

Assembly Bill No. 2022

CHAPTER 780

An act to amend Sections 4532 and 4534 of, and to repeal Section 4534.1 of, the Government Code, relating to public contracts.

[Approved by Governor September 29, 2014. Filed with Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2022, Medina. Public contracts: Target Area Contract Preference Act.

The Target Area Contract Preference Act establishes a preference for contracts for goods or services that are in excess of \$100,000 for contractors that certify that a specified percentage of the hours worked on a contract will be performed on a worksite in a distressed area, as defined.

This bill would redefine a distressed area to be a census tract that is determined by the Department of Finance under a specified statute to be in the top quartile of census tracts for having the highest unemployment and poverty.

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

SECTION 1. Section 4532 of the Government Code is amended to read: 4532. As used in this chapter:

(a) "California-based company" means either of the following:

(1) A business or corporation whose principal office is located in California, and the owners, or officers if the entity is a corporation, are domiciled in California.

(2) A business or corporation that has a major office or manufacturing facility located in California and that has been licensed by the state on a continuous basis to conduct business within the state and has continuously employed California residents for work within the state during the three years prior to submitting a bid or proposal for a state contract.

(b) "Distressed area" means a census tract determined by the Department of Finance, pursuant to Section 13073.5, to be in the top quartile of census tracts for having the highest unemployment and poverty in the state.

(c) "Person with a high risk of unemployment" means a person who:

(1) As a member of one of the eligible groups defined in Section 321 of Public Law 95-600, qualifies an employer who hires him or her for the Targeted Jobs Tax Credit. These groups are: economically disadvantaged youth, economically disadvantaged Vietnam-era veterans, economically disadvantaged ex-convicts, vocational rehabilitation referrals, youth

participating in a qualified cooperative education program, recipients of supplemental security income benefits under Title XVI of the Social Security Act, and general assistance recipients.

(2) Would have qualified an employer hiring him or her for the Work Incentive/Welfare Tax Credit authorized by Section 322 of Public Law 95-600. These persons include applicants and recipients of aid to families with dependent children who would have registered for the Work Incentive Program, and aid to families with dependent children recipients who have been receiving welfare for at least 90 days.

(d) "Poverty" means the poverty level, as defined by the United States Department of Commerce, Bureau of the Census in the Federal Register, Volume 43, Number 87, for Thursday, May 4, 1978, at pages 19260–19269, and as periodically updated.

(e) "Worksite" means either of the following:

(1) A business located within a distressed area.

(2) A business located in directly adjoining census tract blocks that when attached to the distressed area forms a contiguous boundary. A company that intends to perform the work at a worksite described in this paragraph shall submit a map with the bid or proposal identifying where the worksite is located.

SEC. 2. Section 4534 of the Government Code is amended to read:

4534. (a) In evaluating proposals for contracts for services in excess of one hundred thousand dollars (\$100,000), except a contract in which the worksite is fixed by the provisions of the contract, the state shall award a 5-percent preference on the price submitted by California-based companies that demonstrate and certify under penalty of perjury that not less than 90 percent of the total labor hours required to perform the contract shall be accomplished at an identified worksite or worksites.

(b) Where a bidder complies with the provisions of subdivision (a), the state shall award the additional preferences as set forth in Section 4533.1 as appropriate.

SEC. 3. Section 4534.1 of the Government Code is repealed.