibits an employee from pursuing a civil action until the mediation is complete or the mediation is deemed unsuccessful, and tolls the statute of limitations applicable to the employee's claim, including for all related claims not subject to mediation, from the date of receipt of a request to participate in the program until the mediation is complete or the mediation is deemed unsuccessful. Under current law, the mediation is deemed complete when one of specified events occurs, including that the mediator determines that the core facts of the employee's complaint are unrelated to the specified family care and medical and bereavement leave provisions. Current law repeals the pilot program on January 1, 2025. This bill would expand the program to include resolution of alleged violations of prescribed provisions on reproductive loss leave. In relation to the above-described provisions regarding the statute of limitations, the bill would additionally toll the statute of limitations applicable to an employee's claim relating to an alleged violation of specified provisions on reproductive loss leave, as provided.

[AB 2288](#) (Kalra) Chapter 44, Statutes of 2024. - Labor Code Private Attorneys General Act of 2004.

The Labor Code Private Attorneys General Act of 2004 (PAGA) authorizes an aggrieved employee, as defined, to bring a civil action, on behalf of that employee and other current or former employees, to enforce a violation of any provision of the Labor Code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees pursuant to certain notice and cure provisions, as prescribed. This bill would, among other things, instead authorize an aggrieved employee to bring a civil action as described above on behalf of the employee and other current or former employees against whom a violation of the same provision was committed.

[AB 2299](#) (Flora) Chapter 105, Statutes of 2024 - Labor Commissioner: whistleblower protections: model list of rights and responsibilities.

Current law requires an employer to prominently display a list of employees' rights and responsibilities under the whistleblower laws, as prescribed. Current law creates the Division of Labor Standards Enforcement within the Department of Industrial Relations and vests the division with the general duty of enforcing labor laws. Current law provides that the Labor Commissioner is the Chief of the Division of Labor Standards Enforcement. This bill would require the Labor Commissioner to develop model list of employees' rights and responsibilities under the whistleblower laws, as specified. The bill would specify that an employer that posts the model list shall be deemed in compliance with the above-described requirement to prominently display the list of employees' rights and responsibilities under the whistleblower laws.

[AB 2499](#) (Schiavo) Chapter 967, Statutes of 2024. - Employment: unlawful discrimination and paid sick days: victims of violence.

Would revise and recast the jury, court, and victim time off provisions for employees as unlawful employment practices within the California Fair Employment and Housing Act and, thus, within the enforcement authority of the Civil Rights Department. The bill would refer to a "qualifying act of violence," as defined, instead of crime, or crime or abuse. The bill would substantially revise existing definitions for its purposes, including defining "victim" as an individual against whom a qualifying act of violence is committed. The bill would prohibit an employer with 25 or more employees from discharging or in any manner discriminating or retaliating against an employee who is a victim or who has a family member who is a victim for taking time off work for any of a number of additional prescribed purposes relating to a qualifying act of violence. The bill would permit an employer to limit the total leave taken pursuant to these provisions, as specified, and require that the leave taken by an employee pursuant to these provisions run concurrently with leave taken pursuant to the federal Family and Medical Leave Act of 1993 and the California Family Rights Act if the employee would have been eligible for that leave. The bill would expand the eligibility for reasonable accommodations to include an employee who is a victim or whose family member is a victim of a qualifying act of violence for the safety of the employee while at work. The bill would omit the reinstatement and reimbursement provisions included in existing law. The bill would require an employer to inform each employee of their rights under the bill, to be provided to new employees upon hire, to all employees annually, at any time upon request, and any time an employee informs an employer that the employee or the employee's family member is a victim. The bill would require the department to develop and post, on or before July 1, 2025, a form, as prescribed, that an employer may use to comply with

that requirement. The bill would make a number of conforming changes to implement these provisions.

SB 988 (Wiener) Chapter 870, Statutes of 2024. - Freelance Worker Protection Act.

Would impose minimum requirements, commencing January 1, 2025, relating to contracts between a hiring party and a freelance worker, defined as a person, as specified, that is hired or retained as a bona fide independent contractor by a hiring party to provide professional services in exchange for an amount equal to or greater than \$250, as specified. Specifically, the bill would require a hiring party to pay a freelance worker the compensation specified by a contract for professional services on or before the date specified by the contract or, if the contract does not specify a date, no later than 30 days after completion of the freelance worker’s services. The bill would require a contract between a hiring party and a freelance worker to be in writing and would require a hiring party to retain a copy of the contract for no less than 4 years. The bill would prohibit a hiring party from discriminating or taking adverse action against a freelance worker for taking specified actions relating to the enforcement of these provisions. The bill would authorize an aggrieved freelance worker or a public prosecutor to bring a civil action to enforce these provisions, as specified.

SB 1340 (Smallwood-Cuevas) Chapter 626, Statutes of 2024 - Discrimination.

The Unruh Civil Rights Act generally prohibits business establishments from discriminating on specified bases. The California Fair Employment and Housing Act (act) prohibits discrimination in housing and employment on specified bases. Current law establishes the Civil Rights Department (department) and prescribes its functions, duties, and powers, including to receive, investigate, conciliate, mediate, and prosecute complaints alleging employment discrimination pursuant to specified laws, including the Unruh Civil Rights Act and the act. Current law specifies that while it is the intention of the Legislature that the act occupy the field of regulation of discrimination in employment and housing, the act does not limit or restrict the application of the Unruh Civil Rights Act. This bill would also specify that nothing in the act limits or restricts efforts by any city, city and county, county, or other political subdivision of the state to enforce local law prohibiting discrimination in employment against classes of persons covered by the act if certain requirements are met, including a requirement that local enforcement is pursuant to a local law that is at least as protective as the act.

Force Account

AB 2192 (Carrillo, Juan) Chapter 953, Statutes of 2024. - Public agencies: cost accounting standards.

The Uniform Public Construction Cost Accounting Act authorizes a public agency, whose governing board has by resolution elected, to become subject to uniform construction cost accounting procedures. Current law provides for the development of cost accounting standards and an alternative method for the bidding of public works projects by public entities. The act defines “public project” to include, among other things, construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. This bill would define “public project” to additionally include installations involving any publicly owned, leased, or operated facility.

**[AB 2590](#) (Reyes) Chapter 724, Statutes of 2024. - San Bernardino County
Transportation Authority: contracting.**

Current law creates the San Bernardino County Transportation Authority with various powers and duties relative to transportation planning and funding in the County of San Bernardino. Current law requires the authority’s contracts for the purchase of supplies, equipment, and materials, and the construction of all facilities and works, to be let to the lowest responsible bidder when the expenditure required exceeds \$25,000. Current law also requires the authority to obtain a minimum of 3 quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required exceeds \$1,000 but not \$25,000. This bill would authorize a contract for the purchase of supplies, equipment, or materials with a required expenditure that exceeds \$100,000 to be let to the lowest responsible bidder, or, in the authority’s discretion, to the responsible bidder who submitted a proposal that provides the best value to the authority on the basis of the factors identified in the solicitation.

Government Regulations

[AB 2705](#) (Ortega) Chapter 242, Statutes of 2024 - Labor Commissioner.

Current law imposes various requirements on work performed on a public works project, as defined, including requirements for minimum wages to be paid. Current law requires the Labor Commissioner, after determining there has been a violation of these requirements, to issue a civil wage and penalty assessment to the contractor or subcontractor, or both. Current law requires the assessment to be in writing and served not later than 18 months after the filing of a valid notice of completion in the office of the county recorder in each county in which the public work or some part thereof was performed, or not later than 18 months after acceptance of the public work, whichever occurs last. Current law provides for this time period to be tolled under specified conditions. Current law generally limits claimants from commencing an action to enforce the liability on a payment bond at any time after the claimant ceases to provide work, but not later than 6 months after the period in which a stop payment notice may be given. This bill would provide a limitations period for any action on a payment bond filed by the Labor Commissioner to be governed by the same timing requirements for the Labor Commissioner to serve a civil wage and penalty assessment.

High Speed Rail

**[AB 2879](#) (Lackey) Chapter 248, Statutes of 2024 - High-Speed Rail Authority:
contracting.**

The California High-Speed Rail Act creates the High-Speed Rail Authority, composed of 11 members, to develop and implement a high-speed rail system in the state, with specified powers and duties. The act authorizes the authority to enter into contracts with private or public entities for the design, construction, and operation of high-speed trains. The act requires the authority to appoint an executive director to administer the affairs of the authority as directed by the authority. This bill, notwithstanding the authority’s ability to delegate power to the executive director, would require any contract change order with a value greater than \$100,000,000 to be approved by the authority.

Labor

[SB 984](#) (Wahab) **Vetoed by the Governor. In Senate. Consideration of Governor's veto pending. - Public agencies: project labor agreements.**

Current law establishes procedures for state agencies to enter into contracts for goods and services, including generally requiring that certain contracts by a state agency, including, but not limited to, contracts for the construction, alteration, improvement, repair, or maintenance of property, be approved by the Department of General Services. Current law authorizes a public entity to use, enter into, or require contractors to enter into, a project labor agreement, as defined, for a construction project, if the agreement includes specified taxpayer protection provisions. This bill would require the Judicial Council and the California State University, by January 1, 2027, to identify and select a minimum of 3 major state construction projects that are required to be subject to the requirements of a project labor agreement, as specified, and would define various terms for these purposes. The bill would require the Judicial Council and the California State University, on or before January 1, 2027, to each submit a report to the Legislature regarding the selection of projects, as specified.

Governor's Message: To the Members of the California Senate, I am returning Senate Bill 984 without my signature. This bill would require, beginning January 1, 2027, the Judicial Council and the California State University (CSU) to each identify and select a minimum of three major construction projects and subject those projects to a Project Labor Agreement (PLA). While I am generally supportive of PLAs as an option for public works projects, the new requirements proposed in this bill could result in additional cost pressures that were not accounted for in this year's budget. In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure. For these reasons, I cannot sign this bill. Sincerely, Gavin Newsom

Legal

[AB 2696](#) (Rendon) Chapter 734, Statutes of 2024. - Labor-related liabilities: direct contractor and subcontractor.

Current law requires, for contracts entered into on or after January 1, 2022, a direct contractor making or taking a contract in the state for the erection, construction, alteration, or repair of a building, structure, or other private work, to assume, and be liable for, any debt owed to a wage claimant or third party on the wage claimant's behalf, incurred by a subcontractor at any tier acting under, by, or for the direct contractor for the wage claimant's performance of labor included in the subject of the contract between the direct contractor and the owner. Current law extends, for contracts entered into on or after January 1, 2022, the direct contractor's liability to penalties, liquidated damages, and interest owed by the subcontractor on account of the performance of the labor, except as provided. Current law authorizes a joint labor-management cooperation committee, established as specified, to bring an action in any court of competent jurisdiction against a direct contractor or subcontractor at any tier to enforce liability for any

unpaid wage, fringe or other benefit payment or contribution, penalties or liquidated damages, and interest owed by the subcontractor on account of the performance of the labor on a private work, as provided. This bill would additionally authorize a joint labor-management cooperation committee, established as specified, to bring an action in any court of competent jurisdiction against a direct contractor to enforce liability for any unpaid wage, fringe or other benefit payment or contribution, penalties or liquidated damages, and interest owed by the direct contractor on account of the performance of the labor on private work.

PAGA Reform

AB 2288 (Kaira) Chapter 44, Statutes of 2024. - Labor Code Private Attorneys General Act of 2004.

The Labor Code Private Attorneys General Act of 2004 (PAGA) authorizes an aggrieved employee, as defined, to bring a civil action, on behalf of that employee and other current or former employees, to enforce a violation of any provision of the Labor Code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees pursuant to certain notice and cure provisions, as prescribed. This bill would, among other things, instead authorize an aggrieved employee to bring a civil action as described above on behalf of the employee and other current or former employees against whom a violation of the same provision was committed.

SB 92 (Umberg) Chapter 45, Statutes of 2024 - Labor Code Private Attorneys General Act of 2004.

The Labor Code Private Attorneys General Act of 2004 (PAGA) authorizes an aggrieved employee, as defined, to bring a civil action, on behalf of that employee and other current or former employees, to enforce a violation of any provision of the Labor Code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees pursuant to certain notice and cure provisions, as prescribed. This bill would, among other things, authorize, on or after October 1, 2024, an employer that employed fewer than 100 employees in total during the period covered by the required notice to, within 33 days of receipt of the notice submit to the agency a confidential proposal to cure one or more of the alleged violations and, upon completing the cure, provide a sworn notification to the employee and agency that the cure is completed, as prescribed.

Prevailing Wage

SB 1303 (Caballero) Chapter 991, Statutes of 2024. - Public works.

Current law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Current law defines the term “public works” for purposes of requirements regarding the payment of prevailing wages to include construction, alteration, demolition, installation, or repair work done under contract and paid for using public funds, except as

specified. Existing law requires an awarding body, as part of a labor compliance program, to withhold contract payments when, among other things, payroll records are delinquent or inadequate. Current law requires an awarding body, as specified, to provide notice of withholding of contract payments to the contractor or subcontractor. Current law requires the notice to be in writing, and describe the nature of the violation and the amount of wages, penalties, and forfeitures withheld. This bill would require a private labor compliance entity, prior to withholding funds for an alleged violation, to confer with the negotiating parties to review relevant public works law, and would prohibit the entity from withholding an amount that exceeds the alleged underpayments and penalty assessments. The bill would require a private labor compliance entity seeking to withhold funds to provide a venue for a public works contractor or subcontractor to review and respond to evidence of alleged violations, as specified.

Public Works

AB 1890 (Patterson, Joe) **Vetoed by Governor. - Public works: prevailing wage.**

Current law defines the term “public works” for the purposes of requirements regarding the payment of prevailing wages, the regulation of working hours, and the securing of workers’ compensation for public works projects. Current law requires an entity awarding a public works contract, as specified, to provide notice to the Department of Industrial Relations. Current law requires civil penalties to be imposed on an entity that fails to provide that required notice and authorizes the Labor Commissioner to issue a citation for civil penalties to an entity that fails to provide the required notice. This bill would additionally require the awarding body to provide notice to the department, within 30 days, if there is a change in the identity of a contractor or subcontractor performing the project or, if the total amount of the contract change exceeds specified thresholds. The bill would exempt projects of awarding bodies operating labor compliance programs that are approved and monitored by the department and covered by a valid project labor agreement.

Governor's Message: To the Members of the California State Assembly: I am returning Assembly Bill 1890 without my signature. This bill requires an awarding body of public works projects to provide notice to the Department of Industrial Relations (DIR) of any changes or additions regarding the project registration within 30 days. While I appreciate the author's efforts to provide transparency to public works contracts, this bill is unnecessary. Local agencies are already required to electronically notify DIR with a contractor's name and contract value prior to the first day that work is performed on a public works project. Additionally, existing law prohibits a general contractor from replacing or substituting a subcontractor without written request and permission from the contracting agency. The additional notification requirements proposed by this bill would create unnecessary administrative burdens and penalties on awarding agencies, without any clear benefits or added transparency. For these reasons, I cannot sign this bill. Sincerely, Gavin Newsom

AB 2182 (Haney) **Vetoed by Governor. - Public works.**

Current law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Current law requires the body awarding a contract for a public work to

obtain from the director the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is to be performed, and the general prevailing rate of per diem wages for holiday and overtime work, for each craft, classification, or type of worker needed to execute the contract. Under current law, if the director determines during any quarterly period that there has been a change in any prevailing rate of per diem wages in a locality, the director is required to make that change available to the awarding body and their determination is final. Commencing July 1, 2026, this bill would, until January 1, 2031, instead require the director, if the director determines during any semiannual period that there has been a change in any prevailing rate of per diem wages in a locality, to make that change available to the awarding body and that decision would have exceptions to its finality, including authorizing a contractor, awarding body, or representative to file a petition to review the director's determination.

Governor's Message: To the Members of the California Assembly: I am returning Assembly Bill 2182 without my signature. This bill would require that any change in prevailing wage rates apply to existing contracts on certain public works projects. The bill also grants joint labor-management committees (JLMCs) reasonable access to public works jobsites and allows JLMCs to file actions in court to enforce this requirement. While I am a steadfast supporter of prevailing wage law, the adjustments proposed by this measure would likely lead to uncertainty in the cost of public works projects, potentially creating significant cost pressures on the state budget. In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure. For this reason, I cannot sign this bill. Sincerely, Gavin Newsom

SB 984 (Wahab) Vetoed by the Governor. In Senate. Consideration of Governor's veto pending. - Public agencies: project labor agreements.

Current law establishes procedures for state agencies to enter into contracts for goods and services, including generally requiring that certain contracts by a state agency, including, but not limited to, contracts for the construction, alteration, improvement, repair, or maintenance of property, be approved by the Department of General Services. Current law authorizes a public entity to use, enter into, or require contractors to enter into, a project labor agreement, as defined, for a construction project, if the agreement includes specified taxpayer protection provisions. This bill would require the Judicial Council and the California State University, by January 1, 2027, to identify and select a minimum of 3 major state construction projects that are required to be subject to the requirements of a project labor agreement, as specified, and would define various terms for these purposes. The bill would require the Judicial Council and the California State University, on or before January 1, 2027, to each submit a report to the Legislature regarding the selection of projects, as specified.

Governor's Message: To the Members of the California Senate, I am returning Senate Bill 984 without my signature. This bill would require, beginning January 1, 2027, the Judicial Council and the California State University (CSU) to each identify and select a minimum of three major construction projects and subject those projects to a Project Labor Agreement (PLA). While I am generally supportive of PLAs as an option for public works projects, the new requirements

proposed in this bill could result in additional cost pressures that were not accounted for in this year's budget. In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure. For these reasons, I cannot sign this bill. Sincerely, Gavin Newsom

SB 1111 (Min) Chapter 324, Statutes of 2024 - Public officers: contracts: financial interest.

Current law prohibits Members of the Legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in a contract, as specified, made by them in their official capacity or by any body or board of which they are members, subject to specified exceptions. Current law identifies certain remote interests that are not subject to this prohibition if, among other things, the member or officer discloses the fact of that interest to the body or board, including, among others, that of a parent in the earnings of the parent's minor child for personal services. Current law imposes a criminal penalty on every officer or person who willfully violates these provisions. This bill, on and after January 1, 2026, would include within the definition of remote interest that of a public officer if the public officer's child is an officer or director of, or has an ownership interest of 10% or more in, a party to a contract entered into by the body or board of which the officer is a member, if this information is actually known to the public officer.

SB 1162 (Cortese) Chapter 882, Statutes of 2024. - Public contracts: employment compliance reports: apprenticeship programs.

Current law establishes requirements that apply 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 requires the enforceable commitment to provide that the contractor, bidder, or other entity will provide to the public entity or other awarding body a report on a monthly basis demonstrating its compliance with these requirements. Current law defines "skilled and trained workforce" for purposes of these provisions to mean that at least 60% of the skilled journeypersons employed to perform work on the contract or project by every contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation, except for specified occupations. This bill would require the monthly compliance report to include the full name of, and identify the apprenticeship program name, location, and graduation date of, all workers relied upon to satisfy the apprenticeship graduation percentage requirement.

SB 1207 (Dahle) Chapter 325, Statutes of 2024 - Buy Clean California Act: eligible materials.

The Buy Clean California Act requires the Department of General Services, by January 1, 2022, to establish and publish in the State Contracting Manual, in a department management memorandum, or on the department's internet website, a maximum acceptable global warming potential for each category of eligible materials, as defined, in accordance with specified requirements. Current law defines "eligible materials" for those purposes to mean carbon steel rebar, flat glass, mineral wool board insulation, or structural steel. By January 1, 2025, and every 3 years thereafter, existing law requires the department to review the maximum acceptable global warming potential for each category of eligible materials, as provided. This bill would revise the

definition of “eligible materials” to delete mineral wool board insulation and additionally include insulation, and would make various non-substantive changes to the definition provisions of the act.

Taxes

[AB 440](#) (Pellerin) Chapter 82, Statutes of 2024 - Ballot measures.

Current law requires a constitutional amendment, bond measure, or other measure submitted to the people by the Legislature to appear on the ballot of the first statewide election occurring at least 131 days after the adoption of the proposal. Pursuant to the time limit specified above, Assembly Constitutional Amendment 13 (ACA 13) of the 2023–24 Regular Session is scheduled to appear on the ballot of the statewide general election occurring on November 5, 2024. If approved by the voters, ACA 13 would provide that an initiative measure that includes one or more provisions that amend the Constitution to increase the voter approval requirement to adopt any state or local measure is approved by the voters only if the proportion of votes cast in favor of the initiative measure is equal to or greater than the highest voter approval requirement that the initiative measure would impose. ACA 13 would specify that this requirement applies to statewide initiative measures that appear on the ballot on or after January 1, 2024. ACA 13 would also expressly authorize a local governing body to hold an advisory vote for the purpose of allowing voters within the jurisdiction to voice their opinions on an issue. This bill would call a special election to be consolidated with the statewide general election scheduled for November 3, 2026, and would instead require the submission of ACA 13 to the people at that election.

[AB 2813](#) (Aguiar-Curry) Chapter 155, Statutes of 2024 - Government Investment Act.

The Proposition 218 Omnibus Implementation Act defines various terms and prescribes procedures and parameters for local jurisdictions to comply with specified provisions of the California Constitution. This bill, for purposes of ACA 1, would define "affordable housing" to include rental housing, ownership housing, interim housing, and affordable housing programs such as downpayment assistance, first-time homebuyer programs, and owner-occupied affordable housing rehabilitation programs, that are affordable to households earning up to 150% of countywide median income. The bill would require a local government to ensure that any project that is funded with ACA 1 bonded indebtedness to have an estimated useful life of at least 15 years or 5 years if the funds are for specified public safety facilities, infrastructure, and equipment. The bill would define "public infrastructure" to exclude the construction, reconstruction, rehabilitation, or replacement of a sports stadium or arena where the majority of the use of the facility is for private ticketed activities. The bill would prohibit ACA 1 bonded indebtedness from being used for the acquisition or lease of any real property that has, at the time of acquisition or lease, been improved with one to 4 dwelling units, except as specified.

Transportation/Cal Trans

[AB 2086](#) (Schiavo) Chapter 629, Statutes of 2024. - Transportation funding: California Transportation Plan: public dashboard.

Current law requires the Department of Transportation to prepare the California Transportation Plan for submission to the Governor and the Legislature as a long-range planning document that incorporates various elements and is consistent with specified expressions of legislative intent. Current law requires the department to complete the 3rd update to the plan by December 31, 2025, and to update the plan every 5 years thereafter. This bill would require the California Transportation Plan to also include a financial element that summarizes the full cost of plan implementation through the first 10 years of the planning period and includes a summary of available revenues through the planning period and an analysis of what is feasible within the plan if constrained by a realistic projection of available revenues, as specified.

AB 2261 (Garcia) Chapter 102, Statutes of 2024 - Transportation: federal funding: tribes.

Existing law provides for the use and allocation of various federal transportation funding sources, including, but not limited to, the Federal-Aid Secondary Highways Act, the Federal-Aid Combined Road Plan Act, and the Federal Aid for Safer Off-System Roads Act. This bill would, to the extent permitted by federal and state law, require a federally recognized Native American tribe to be eligible for federal funding for a transportation project and authorize the tribe to be the lead agency for a transportation project that receives federal funding.

AB 2367 (Lee) Chapter 152, Statutes of 2024 - Highways: supplemental destination signs: state special schools.

Current law requires the Department of Transportation to place and maintain, or cause to be placed and maintained, directional signs on freeways indicating the location of the freeway off ramp which may be used to reach a public or private postsecondary education institution having an enrollment of either 1,000 or more full-time students or the equivalent in part-time students, at the request of the institution. Current law establishes the California School for the Deaf, Northern California, and the California School for the Deaf, Southern California, known collectively as the California School for the Deaf, and the California School for the Blind, as the state special schools, under the administration of the State Department of Education. This bill would require the department, in the next revision of the California Manual on Uniform Traffic Control Devices, to allow supplemental destination signs for a state special school that is located within 5 miles of the highway, regardless of whether the state special school is located in a major metropolitan area, urbanized area, or rural area.

AB 2812 (Kalra) Chapter 17, Statutes of 2024 - Santa Clara Valley Transportation Authority.

The Local Agency Public Construction Act requires contracts of the Santa Clara Valley Transportation Authority for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides the best value, as defined, if the amount of the contract exceeds \$150,000 and requires the authority to obtain a minimum of 3 quotations for those contracts between \$3,500 and \$150,000. This bill would increase the first threshold for bidding to apply for contracts that exceed \$200,000 and would require the authority to obtain the minimum of 3 quotations for contracts between \$5,000 and \$200,000.

[AB 2817](#) (Dixon) Chapter 416, Statutes of 2024 - State highways: Route 1: relinquishment.

Would authorize the California Transportation Commission to relinquish to the City of Laguna Beach a specified portion of Route 1 if the Department of Transportation and the city enter into an agreement providing for that relinquishment, as specified.

[AB 3278](#) (Committee on Transportation) Chapter 226, Statutes of 2024 - Transportation: omnibus bill.

Current law establishes the Transportation Agency of Monterey County to provide regional transportation planning and development for the area of the County of Monterey. Existing law authorizes the agency to be known by any other name it chooses. This bill would change each reference to the “Transportation Agency of Monterey County” in code to the “Transportation Agency for Monterey County.”

[SB 936](#) (Seyarto) **Vetoed by the Governor. In Senate. Consideration of Governor's veto pending. - Department of Transportation: study: state highway system: road safety projects.**

Would require the Department of Transportation to conduct a study to identify certain locations in the state highway system with regard to vehicle collisions, projects that could improve road safety at each of those locations, and common factors, if any, contributing to the delay in the delivery of those projects. The bill would require the department to post the study on its internet website on or before January 1, 2026.

Governor's Message: To the Members of the California State Senate: I am returning Senate Bill 936 without my signature. This bill would require the California Department of Transportation (Caltrans) to complete a study identifying the 15 locations on the state highway system with the highest rates of vehicle collisions and to propose projects to improve road safety at each of these locations by January 1, 2026. Caltrans is already implementing various initiatives to prioritize road safety improvements, including its Safe System Approach. This innovative approach aims to reduce fatal and serious injuries for all road users by taking a comprehensive view of safety, focusing on multiple layers of protection, from building safer roads to post-crash care. While I support efforts to expedite traffic safety enhancements, this bill conflicts with Caltrans' data-driven approach to identifying and developing a holistic traffic safety framework for its projects. Prioritizing locations based solely on overall collision rates, without considering crash severity and other associated collision factors, may fail to address the areas of greatest safety concern. Existing safety planning efforts that proactively identify and implement safety projects, such as the California Strategic Highway Safety Plan, can already effectively achieve the goals that this bill seeks to accomplish. I encourage the Legislature to partner with Caltrans to advance the implementation of these efforts. For these reasons, I am unable to sign this bill. Sincerely, Gavin Newsom

[SB 960](#) (Wiener) Chapter 630, Statutes of 2024. - Transportation: planning: complete streets facilities: transit priority facilities.

Current law requires the Department of Transportation to improve and maintain the state's highways, and establishes various programs to fund the development, construction, and repair of local roads, bridges, and other critical transportation infrastructure in the state, including the state highway operation and protection program (SHOPP). Current law requires the department, in consultation with the California Transportation Commission, to prepare a robust asset

management plan to guide selection of projects for the SHOPP. Current law requires the commission, in connection with the plan, to adopt targets and performance measures reflecting state transportation goals and objectives. Existing law requires the department to develop, in consultation with the commission, a plain language performance report to increase transparency and accountability of the SHOPP. This bill would require the targets and performance measures adopted by the commission to include targets and performance measures reflecting state transportation goals and objectives for complete streets assets that reflect the existence and conditions of bicycle, pedestrian, and transit priority facilities on the state highway system. The bill would require the department's plain language performance report to include a description of complete streets facilities, including pedestrian, bicycle, and transit priority facilities on each project, as specified.

SB 1068 (Eggman) Chapter 181, Statutes of 2024 - Tri-Valley-San Joaquin Valley Regional Rail Authority: contracting: Construction Manager/General Contractor project delivery method.

Current law establishes the Tri-Valley-San Joaquin Valley Regional Rail Authority for purposes of planning, developing, delivering, and operating cost-effective and responsive transit connectivity, between the Bay Area Rapid Transit District's rapid transit system and the Altamont Corridor Express commuter rail service. Current law gives the authority all of the powers necessary for planning, acquiring, leasing, developing, jointly developing, owning, controlling, using, jointly using, disposing of, designing, procuring, and constructing facilities to achieve transit connectivity, including, among other powers, the power to contract with public and private entities for the planning, design, and construction of the connection. Current law authorizes these contracts to be assigned separately or combined to include any or all tasks necessary to achieve transit connectivity. This bill would authorize the Tri-Valley-San Joaquin Valley Regional Rail Authority to use the Construction Manager/General Contractor project delivery method when contracting for the planning, design, and construction of the connection. The bill would additionally authorize the contracts of the authority to extend to work on the state highway system for the construction of passenger rail service through the Altamont Pass Corridor.

SCR 13 (Roth) Chapter 205, Statutes of 2024 - Joseph Tavaglione Memorial Interchange.

Would designate the State Route 60, 215/91, 215 Separation (Bridge Number 56-0402) where State Highway Routes 60 and 91 meet Interstate 215 in the County of Riverside as the Joseph Tavaglione Memorial Interchange. The measure would request the Department of Transportation to determine the cost of appropriate signs showing this special designation and, upon receiving donations from nonstate sources covering that cost, to erect those signs.

UNEMPLOYMENT

SB 1090 (Durazo) Chapter 876, Statutes of 2024. - Unemployment insurance: disability and paid family leave: claim administration.

Current unemployment compensation disability law requires workers to pay contribution rates based on, among other things, wages received in employment and benefit disbursement, for payment into the Unemployment Compensation Disability Fund, for purposes of compensating in part for the wage loss sustained by any individual who is unable to work due to the

employee's own sickness or injury, among other reasons. Current law sets forth standards for eligibility to receive unemployment compensation disability benefits. This bill would instead require, for purposes of unemployment compensation disability benefits, the issuance of the initial payment for those benefits within 14 days of receipt of the claimant's properly completed first disability claim or as soon as eligibility begins, whichever is later. The bill would apply the same initial payment issuance schedule applicable to unemployment compensation disability benefits to the paid family leave program and repeal the requirement that eligible workers receive benefits generally in accordance with unemployment and disability compensation law. The bill would make these changes operative when these changes are incorporated in the Employment Development Department's integrated claims management system as part of the EDDNext project.

Vehicles

AB 2286 (Aguiar-Curry) **Vetoed by Governor. - Vehicles: autonomous vehicles.**

Current law authorizes the operation of an autonomous vehicle on public roads for testing purposes by a driver who possesses the proper class of license for the type of vehicle operated if specified requirements are satisfied. Current law prohibits the operation of an autonomous vehicle on public roads until the manufacturer submits an application to the Department of Motor Vehicles, as specified, and that application is approved. This bill would require a manufacturer of an autonomous vehicle to report to the department a collision on a public road that involved one of its autonomous vehicles with a gross vehicle weight of 10,001 pounds or more that is operating under a testing or deployment permit that resulted in damage of property, bodily injury, or death within 10 days of the collision.

Governor's Message: To the Members of the California State Assembly: I am returning Assembly Bill 2286 without my signature. This bill would prohibit the operation of autonomous vehicles weighing 10,000 pounds or more on public roads for testing, transporting goods, or carrying passengers without a human safety operator physically present in the vehicle. In my veto of a nearly identical bill last year, I expressed that my Administration remains committed to working with the author, sponsors, and stakeholders in furthering our efforts to meet the needs of traffic safety, worker protections, and jobs as this evolving technology progresses in California. As we continue to move forward, it is important to note that 35 jurisdictions -- including Arizona, Nevada, Texas, Washington, and the District of Columbia - have already authorized the testing of heavy-duty autonomous vehicles. California remains the only state to actively prohibit these vehicles. To this end, the Department of Motor Vehicles (DMV), which has regulated autonomous vehicles over the last decade pursuant to authority granted to it by the Legislature, has issued three sets of regulations that create a framework allowing innovation, while also protecting public safety. A new set of draft regulations, currently open for public input until October 14, 2024, offers the nation's most comprehensive standards for heavy-duty autonomous vehicles. These draft regulations propose strict guidelines for heavy-duty AV operations, including limiting operations to roads with speed limits of 50 miles per hour or higher and excluding certain uses, such as transporting passengers or hazardous materials. They also require a phased permitting process to ensure a gradual transition to driverless operations, along with specific testing periods, mileage requirements, and clear definitions of where and how these

vehicles can operate. Finally, these regulations also require more robust reporting from companies testing or deploying AVs, and give DMV additional enforcement tools to place restrictions on permits to protect public safety. Recognizing that our workforce is the foundation of our economic success, California leads the nation with some of the strongest worker protection laws. Our state also is renowned globally as a leader in technological innovation. We reject that one aim must yield to the other, and our success disproves this false binary. But advancing both priorities requires creativity, collaboration, and a willingness to work together to identify pragmatic solutions. Toward that end, my office offered multiple rounds of suggested amendments, which were unfortunately not accepted. While I cannot sign this legislation in its current form, my Administration stands ready to work with the legislature and stakeholders toward progress on this issue. Sincerely, Gavin Newsom

SB 961 (Wiener) **Vetoed by the Governor. In Senate. Consideration of Governor's veto pending. - Vehicles: safety equipment.**

Would require, commencing with the 2030 model year, every passenger vehicle, motortruck, and bus manufactured, sold as new, or leased as new in the state to be equipped with a passive intelligent speed assistance system, as specified, that would utilize a brief, one-time, visual and audio signal to alert the driver each time the speed of the vehicle is more than 10 miles per hour over the speed limit. The bill would exempt emergency vehicles, certain motortrucks, motorcycles, motorized bicycles, mopeds, and certain passenger vehicles from this requirement. The bill would require the system to be capable of being fully disabled, by the manufacturer or a franchisee, for emergency vehicles. The bill would require the system, if the system receives conflicting speed limits for the same area, to apply the higher speed limit.

Governor's Message: To the Members of the California State Senate: I am returning Senate Bill 961 without my signature. This bill would require, beginning with the 2030 model year, that every new passenger vehicle, motor truck, and bus sold or leased in California be equipped with a passive intelligent speed assistance system to alert drivers when they exceed the speed limit by more than 10 miles per hour. While I appreciate the intent to improve traffic safety, this bill presents several challenges. Federal law, as implemented by the National Highway Traffic Safety Administration (NHTSA), already regulates vehicle safety standards, and adding California-specific requirements would create a patchwork of regulations that undermines this longstanding federal framework. NHTSA is also actively evaluating intelligent speed assistance systems, and imposing state-level mandates at this time risks disrupting these ongoing federal assessments. For these reasons, I cannot sign this bill. Sincerely, Gavin Newsom

Workers Compensation

AB 1870 (Ortega) Chapter 87, Statutes of 2024 - Notice to employees: legal services.

Employers who are subject to the workers' compensation system are generally required to keep posted in a conspicuous location frequented by employees and easily read by employees during the hours of the workday a notice that includes, among other information, to whom injuries should be reported, the rights of an employee to select and change a treating physician, and certain employee protections against discrimination. Current law requires the Administrative Director of the Division of Workers' Compensation to make the form and content of this notice

available to self-insured employers and insurers. This bill would require the notice to include information concerning an injured employee's ability to consult a licensed attorney to advise them of their rights under workers' compensations laws, as specified. The bill would also make technical, non-substantive changes to these provisions.

SB 1455 (Ashby) Chapter 485, Statutes of 2024 - Contractors: licensing.

Extends the sunset date for the Contractors State Licensing Board to January 1st, 2029, and delay until January 1st, 2028, the mandate that all contractors other than verified solo practitioners carry workers' comp coverage. The bill requires the CSLB to develop a process to verify whether or not a contractor is operating without employees by January 1st, 2027.

What Does 2025 Have in Store?

The Legislature is having a major exodus as a slew of veteran lawmakers either term out or seek other offices. A total of 23 assemblymembers and 11 senators are packing their boxes as the [historically large 2012 class](#) hits its 12-year limit. That means there's a total of 35 outgoing members, including former Assemblymember **Vince Fong**, who [left earlier this year](#) to take over former House Speaker **Kevin McCarthy**'s seat.

Combined with the assemblymembers who left in 2021-2022, the majority of the lower house has now turned over during the past few years.

The total number of outgoing lawmakers is in line with recent years, said **Alex Vassar**, a spokesperson for the California State Library.

The 2021-2022 session saw 39 lawmaker departures, he said. There were 19 lawmakers who left at the close of the 2019-2020 session, 20 during the 2017-2018 session and 29 during the 2015-2016 session.

However, some particularly long-serving members are leaving this session, including former appropriations and budget committee chairs, as well as the previous Assembly Speaker **Anthony Rendon** and Senate President Pro Tem **Toni Atkins**.

"It's a significant, significant group leaving," Vassar said.

Rendon was the second-longest-serving speaker in Assembly history, and Atkins was the first woman to lead both legislative houses.

While it is a ‘slam-dunk’ certainty that the Democrats will, at least, retain their super-majority status in both houses of the Legislature for the 2025- 2026 two-year legislative session, the question remains whether the Progressive movement with the new elected members continues to move left on the political spectrum? Hold onto your hat and stay tuned as I keep you ‘at the table’ instead of on the menu in 2025!

ADDITIONAL SERVICES PROVIDED

I want to remind you of your having direct access through me into “the government” to resolve **any and all** problems; or, to address **any** need that may arise. Regardless of the problem or issue, **call me!** Even if I don’t have the immediate answer or solution, my almost 52years in Sacramento (I was a child prodigy!) means that I most likely know someone who can assist us with your problem or issue! I can be reached at (916) 784-7055, or by email phil@pvgov.com

Thank you for allowing me to serve as your legislative advocate. 2025 will be my 27th year of representing your interests before state government. It is truly an honor and a privilege!