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AMENDED IN ASSEMBLY AUGUST 19, 2016  
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AMENDED IN ASSEMBLY AUGUST 1, 2016  
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AMENDED IN ASSEMBLY JULY 8, 2015  
AMENDED IN ASSEMBLY JULY 1, 2015  
AMENDED IN SENATE APRIL 21, 2015

**SENATE BILL**

**No. 465**

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**Introduced by Senators Hill and Hancock**

February 25, 2015

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An act to add Sections 7021 and 7071.18 to the Business and Professions Code, ~~and to add~~ *and repeal* Section 18924.5 ~~to~~ *of* the Health and Safety Code, *and to amend Section 6313.5 of the Labor 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. *Existing law requires the division to transmit to the Registrar of Contractors copies of any reports made in any investigation, as specified, and authorizes the division, upon its own motion or upon request, to transmit copies of any other reports made in any investigation conducted involving a licensed contractor.*

~~This bill, by January 1, 2018, bill would instead 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 contractor is timely reported to the board. Health, after consultation with the board, to transmit to the board copies of any citations or other actions taken by the division against a contractor, as defined. The bill, by January 1, 2018, bill would also require authorize 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.

~~This bill would require the board to consult with licensees and consumers licensees, consumers, and other interested stakeholders in order to prepare a study of judgments, arbitration awards, and settlements that were the result of claims for construction defects for rental residential units and, by January 1, 2018, report to the Legislature the results of the study to determine if the board's ability to protect the public would be enhanced by regulations requiring licensees to report judgments, arbitration awards, or settlement payments of those claims. This bill would specify that participation in the study by licensees and~~

consumers is voluntary. The bill would require records or documents obtained by the board during the course of implementing this study that are exempt from public disclosure to remain exempt from disclosure.

(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, until January 1, 2018, would require the working group formed by the California Building Standards Commission to convene a specified working group to investigate existing building standards associated with the construction, inspection, and maintenance of study recent 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. element failures in the state to submit a report to the appropriate policy committees of the Legislature containing any findings and possible recommendations for statutory or other changes to the California Building Standards Code and would require the working group to review related documents and reports, as specified. 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, until January 1, 2018, require the working group to submit the proposed recommended changes to the California Building Standards Commission for consideration as soon as possible. possible, as specified.~~

(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.

~~(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~~-no.

*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 ~~potentially involving or involving a serious injury or illness, as~~  
7 ~~defined in Section 6302 of the Labor Code, taken by the division~~  
8 ~~against a contractor, along with any other information the division~~  
9 ~~may possess regarding a contractor, is timely reported to the board.~~

10 ~~(b) By January 1, 2018, the~~  
11 ~~7021. The board shall~~ may enter into an interagency agreement  
12 with any other state or local agency the board deems to be in  
13 possession of any information relevant to its priority to protect the  
14 public described in Section 7000.6.

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

17 7071.18. (a) Notwithstanding any other law, a licensee shall  
18 report to the registrar in writing the occurrence of any of the  
19 following within 90 days after the licensee obtains knowledge of  
20 the event:

- 21 (1) The conviction of the licensee for any felony.
- 22 (2) The conviction of the licensee for any other crime that is  
23 substantially related to the qualifications, functions, and duties of  
24 a licensed contractor.

25 (b) (1) The board shall consult with ~~licensees and consumers~~  
26 *licensees, consumers, and other interested stakeholders* in order  
27 to prepare a study of judgments, arbitration awards, and settlements  
28 that were the result of claims for construction defects for rental  
29 residential units and, by January 1, 2018, shall report to the  
30 Legislature the results of this study to determine if the board's  
31 ability to protect the public as described in Section 7000.6 would

1 be enhanced by regulations requiring licensees to report judgments,  
2 arbitration awards, or settlement payments of those claims.  
3 Participation by licensees and consumers shall be voluntary. The  
4 study shall include, but not be limited to, criteria used by insurers  
5 or others to differentiate between settlements that are for nuisance  
6 value and those that are not, whether settlement information or  
7 other information can help identify licensees who may be subject  
8 to an enforcement action, if there is a way to separate  
9 subcontractors from general contractors when identifying licensees  
10 who may be subject to an enforcement action, whether reporting  
11 should be limited to settlements resulting from construction defects  
12 that resulted in death or injury, the practice of other boards within  
13 the department, and any other criteria considered reasonable by  
14 the board. The board shall submit the report to the Legislature in  
15 accordance with Section 9795 of the Government Code.

16 (2) Records or documents obtained by the board during the  
17 course of implementing this subdivision that are exempt from  
18 public disclosure under the California Public Records Act (Chapter  
19 3.5 (commencing with Section 6250) of Division 7 of Title 1 of  
20 the Government Code) shall remain exempt from disclosure  
21 pursuant to that act.

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

24 ~~18924.5. (a) The California Building Standards Commission~~  
25 ~~shall convene a working group to investigate existing building~~  
26 ~~standards associated with the construction, inspection, and~~  
27 ~~maintenance of exterior elevated elements.~~

28 *18924.5. (a) By January 1, 2018, the working group formed*  
29 *by the California Building Standards Commission to study recent*  
30 *exterior elevated element failures in California shall submit a*  
31 *report to the appropriate policy committees of the Legislature*  
32 *containing any findings and possible recommendations for*  
33 *statutory changes or changes to the California Building Standards*  
34 *Code.*

35 *(b) The working group shall review related documents and*  
36 *reports, including, but not limited to, any available forensic reports*  
37 *related to exterior elevated element failures in California, reports*  
38 *and studies used in the development of national and state building*  
39 *codes, and any other material deemed relevant to make*  
40 *recommendations to the appropriate state agency or agencies for*

1 *the development of proposed building standards for exterior*  
 2 *elevated elements.*

3 ~~(b)~~

4 ~~(c) The working group shall include, solicit technical expertise~~  
 5 ~~as appropriate from, but not be limited to, representatives from~~  
 6 ~~state government entities, building officials, engineers, construction~~  
 7 ~~industry, representatives from the Department of Housing and~~  
 8 ~~Community Development, the Division of the State~~  
 9 ~~Architect—Structural Safety, the Office of the State Fire Marshal,~~  
 10 ~~local building officials and plan checkers, structural engineers,~~  
 11 ~~apartment owners and managers, the building industry, the wood,~~  
 12 ~~steel and concrete industries, and any other interested parties.~~

13 ~~(e) The working group shall review related documents and~~  
 14 ~~reports, including, but not limited to, forensic reports related to~~  
 15 ~~exterior elevated element failures in California, reports and studies~~  
 16 ~~used in the development of national and state building codes, and~~  
 17 ~~any other material deemed relevant to determine if any changes~~  
 18 ~~need to be made to the construction specifications or inspection~~  
 19 ~~requirements, excluding routine inspections that occur after project~~  
 20 ~~completion, contained within the California Building Standards~~  
 21 ~~Code.~~

22 ~~(d) (1) By January 1, 2018, the working group shall report to~~  
 23 ~~the California Building Standards Commission any findings and~~  
 24 ~~possible recommendations for statutory changes or changes to the~~  
 25 ~~California Building Standards Code. By January 1, 2018, the~~  
 26 ~~working group shall also provide that report to the Senate~~  
 27 ~~Committee on Business, Professions and Economic Development.~~

28 ~~(2) Notwithstanding paragraph (1),~~

29 ~~(d) Notwithstanding the deadline in subdivision (a), if, at any~~  
 30 ~~time, it is determined by the working group that one or more~~  
 31 ~~changes to the California Building Standards Code are needed as~~  
 32 ~~soon as possible in order to protect the public, the working group~~  
 33 ~~shall submit the proposed recommended changes to the California~~  
 34 ~~Building Standards Commission appropriate state agency or~~  
 35 ~~agencies for consideration as soon as possible. possible according~~  
 36 ~~to this part.~~

37 ~~(e) This section shall remain in effect only until January 1, 2018,~~  
 38 ~~and as of that date is repealed, unless a later enacted statute, that~~  
 39 ~~is enacted before January 1, 2018, deletes or extends that date.~~

40 *SEC. 4. Section 6313.5 of the Labor Code is amended to read:*

1 6313.5. ~~The division~~ *division, after consultation with the*  
 2 *Contractors' State License Board,* shall transmit to the ~~Registrar~~  
 3 ~~of Contractors~~ *Contractors' State License Board* copies of any  
 4 reports made in any investigation conducted pursuant to subdivision  
 5 (a) of Section 6313, and may, upon its own motion or at the request  
 6 of the ~~Registrar of Contractors,~~ transmit copies of any other reports  
 7 made in any investigation conducted pursuant to subdivision (b)  
 8 of Section 6313 involving a contractor licensed pursuant to  
 9 citations or other actions taken by the division against a contractor  
 10 as defined in the ~~Contractors~~ *Contractors' State License Law*  
 11 (Chapter 9 (commencing with Section 7000) of ~~Division~~ *Division*  
 12 3 of the Business and Professions Code).

13 ~~SEC. 4.~~

14 *SEC. 5.* The Legislature finds and declares that Section 2 of  
 15 this act, which adds Section 7071.18 to the Business and  
 16 Professions Code, imposes a limitation on the public's right of  
 17 access to the meetings of public bodies or the writings of public  
 18 officials and agencies within the meaning of Section 3 of Article  
 19 I of the California Constitution. Pursuant to that constitutional  
 20 provision, the Legislature makes the following findings to  
 21 demonstrate the interest protected by this limitation and the need  
 22 for protecting that interest:

23 By allowing records and documents exempt from disclosure to  
 24 be shared with the Contractors' State License Board and remain  
 25 nonpublic under the Public Records Act, the act adding this section  
 26 would encourage private individuals and entities to provide the  
 27 board with information that is vital to the success of its study and  
 28 report to determine whether additional regulations are appropriate.  
 29 Therefore, this act properly balances the public's right to access  
 30 to public records in the possession of the board with the need for  
 31 the state to obtain otherwise private information.

32 ~~SEC. 5. If the Commission on State Mandates determines that~~  
 33 ~~this act contains costs mandated by the state, reimbursement to~~  
 34 ~~local agencies and school districts for those costs shall be made~~  
 35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
 36 ~~4 of Title 2 of the Government Code.~~