

AMENDED IN ASSEMBLY JUNE 23, 2016
AMENDED IN ASSEMBLY JUNE 8, 2016
AMENDED IN ASSEMBLY JULY 8, 2015
AMENDED IN ASSEMBLY JULY 1, 2015
AMENDED IN SENATE APRIL 21, 2015

SENATE BILL

No. 465

Introduced by Senators Hill and Hancock

February 25, 2015

An act to add Sections 7021 and 7071.18 to the Business and Professions Code, and to add Section 18924.5 to the Health and Safety Code, relating to building construction.

LEGISLATIVE COUNSEL'S DIGEST

SB 465, as amended, Hill. Building construction: contractors: discipline: reporting: building standards.

(1) Existing law, the Contractors' State License Law, provides for the licensure, regulation, and discipline of contractors by the Contractors' State License Board. Existing law requires the board, with the approval of the Director of Consumer Affairs, to appoint a registrar of contractors to serve as the executive officer and secretary of the board. Under existing law, protection of the public is required to be the highest priority for the Contractors' State License Board in exercising its licensing, regulatory, and disciplinary functions.

Under existing law, the Division of Occupational Safety and Health has the power, jurisdiction, and supervision over every employment and place of employment in this state, which is necessary to adequately enforce and administer all laws and lawful standards and orders, or

special orders requiring such employment and place of employment to be safe, and requiring the protection of the life, safety, and health of every employee in such employment or place of employment.

This bill, by January 1, 2018, would require the board to enter into an interagency agreement with the Division of Occupational Safety and Health to ensure that specified disciplinary information relating to a licensed contractor is timely reported to the board. The bill, by January 1, 2018, would also require the board to enter into an interagency agreement with any other state or local agency the board deems to be in possession of information relevant to its priority to protect the public. By requiring a local agency to enter into an interagency agreement with the board, the bill would impose a state-mandated local program.

This bill would require a licensee to report to the registrar within 90 days of the date that the licensee has knowledge of the conviction of the licensee for any felony or any other crime substantially related to the qualifications, functions, and duties of a licensed contractor.

By January 1, 2018, this bill would require the board to report to the Legislature the results of a study to determine if the boards' ability to protect the public would be enhanced by regulations requiring licensees to report judgments, arbitration awards against them, or settlement payments of claims for construction defects they have made in excess of a certain amount to be determined by the board, as provided. The bill would require the board to consult with licensees, insurers, consumers, and other interested parties during the development of the study. *The bill would prohibit the disclosure of confidential information received by the board in preparing this required study.*

(2) Under existing law, there exists the California Building Standards Commission. Existing law requires the California Building Standards Commission to, among other things, review the standards of adopting state agencies and approve, return for amendment with recommended changes, or reject building standards submitted to the commission for its approval, as provided.

This bill would require the California Building Standards Commission to convene a specified working group to investigate existing building standards associated with the construction, inspection, and maintenance of exterior elevated elements. By January 1, 2018, the bill would require the working group to report to the California Building Standards Commission any findings and possible recommendations for statutory changes or changes to the California Building Standards Code. By January 1, 2018, the bill would also require the working group to provide

that report to a specified legislative committee. However, if, at any time, it is determined by the working group that one or more changes to the California Building Standards Code are needed as soon as possible in order to protect the public, the bill would require the working group to submit the proposed changes to the California Building Standards Commission for consideration as soon as possible.

(3) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

~~(3)~~

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1 SECTION 1. Section 7021 is added to the Business and
2 Professions Code, to read:

3 7021. (a) By January 1, 2018, the board shall enter into an
4 interagency agreement with the Division of Occupational Safety
5 and Health to ensure that any citation, fine, or any other actions
6 taken by the division against a licensed contractor, along with any
7 other information the division may possess regarding a licensed
8 contractor, is timely reported to the board.

9 (b) By January 1, 2018, the board shall enter into an interagency
10 agreement with any other state or local agency the board deems
11 to be in possession of any information relevant to its priority to
12 protect the public described in Section 7000.6.

13 SEC. 2. Section 7071.18 is added to the Business and
14 Professions Code, to read:

1 7071.18. (a) Notwithstanding any other law, a licensee shall
2 report to the registrar in writing the occurrence of any of the
3 following within 90 days after the licensee obtains knowledge of
4 the event:

5 (1) The conviction of the licensee for any felony.

6 (2) The conviction of the licensee for any other crime that is
7 substantially related to the qualifications, functions, and duties of
8 a licensed contractor.

9 (b) (1) By January 1, 2018, the board shall report to the
10 Legislature the results of a study to determine if the boards' ability
11 to protect the public as described in Section 7000.6 would be
12 enhanced by regulations requiring licensees to report judgments,
13 arbitration awards against them, or settlement payments of claims
14 for construction defects they have made in excess of a certain
15 amount to be determined by the board. The board shall consult
16 with licensees, insurers, consumers, and other interested parties
17 during the development of the study. The study shall include, but
18 not be limited to, criteria used by insurers or others to differentiate
19 between settlements that are for nuisance value and those that are
20 not, the practice of other boards within the department, and any
21 other criteria considered reasonable by the board. The board shall
22 submit the report to the Legislature in accordance with Section
23 9795 of the Government Code.

24 (2) *Confidential information, including, but not limited to,*
25 *arbitration awards, received by the board for the purposes of*
26 *completing the study or making the report required by paragraph*
27 *(1) is confidential and shall not be disclosed pursuant to any state*
28 *law, including, but not limited to, the California Public Records*
29 *Act (Chapter 3.5 (commencing with Section 6250) of Division 7*
30 *of Title 1 of the Government Code).*

31 SEC. 3. Section 18924.5 is added to the Health and Safety
32 Code, to read:

33 18924.5. (a) The California Building Standards Commission
34 shall convene a working group to investigate existing building
35 standards associated with the construction, inspection, and
36 maintenance of exterior elevated elements.

37 (b) The working group shall include, but not be limited to,
38 representatives from the Department of Housing and Community
39 Development, the Division of the State Architect- Structural Safety,
40 the Office of the State Fire Marshal, local building officials and

1 plan checkers, structural engineers, apartment owners and
2 managers, building industry, wood, steel and concrete industries,
3 and any other interested parties.

4 (c) The working group shall review related documents and
5 reports, including, but not limited to, forensic reports related to
6 exterior elevated element failures in California, reports and studies
7 used in the development of national and state building codes, and
8 any other material deemed relevant to determine if any changes
9 need to be made to the construction specifications or inspection
10 requirements, excluding routine inspections that occur after project
11 completion, contained within the California Building Standards
12 Code.

13 (d) (1) By January 1, 2018, the working group shall report to
14 the California Building Standards Commission any findings and
15 possible recommendations for statutory changes or changes to the
16 California Building Standards Code. By January 1, 2018, the
17 working group shall also provide that report to the Senate
18 Committee on Business, Professions and Economic Development.

19 (2) Notwithstanding paragraph (1), if, at any time, it is
20 determined by the working group that one or more changes to the
21 California Building Standards Code are needed as soon as possible
22 in order to protect the public, the working group shall submit the
23 proposed changes to the California Building Standards Commission
24 for consideration as soon as possible.

25 *SEC. 4. The Legislature finds and declares that Section 2 of*
26 *this act, which adds Section 7071.18 to the Business and*
27 *Professions Code, imposes a limitation on the public's right of*
28 *access to the meetings of public bodies or the writings of public*
29 *officials and agencies within the meaning of Section 3 of Article*
30 *I of the California Constitution. Pursuant to that constitutional*
31 *provision, the Legislature makes the following findings to*
32 *demonstrate the interest protected by this limitation and the need*
33 *for protecting that interest:*

34 *In order to allow the Contractors' State License Board to fully*
35 *accomplish its responsibilities in preparing the study described*
36 *in Section 7071.18 of the Business and Professions Code, it is*
37 *imperative to protect the interests of those persons submitting*
38 *confidential information to the board to ensure that any personal*
39 *or sensitive business information required to be submitted by those*
40 *persons is protected as confidential information.*

1 ~~SEC. 4.~~

2 *SEC. 5.* If the Commission on State Mandates determines that
3 this act contains costs mandated by the state, reimbursement to
4 local agencies and school districts for those costs shall be made
5 pursuant to Part 7 (commencing with Section 17500) of Division
6 4 of Title 2 of the Government Code.

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