

AMENDED IN SENATE AUGUST 9, 2006

AMENDED IN ASSEMBLY MAY 15, 2006

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2999**

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**Introduced by Assembly ~~Member Leno~~ Members Leno, Coto, and  
Nunez**  
(Principal coauthor: Senator Perata)

February 24, 2006

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An act relating to lands granted in trust to the City and County of  
~~San Francisco~~; to amend Section 1771.7 of the Labor Code, relating to  
public works.

LEGISLATIVE COUNSEL'S DIGEST

AB 2999, as amended, Leno. ~~Port of San Francisco~~-Public Works:  
labor compliance programs.

Existing law requires an awarding body, as defined, that chooses to  
use funds from either the Kindergarten-University Public Education  
Facilities Bond Act of 2002 or the Kindergarten-University Public  
Education Facilities Bond Act of 2004 for a public works project to  
initiate and enforce, or contract with a 3rd party to initiate and  
enforce, a labor compliance program, as defined, for that public  
works project. [PU 20050AB\_\_041497AMD ]

This bill would add the Kindergarten-University Public Education  
Facilities Bond Act of 2006 as a source of funds for a public works  
project, that would require an awarding body, if it chooses to use  
those funds, to initiate and enforce, or contract with a 3rd party to  
initiate and enforce, a labor compliance program.

*This bill would not become operative unless the Kindergarten-University Public Education Facilities Bond Act of 2006 is approved by the voters.*

~~Under existing law, the Burton Act, the state granted certain lands to San Francisco in trust for purposes of commerce, navigation, and fisheries, and subject to specified terms and conditions relating to the operation of the Port of San Francisco. Existing law, the McAteer-Petris Act, establishes the San Francisco Bay Conservation and Development Commission and requires the commission to regulate fill and development within a specified area in San Francisco Bay.~~

~~This bill would require the State Lands Commission to issue an advice letter concerning the compliance of a proposed development within the jurisdiction of the Port of San Francisco with the public trust doctrine and the port's legislative grant of authority if the San Francisco Bay Conservation and Development Commission or the Port of San Francisco requests the State Lands Commission to issue the letter.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 1771.7 of the Labor Code is amended to
- 2     read:
- 3     1771.7. (a) (1) An awarding body that chooses to use funds
- 4     derived from either the Kindergarten-University Public
- 5     Education Facilities Bond Act of 2002—~~or~~, the
- 6     Kindergarten-University Public Education Facilities Bond Act of
- 7     2004, *or the Kindergarten-University Public Education Facilities*
- 8     *Bond Act of 2006* for a public works project, shall initiate and
- 9     enforce, or contract with a third party to initiate and enforce, a
- 10    labor compliance program, as described in subdivision (b) of
- 11    Section 1771.5, with respect to that public works project.
- 12    (2) If an awarding body described in paragraph (1) chooses to
- 13    contract with a third party to initiate and enforce a labor
- 14    compliance program for a project described in paragraph (1), that
- 15    third party shall not review the payroll records of its own
- 16    employees or the employees of its subcontractors, and the

1 awarding body or an independent third party shall review these  
2 payroll records for purposes of the labor compliance program.

3 (b) This section applies to public works that commence on or  
4 after April 1, 2003. For purposes of this subdivision, work  
5 performed during the design and preconstruction phases of  
6 construction, including, but not limited to, inspection and land  
7 surveying work, does not constitute the commencement of a  
8 public work.

9 (c) (1) For purposes of this section, if any campus of the  
10 California State University chooses to use the funds described in  
11 subdivision (a), then the “awarding body” is the Chancellor of  
12 the California State University. For purposes of this subdivision,  
13 if the chancellor is required by subdivision (a) to initiate and  
14 enforce, or to contract with a third party to initiate and enforce,  
15 the labor compliance program described in that subdivision, then  
16 in addition to the requirements imposed upon an awarding body  
17 by subdivision (b) of Section 1771.5, the Chancellor of the  
18 California State University shall review the payroll records  
19 described in paragraphs (3) and (4) of subdivision (b) of Section  
20 1771.5 on at least a monthly basis to ensure the awarding body’s  
21 compliance with the labor compliance program.

22 (2) For purposes of this subdivision, if an awarding body  
23 described in subdivision (a) is the University of California or any  
24 campus of that university, and that awarding body is required by  
25 subdivision (a) to initiate and enforce, or to contract with a third  
26 party to initiate and enforce, the labor compliance program  
27 described in that subdivision, then in addition to the requirements  
28 imposed upon an awarding body by subdivision (b) of Section  
29 1771.5, the payroll records described in paragraphs (3) and (4) of  
30 subdivision (b) of Section 1771.5 shall be reviewed on at least a  
31 monthly basis to ensure the awarding body’s compliance with the  
32 labor compliance program.

33 (d) (1) An awarding body described in subdivision (a) shall  
34 make a written finding that the awarding body has initiated and  
35 enforced, or has contracted with a third party to initiate and  
36 enforce, the labor compliance program described in subdivision  
37 (a).

38 (2) (A) If an awarding body described in subdivision (a) is a  
39 school district, the governing body of that district shall transmit

1 to the State Allocation Board, in the manner determined by that  
2 board, a copy of the finding described in paragraph (1).

3 (B) The State Allocation Board may not release the funds  
4 described in subdivision (a) to an awarding body that is a school  
5 district until the State Allocation Board has received the written  
6 finding described in paragraph (1).

7 (C) If the State Allocation Board conducts a postaward audit  
8 procedure with respect to an award of the funds described in  
9 subdivision (a) to an awarding body that is a school district, the  
10 State Allocation Board shall verify, in the manner determined by  
11 that board, that the school district has complied with the  
12 requirements of this subdivision.

13 (3) If an awarding body described in subdivision (a) is a  
14 community college district, the Chancellor of the California State  
15 University, or the office of the President of the University of  
16 California or any campus of the University of California, that  
17 awarding body shall transmit, in the manner determined by the  
18 Director of the Department of Industrial Relations, a copy of the  
19 finding described in paragraph (1) to the director of that  
20 department, or the director of any successor agency that is  
21 responsible for the oversight of employee wage and employee  
22 work hours laws.

23 (e) Notwithstanding Section 17070.63 of the Education Code,  
24 for purposes of this act, the State Allocation Board shall increase  
25 the grant amounts as described in Chapter 12.5 (commencing  
26 with Section 17070.10) of Part 10 of Division 1 of Title 1 of the  
27 Education Code to accommodate the state’s share of the  
28 increased costs of a new construction or modernization project  
29 due to the initiation and enforcement of the labor compliance  
30 program.

31 *SEC. 2. This act shall not become operative unless the*  
32 *Kindergarten-University Public Education Facilities Bond Act of*  
33 *2006 is approved by the voters at the November 2006, statewide*  
34 *general election.*

35 ~~SECTION 1. If the San Francisco Bay Conservation and~~  
36 ~~Development Commission so requests pursuant to the San~~  
37 ~~Francisco Special Area Plan, or if the Port of San Francisco so~~  
38 ~~requests, the State Lands Commission, or its staff, shall issue an~~  
39 ~~advice letter concerning the compliance of a proposed~~

- 1 ~~development within the jurisdiction of the port with the public~~
- 2 ~~trust doctrine and the port's legislative grant of authority.~~

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