

ASSEMBLY BILL

No. 1804

Introduced by Assembly Member Valadao

February 21, 2012

An act to repeal Chapter 2.8 (commencing with Section 2500) of Part 1 of Division 2 of the Public Contract Code, relating to public contracts, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1804, as introduced, Valadao. Public contracts: public entities: project labor agreements.

Existing law sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities and authorizes a public entity to use, enter into, or require contractors to enter into, a project labor agreement for a construction project, if the agreement includes specified taxpayer protection provisions. Existing law also provides that if a charter provision, initiative, or ordinance of a charter city prohibits the governing board's consideration of a project labor agreement for a project to be awarded by the city, or prohibits the governing board from considering whether to allocate funds to a city-funded project covered by such an agreement, then state funding or financial assistance may not be used to support that project, as specified.

This bill would repeal the above-described provisions relating to charter cities and the use of project labor agreements.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Chapter 2.8 (commencing with Section lookup)
2 of Part 1 of Division 2 of the Public Contract Code, as asked by
3 Chapter 431 of the Statutes of 2011, is repealed.

4
5
6

~~CHAPTER 2.8. PROJECT LABOR AGREEMENTS~~

7 ~~2500. (a) A public entity may use, enter into, or require~~
8 ~~contractors to enter into, a project labor agreement for a~~
9 ~~construction project only if the agreement includes all of the~~
10 ~~following taxpayer protection provisions:~~

11 ~~(1) The agreement prohibits discrimination based on race,~~
12 ~~national origin, religion, sex, sexual orientation, political affiliation,~~
13 ~~or membership in a labor organization in hiring and dispatching~~
14 ~~workers for the project.~~

15 ~~(2) The agreement permits all qualified contractors and~~
16 ~~subcontractors to bid for and be awarded work on the project~~
17 ~~without regard to whether they are otherwise parties to collective~~
18 ~~bargaining agreements.~~

19 ~~(3) The agreement contains an agreed-upon protocol concerning~~
20 ~~drug testing for workers who will be employed on the project.~~

21 ~~(4) The agreement contains guarantees against work stoppages,~~
22 ~~strikes, lockouts, and similar disruptions of the project.~~

23 ~~(5) The agreement provides that disputes arising from the~~
24 ~~agreement shall be resolved by a neutral arbitrator.~~

25 ~~(b) For purposes of this chapter, both of the following definitions~~
26 ~~apply:~~

27 ~~(1) "Project labor agreement" means a prehire collective~~
28 ~~bargaining agreement that establishes terms and conditions of~~
29 ~~employment for a specific construction project or projects and is~~
30 ~~an agreement described in Section 158(f) of Title 29 of the United~~
31 ~~States Code.~~

32 ~~(2) "Public entity" means a public entity as defined in Section~~
33 ~~1100.~~

34 ~~2501. The members of the governing board of a local public~~
35 ~~entity may choose by majority vote whether to use, enter into, or~~
36 ~~require contractors to enter into a project labor agreement that~~
37 ~~includes all the taxpayer protection provisions of Section 2500 for~~
38 ~~a specific project or projects awarded by that entity and whether~~

1 to allocate funding to a specific project covered by such an
2 agreement. A charter provision, initiative, or ordinance shall not
3 prevent the governing board of a local public entity, other than a
4 charter city, from exercising this authority on a project-specific
5 basis.

6 ~~2502. If a charter provision, initiative, or ordinance of a charter
7 city prohibits the governing board's consideration of a project
8 labor agreement that includes all the taxpayer protection provisions
9 of Section 2500 for a project to be awarded by the city, or prohibits
10 the governing board from considering whether to allocate funds
11 to a city-funded project covered by such an agreement, then state
12 funding or financial assistance shall not be used to support that
13 project. This section shall not be applicable until January 1, 2015,
14 for charter cities in which a charter provision, initiative, or
15 ordinance in effect prior to November 1, 2011, would disqualify
16 a project from receiving state funding or financial assistance.~~

17 SEC. 2. This act is an urgency statute necessary for the
18 immediate preservation of the public peace, health, or safety within
19 the meaning of Article IV of the Constitution and shall go into
20 immediate effect. The facts constituting the necessity are:

21 Taxpayers, private employers, and local governments have been
22 hit with many new costs and burdens in recent years due to the
23 state budget deficit and these burdens have threatened the long-term
24 viability of businesses and local governments and their ability to
25 generate revenue. In order to protect our taxpayers by ensuring
26 fairness and transparency in funding public projects, instead of
27 favoring project labor agreements that may further threaten
28 financial stability, it is necessary that this act take effect
29 immediately.