

AMENDED IN SENATE JUNE 18, 2020

AMENDED IN SENATE JUNE 2, 2020

AMENDED IN SENATE MARCH 24, 2020

**SENATE BILL**

**No. 974**

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**Introduced by Senator Hurtado**

February 11, 2020

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An act to ~~amend Section 21080 of~~ *add Section 21080.47 to* the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 974, as amended, Hurtado. California Environmental Quality Act: small disadvantaged community water system: exemption.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration or mitigated negative declaration, as specified, if it finds that the project will not have that effect. CEQA includes exemptions from its environmental review requirements for numerous categories of projects, as prescribed.

This bill would, with certain specified exceptions, exempt from CEQA certain projects consisting solely of the installation, repair, or reconstruction of water infrastructure, as specified, that primarily benefit a small disadvantaged community water system by improving the small disadvantaged community water system's water quality, water supply, or water supply reliability, by encouraging water conservation, or by providing drinking water service to existing residences within a disadvantaged community where there is evidence that the water exceeds

maximum contaminant levels for primary or secondary drinking water standards or where the drinking water well is no longer able to produce an adequate supply of safe drinking water. To qualify for this CEQA exemption, the bill would require these projects to meet *certain labor requirements and* certain conditions, including fully mitigating all construction impacts and not affecting wetlands or sensitive habitat. The bill would also define various terms for purposes of this exemption. Because a lead agency would be required to determine whether a project qualifies for this exemption, this bill would impose a state-mandated local program.

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 no reimbursement is required by this act for a specified reason.

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. The Legislature finds and declares both of the  
2 following:

3 (a) In enacting Section 106.3 of the Water Code, the Legislature  
4 declared the established policy of the state that every human being  
5 has the right to safe, clean, affordable, and accessible water  
6 adequate for human consumption, cooking, and sanitary purposes.

7 (b) The provisions of this act are in furtherance of the state's  
8 policy regarding the human right to water.

9 ~~SEC. 2. Section 21080 of the Public Resources Code is~~  
10 ~~amended to read:~~

11 ~~21080. (a) Except as otherwise provided in this division, this~~  
12 ~~division shall apply to discretionary projects proposed to be carried~~  
13 ~~out or approved by public agencies, including, but not limited to,~~  
14 ~~the enactment and amendment of zoning ordinances, the issuance~~  
15 ~~of zoning variances, the issuance of conditional use permits, and~~  
16 ~~the approval of tentative subdivision maps unless the project is~~  
17 ~~exempt from this division.~~

18 ~~(b) This division does not apply to any of the following~~  
19 ~~activities:~~

1 ~~(1) Ministerial projects proposed to be carried out or approved~~  
2 ~~by public agencies.~~

3 ~~(2) Emergency repairs to public service facilities necessary to~~  
4 ~~maintain service.~~

5 ~~(3) Projects undertaken, carried out, or approved by a public~~  
6 ~~agency to maintain, repair, restore, demolish, or replace property~~  
7 ~~or facilities damaged or destroyed as a result of a disaster in a~~  
8 ~~disaster-stricken area in which a state of emergency has been~~  
9 ~~proclaimed by the Governor pursuant to Chapter 7 (commencing~~  
10 ~~with Section 8550) of Division 1 of Title 2 of the Government~~  
11 ~~Code.~~

12 ~~(4) Specific actions necessary to prevent or mitigate an~~  
13 ~~emergency.~~

14 ~~(5) Projects that a public agency rejects or disapproves.~~

15 ~~(6) Actions undertaken by a public agency relating to any~~  
16 ~~thermal powerplant site or facility, including the expenditure,~~  
17 ~~obligation, or encumbrance of funds by a public agency for~~  
18 ~~planning, engineering, or design purposes, or for the conditional~~  
19 ~~sale or purchase of equipment, fuel, water (except groundwater),~~  
20 ~~steam, or power for a thermal powerplant, if the powerplant site~~  
21 ~~and related facility will be the subject of an environmental impact~~  
22 ~~report, negative declaration, or other document, prepared pursuant~~  
23 ~~to a regulatory program certified pursuant to Section 21080.5,~~  
24 ~~which will be prepared by the State Energy Resources Conservation~~  
25 ~~and Development Commission, by the Public Utilities Commission,~~  
26 ~~or by the city or county in which the powerplant and related facility~~  
27 ~~would be located if the environmental impact report, negative~~  
28 ~~declaration, or document includes the environmental impact, if~~  
29 ~~any, of the action described in this paragraph.~~

30 ~~(7) Activities or approvals necessary to the bidding for, hosting~~  
31 ~~or staging of, and funding or carrying out of, an Olympic games~~  
32 ~~under the authority of the International Olympic Committee, except~~  
33 ~~for the construction of facilities necessary for the Olympic games.~~

34 ~~(8) The establishment, modification, structuring, restructuring,~~  
35 ~~or approval of rates, tolls, fares, or other charges by public agencies~~  
36 ~~that the public agency finds are for the purpose of (A) meeting~~  
37 ~~operating expenses, including employee wage rates and fringe~~  
38 ~~benefits, (B) purchasing or leasing supplies, equipment, or~~  
39 ~~materials, (C) meeting financial reserve needs and requirements,~~  
40 ~~(D) obtaining funds for capital projects necessary to maintain~~

1 service within existing service areas, or (E) obtaining funds  
2 necessary to maintain those intracity transfers as are authorized  
3 by city charter. The public agency shall incorporate written findings  
4 in the record of any proceeding in which an exemption under this  
5 paragraph is claimed setting forth with specificity the basis for the  
6 claim of exemption.

7 ~~(9) All classes of projects designated pursuant to Section 21084.~~

8 ~~(10) A project for the institution or increase of passenger or~~  
9 ~~commuter services on rail or highway rights-of-way already in~~  
10 ~~use, including modernization of existing stations and parking~~  
11 ~~facilities. For purposes of this paragraph, "highway" shall have~~  
12 ~~the same meaning as defined in Section 360 of the Vehicle Code.~~

13 ~~(11) A project for the institution or increase of passenger or~~  
14 ~~commuter service on high-occupancy vehicle lanes already in use,~~  
15 ~~including the modernization of existing stations and parking~~  
16 ~~facilities.~~

17 ~~(12) Facility extensions not to exceed four miles in length that~~  
18 ~~are required for the transfer of passengers from or to exclusive~~  
19 ~~public mass transit guideway or busway public transit services.~~

20 ~~(13) A project for the development of a regional transportation~~  
21 ~~improvement program, the state transportation improvement~~  
22 ~~program, or a congestion management program prepared pursuant~~  
23 ~~to Section 65089 of the Government Code.~~

24 ~~(14) Any project or portion thereof located in another state that~~  
25 ~~will be subject to environmental impact review pursuant to the~~  
26 ~~federal National Environmental Policy Act of 1969 (42 U.S.C.~~  
27 ~~Sec. 4321 et seq.) or similar state laws of that state. Any emissions~~  
28 ~~or discharges that would have a significant effect on the~~  
29 ~~environment in this state are subject to this division.~~

30 ~~(15) Projects undertaken by a local agency to implement a rule~~  
31 ~~or regulation imposed by a state agency, board, or commission~~  
32 ~~under a certified regulatory program pursuant to Section 21080.5.~~  
33 ~~Any site-specific effect of the project that was not analyzed as a~~  
34 ~~significant effect on the environment in the plan or other written~~  
35 ~~documentation required by Section 21080.5 is subject to this~~  
36 ~~division.~~

37 ~~(16) (A) Projects that satisfy all of the following:~~

38 ~~(i) The~~

39 *SEC. 2. Section 21080.47 is added to the Public Resources*  
40 *Code, to read:*

1 21080.47. (a) For purposes of this section, the following  
2 definitions apply:

3 (1) “Community water system” means a public water system  
4 that serves at least 15 service connections used by yearlong  
5 residents or regularly serves at least 25 yearlong residents within  
6 the area served by the public water system.

7 (2) “Disadvantaged community” means a community with an  
8 annual median household income that is less than 80 percent of  
9 the statewide annual median household income.

10 (3) “Nontransient noncommunity water system” means a public  
11 water system that is not a community water system and that  
12 regularly serves at least 25 of the same persons more than six  
13 months per year.

14 (4) (A) “Project” means a project that consists solely of the  
15 installation, repair, or reconstruction of one or more of the  
16 following:

17 (i) Drinking water groundwater wells with a maximum flow  
18 rate of up to 250 gallons per minute.

19 (ii) Drinking water treatment facilities with a footprint of less  
20 than 2,500 square feet that are not located in an environmentally  
21 sensitive area.

22 (iii) Drinking water storage tanks with a capacity of up to  
23 250,000 gallons.

24 (iv) Booster pumps and hydropneumatic tanks.

25 (v) Pipelines of less than one mile in length in a road  
26 right-of-way or up to seven miles in length in a road right-of-way  
27 when the project is required to address threatened or current  
28 drinking water violations.

29 (vi) Water service lines.

30 (vii) Minor drinking water system appurtenances, including,  
31 but not limited to, system and service meters, fire hydrants, water  
32 quality sampling stations, valves, air releases and vacuum break  
33 valves, emergency generators, backflow prevention devices, and  
34 appurtenance enclosures.

35 (B) “Project” does not include either of the following categories  
36 of projects:

37 (i) Facilities that are constructed primarily to serve future  
38 growth.

39 (ii) Facilities that are used to dam, divert, or convey surface  
40 water.

(5) “Project labor agreement” has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.

(6) “Public water system” means a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year, and shall include, but not be limited to, any of the following:

(A) Any collection, treatment, storage, and distribution facilities under the control of, and used primarily in connection with, the public water system.

(B) Any collection or pretreatment storage facilities not under the control of the operator of the public water system, but that are used primarily in connection with the public water system.

(C) Any system for the provision of water for human consumption through pipes or other constructed conveyances that treats water on behalf of one or more public water systems for the purpose of rendering it safe for human consumption.

(7) “Skilled and trained workforce” has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(8) “Small community water system” means a community water system that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.

(9) “Small disadvantaged community water system” means either a small community water system that serves one or more disadvantaged communities or a nontransient noncommunity water system that primarily serves one or more schools that serve one or more disadvantaged communities.

(b) This division does not apply to a project that meets the requirements of subdivision (c) and subdivision (d) or (e), as appropriate, and that primarily benefits a small disadvantaged community water system in any of the following ways:

(I)

(1) Improving the small disadvantaged community water system’s water quality, water supply, or water supply reliability.

(II)

(2) Encouraging water conservation.

(III)

1 (3) Providing drinking water service to existing residences  
2 within a disadvantaged community where there is evidence that  
3 the water exceeds maximum contaminant levels for primary or  
4 secondary drinking water standards or where the drinking water  
5 well is no longer able to produce an adequate supply of safe  
6 drinking water.

7 ~~(ii) The project consists solely of the installation, repair, or~~  
8 ~~reconstruction of one or more of the following:~~

9 ~~(I) Drinking water groundwater wells with a maximum flowrate~~  
10 ~~of up to 250 gallons per minute.~~

11 ~~(II) Drinking water treatment facilities with a footprint of less~~  
12 ~~than 2,500 square feet that are not located in an environmentally~~  
13 ~~sensitive area.~~

14 ~~(III) Drinking water storage tanks with a capacity of up to~~  
15 ~~250,000 gallons.~~

16 ~~(IV) Booster pumps and hydropneumatic tanks.~~

17 ~~(V) Pipelines of less than one mile in length in a road right of~~  
18 ~~way or up to seven miles in length in a road right of way when the~~  
19 ~~project is required to address threatened or current drinking water~~  
20 ~~violations.~~

21 ~~(VI) Water service lines.~~

22 ~~(VII) Minor drinking water system appurtenances, including,~~  
23 ~~but not limited to, system and service meters, fire hydrants, water~~  
24 ~~quality sampling stations, valves, air releases and vacuum break~~  
25 ~~valves, emergency generators, backflow prevention devices, and~~  
26 ~~appurtenance enclosures.~~

27 ~~(iii)~~

28 (c) The project meets all of the following:

29 ~~(I)~~

30 ~~(1) Does not affect wetlands or sensitive habitats.~~

31 ~~(II)~~

32 ~~(2) Unusual circumstances do not exist that would cause a~~  
33 ~~significant effect on the environment.~~

34 ~~(III)~~

35 ~~(3) Is not located on a hazardous waste site that is included on~~  
36 ~~any list compiled pursuant to Section 65962.5 of the Government~~  
37 ~~Code.~~

38 ~~(IV)~~

39 ~~(4) Does not have the potential to cause a substantial adverse~~  
40 ~~change in the significance of a historical resource.~~

1     ~~(V)~~

2     ~~(5) The construction impacts are fully mitigated consistent with~~  
3     ~~applicable law.~~

4     ~~(VI)~~

5     ~~(6) The cumulative impact of successive reasonably anticipated~~  
6     ~~projects of the same type as the project, in the same place, over~~  
7     ~~time, is not significant.~~

8     ~~(B) This paragraph does not apply to the following categories~~  
9     ~~of projects:~~

10    ~~(i) Facilities that are constructed primarily to serve future~~  
11    ~~growth.~~

12    ~~(ii) Facilities that are used to dam, divert, or convey surface~~  
13    ~~water.~~

14    ~~(C) For purposes of this paragraph, the following definitions~~  
15    ~~apply:~~

16    ~~(i) “Community water system” means a public water system~~  
17    ~~that serves at least 15 service connections used by yearlong~~  
18    ~~residents or regularly serves at least 25 yearlong residents within~~  
19    ~~the area served by the public water system.~~

20    ~~(ii) “Disadvantaged community” means a community with an~~  
21    ~~annual median household income that is less than 80 percent of~~  
22    ~~the statewide annual median household income.~~

23    ~~(iii) “Nontransient noncommunity water system” means a public~~  
24    ~~water system that is not a community water system and that~~  
25    ~~regularly serves at least 25 of the same persons more than six~~  
26    ~~months per year.~~

27    ~~(iv) “Public water system” means a system for the provision of~~  
28    ~~water for human consumption through pipes or other constructed~~  
29    ~~conveyances that has 15 or more service connections or regularly~~  
30    ~~serves at least 25 individuals daily at least 60 days out of the year,~~  
31    ~~and shall include, but not be limited to, the following:~~

32    ~~(I) Any collection, treatment, storage, and distribution facilities~~  
33    ~~under the control of, and used primarily in connection with, the~~  
34    ~~public water system.~~

35    ~~(II) Any collection or pretreatment storage facilities not under~~  
36    ~~the control of the operator of the public water system, but that are~~  
37    ~~used primarily in connection with the public water system.~~

38    ~~(III) Any system for the provision of water for human~~  
39    ~~consumption through pipes or other constructed conveyances that~~



1 treats water on behalf of one or more public water systems for the  
2 purpose of rendering it safe for human consumption.

3 (v) ~~“Small community water system” means a community water~~  
4 ~~system that serves no more than 3,300 service connections or a~~  
5 ~~yearlong population of no more than 10,000 persons.~~

6 (vi) ~~“Small disadvantaged community water system” means~~  
7 ~~either a small community water system that serves one or more~~  
8 ~~disadvantaged communities or a nontransient noncommunity water~~  
9 ~~system that primarily serves one or more schools that serve one~~  
10 ~~or more disadvantaged communities.~~

11 (e) ~~If a lead agency determines that a proposed project, not~~  
12 ~~otherwise exempt from this division, would not have a significant~~  
13 ~~effect on the environment, the lead agency shall adopt a negative~~  
14 ~~declaration to that effect. The negative declaration shall be prepared~~  
15 ~~for the proposed project in either of the following circumstances:~~

16 (1) ~~There is no substantial evidence, in light of the whole record~~  
17 ~~before the lead agency, that the project may have a significant~~  
18 ~~effect on the environment.~~

19 (2) ~~An initial study identifies potentially significant effects on~~  
20 ~~the environment, but (A) revisions in the project plans or proposals~~  
21 ~~made by, or agreed to by, the applicant before the proposed~~  
22 ~~negative declaration and initial study are released for public review~~  
23 ~~would avoid the effects or mitigate the effects to a point where~~  
24 ~~clearly no significant effect on the environment would occur, and~~  
25 ~~(B) there is no substantial evidence, in light of the whole record~~  
26 ~~before the lead agency, that the project, as revised, may have a~~  
27 ~~significant effect on the environment.~~

28 (d) ~~If there is substantial evidence, in light of the whole record~~  
29 ~~before the lead agency, that the project may have a significant~~  
30 ~~effect on the environment, an environmental impact report shall~~  
31 ~~be prepared.~~

32 (e) (1) ~~For the purposes of this section and this division,~~  
33 ~~substantial evidence includes fact, a reasonable assumption~~  
34 ~~predicated upon fact, or expert opinion supported by fact.~~

35 (2) ~~Substantial evidence is not argument, speculation,~~  
36 ~~unsubstantiated opinion or narrative, evidence that is clearly~~  
37 ~~inaccurate or erroneous, or evidence of social or economic impacts~~  
38 ~~that do not contribute to, or are not caused by, physical impacts~~  
39 ~~on the environment.~~

~~(f) As a result of the public review process for a mitigated negative declaration, including administrative decisions and public hearings, the lead agency may conclude that certain mitigation measures identified pursuant to paragraph (2) of subdivision (c) are infeasible or otherwise undesirable. In those circumstances, the lead agency, before approving the project, may delete those mitigation measures and substitute for them other mitigation measures that the lead agency finds, after holding a public hearing on the matter, are equivalent or more effective in mitigating significant effects on the environment to a less than significant level and that do not cause any potentially significant effect on the environment. If those new mitigation measures are made conditions of project approval or are otherwise made part of the project approval, the deletion of the former measures and the substitution of the new mitigation measures shall not constitute an action or circumstance requiring recirculation of the mitigated negative declaration.~~

~~(g) Nothing in this section shall preclude a project applicant or any other person from challenging, in an administrative or judicial proceeding, the legality of a condition of project approval imposed by the lead agency. If, however, any condition of project approval set aside by either an administrative body or court was necessary to avoid or lessen the likelihood of the occurrence of a significant effect on the environment, the lead agency's approval of the negative declaration and project shall be invalid and a new environmental review process shall be conducted before the project can be reapproved, unless the lead agency substitutes a new condition that the lead agency finds, after holding a public hearing on the matter, is equivalent to, or more effective in, lessening or avoiding significant effects on the environment and that does not cause any potentially significant effect on the environment.~~

*(d) (1) For a project undertaken by a public agency that is exempt from this division pursuant to this section, except as provided in paragraph (2), an entity shall not be prequalified or shortlisted or awarded a contract by the public agency to perform any portion of the project unless the entity provides an enforceable commitment to the public agency that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.*

1     (2) Paragraph (1) does not apply if any of the following  
2     requirements are met:

3     (A) The public agency has entered into a project labor  
4     agreement that will bind all contractors and subcontractors  
5     performing work on the project or contract to use a skilled and  
6     trained workforce, and the entity agrees to be bound by that project  
7     labor agreement.

8     (B) The project or contract is being performed under the  
9     extension or renewal of a project labor agreement that was entered  
10    into by the public agency before January 1, 2021.

11    (C) The entity has entered into a project labor agreement that  
12    will bind the entity and all of its subcontractors at every tier  
13    performing the project or contract to use a skilled and trained  
14    workforce.

15    (e) For a project undertaken by a private entity that is exempt  
16    from this division pursuant to this section, the project applicant  
17    shall do both of the following:

18    (1) Certify to the lead agency that either of the following is true:

19    (A) The entirety of the project is a public work for purposes of  
20    Chapter 1 (commencing with Section 1720) of Part 7 of Division  
21    2 of the Labor Code.

22    (B) If the project is not in its entirety a public work, all  
23    construction workers employed in the execution of the project will  
24    be paid at least the general prevailing rate of per diem wages for  
25    the type of work and geographic area, as determined by the  
26    Director of Industrial Relations pursuant to Sections 1773 and  
27    1773.9 of the Labor Code, except that apprentices registered in  
28    programs approved by the Chief of the Division of Apprenticeship  
29    Standards may be paid at least the applicable apprentice prevailing  
30    rate. If the project is subject to this subparagraph, then, for those  
31    portions of the project that are not a public work, all of the  
32    following shall apply:

33    (i) The project applicant shall ensure that the prevailing wage  
34    requirement is included in all contracts for the performance of the  
35    work.

36    (ii) All contractors and subcontractors shall pay to all  
37    construction workers employed in the execution of the work at  
38    least the general prevailing rate of per diem wages, except that  
39    apprentices registered in programs approved by the Chief of the

1 *Division of Apprenticeship Standards may be paid at least the*  
2 *applicable apprentice prevailing rate.*

3 *(iii) (I) Except as provided in subclause (III), all contractors*  
4 *and subcontractors shall maintain and verify payroll records*  
5 *pursuant to Section 1776 of the Labor Code and make those*  
6 *records available for inspection and copying as provided by that*  
7 *section.*

8 *(II) Except as provided in subclause (III), the obligation of the*  
9 *contractors and subcontractors to pay prevailing wages may be*  
10 *enforced by the Labor Commissioner through the issuance of a*  
11 *civil wage and penalty assessment pursuant to Section 1741 of the*  
12 *Labor Code, which may be reviewed pursuant to Section 1742 of*  
13 *the Labor Code, within 18 months after the completion of the*  
14 *project, by an underpaid worker through an administrative*  
15 *complaint or civil action, or by a joint labor-management*  
16 *committee through a civil action under Section 1771.2 of the Labor*  
17 *Code. If a civil wage and penalty assessment is issued, the*  
18 *contractor, subcontractor, and surety on a bond or bonds issued*  
19 *to secure the payment of wages covered by the assessment shall*  
20 *be liable for liquidated damages pursuant to Section 1742.1 of the*  
21 *Labor Code.*

22 *(III) Subclauses (I) and (II) do not apply if all contractors and*  
23 *subcontractors performing work on the project are subject to a*  
24 *project labor agreement that requires the payment of prevailing*  
25 *wages to all construction workers employed in the execution of*  
26 *the project and provides for enforcement of that obligation through*  
27 *an arbitration procedure.*

28 *(iv) Notwithstanding subdivision (c) of Section 1773.1 of the*  
29 *Labor Code, the requirement that employer payments not reduce*  
30 *the obligation to pay the hourly straight time or overtime wages*  
31 *found to be prevailing shall not apply if otherwise provided in a*  
32 *bona fide collective bargaining agreement covering the worker.*  
33 *The requirement to pay at least the general prevailing rate of per*  
34 *diem wages does not preclude use of an alternative workweek*  
35 *schedule adopted pursuant to Section 511 or 514 of the Labor*  
36 *Code.*

37 *(2) Certify to the lead agency that a skilled and trained*  
38 *workforce will be used to perform all construction work on the*  
39 *project. All of the following requirements shall apply to the project:*

1 (A) *The applicant shall require in all contracts for the*  
2 *performance of work that every contractor and subcontractor at*  
3 *every tier will individually use a skilled and trained workforce to*  
4 *complete the project.*

5 (B) *Every contractor and subcontractor shall use a skilled and*  
6 *trained workforce to complete the project.*

7 (C) (i) *Except as provided in clause (ii), the applicant shall*  
8 *provide to the lead agency, on a monthly basis while the project*  
9 *or contract is being performed, a report demonstrating compliance*  
10 *with Chapter 2.9 (commencing with Section 2600) of Part 1 of*  
11 *Division 2 of the Public Contract Code. A monthly report provided*  
12 *to the lead agency pursuant to this clause shall be a public record*  
13 *under the California Public Records Act (Chapter 3.5 (commencing*  
14 *with Section 6250) of Division 7 of Title 1 of the Government Code)*  
15 *and shall be open to public inspection. An applicant that fails to*  
16 *provide a monthly report demonstrating compliance with Chapter*  
17 *2.9 (commencing with Section 2600) of Part 1 of Division 2 of the*  
18 *Public Contract Code shall be subject to a civil penalty of ten*  
19 *thousand dollars (\$10,000) per month for each month for which*  
20 *the report has not been provided. Any contractor or subcontractor*  
21 *that fails to use a skilled and trained workforce shall be subject*  
22 *to a civil penalty of two hundred dollars (\$200) per day for each*  
23 *worker employed in contravention of the skilled and trained*  
24 *workforce requirement. Penalties may be assessed by the Labor*  
25 *Commissioner within 18 months of completion of the project using*  
26 *the same procedures for issuance of civil wage and penalty*  
27 *assessments pursuant to Section 1741 of the Labor Code, and may*  
28 *be reviewed pursuant to the same procedures in Section 1742 of*  
29 *the Labor Code. Penalties shall be paid to the State Public Works*  
30 *Enforcement Fund.*

31 (ii) *Clause (i) does not apply if all contractors and*  
32 *subcontractors performing work on the project are subject to a*  
33 *project labor agreement that requires compliance with the skilled*  
34 *and trained workforce requirement and provides for enforcement*  
35 *of that obligation through an arbitration procedure.*

36 SEC. 3. *No reimbursement is required by this act pursuant to*  
37 *Section 6 of Article XIII B of the California Constitution because*  
38 *a local agency or school district has the authority to levy service*  
39 *charges, fees, or assessments sufficient to pay for the program or*

- 1 level of service mandated by this act, within the meaning of Section
- 2 17556 of the Government Code.

O