

# SCCA

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SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION

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## LEGISLATIVE COMMITTEE UPDATE

### Welcome Back!

Transportation funding in California is in serious trouble. With the California Transportation Commission reducing its funding outlook by over \$750 million over the next five years and with the California Board of Equalization reducing funding by \$300 million more annually, now is the time for the legislature to step up and offer a plan to save it.



Todd Bloomstine

We'll be talking more about this in the coming weeks. The transportation construction industry is looking at a serious contraction unless something changes.

### Video Web Log



The SCCA Legislative Committee's Weblog episode 4 has been posted. [Click here to view.](#)

## Board of Equalization Cutting Gas Tax

The Board of Equalization (BOE) reduced the gas tax last month due to lower prices at the pump. These changes are critical to transportation funding. State law requires that the BOE make adjustments to the gas tax — to make sure that the tax is proportional to what the old sales tax on gasoline would have been. In other words, if gas prices go up — gas taxes increase as well. If gas prices go down — the gas tax decreases, ultimately decreasing the amount of transportation funding dollars.

Because of the reduced gas tax dollars coming into state coffers,



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transportation funding will be cut by the California Transportation Commission (CTC) by \$754 million over the next 5 years. According to the CTC, this is the largest scaling back of transportation funding in the 20-year history of the overall program.

These changes are extraordinarily significant. Currently, there is a backlog of \$59 billion in state highway maintenance repairs along with \$78 billion for local roads. This is before the latest round of cuts announced by the CTC. With falling gas prices, it is most likely that we will see a further reduction in available funds for transportation projects.

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# How Do We Identify Moderate Democrats? Check out the votes on Assembly Bill 67

Assembly Bill 67 by Assemblymember Lorena Gonzalez (D - San Diego) is a measure that would require double pay for any employee who works on a holiday, including retail or grocery stores.

This measure would clearly increase the cost of doing business in this state, and seeks to manipulate businesses and their decisions regarding when they are open and how much they pay their employees. Essentially, this would require employers to double or triple wages paid on holidays. While AB 67 did pass the Assembly, the votes give us a good indicator of who the moderate Democrats are in the Assembly.

Who is a moderate Democrat? Who is willing to look out for the economy and businesses in California? These members are the members that can influence the passage of more liberal policies in the Assembly when they either 1) remove their support from bills, or 2) add their support to measures that may only have minority support. The decision to support or oppose a bill as a

unit can have far-reaching effects. In the end, AB 67 passed by a thin 43-32 margin.

Moderate Democrats that opposed the measure were Assemblymember Matthew Dababneh (D-Encino), Assemblymember Jacqui Irwin (D-Thousand Oaks), and Assemblymember Ken Cooley (D-Rancho Cordova). Moderate members that abstained from voting on the measure were Assemblymember Jim Cooper (D-Elk Grove), Assemblymember Tom Daly (D-Anaheim), and Assemblymember Rudy Salas, Jr (D-Bakersfield). Had any of these members supported AB 67, the bill would have passed with “overwhelming support” as opposed to passing by a narrow margin.

Had any of these members changed their vote, there would be definite impact. That is how we know that each moderate Democrat vote is valuable, especially on issues that so clearly affect businesses and our ability to change and grow here in California.

## Assembly Bill 219 Implementation: Prevailing Wage - Concrete Delivery Persons

Many of you are familiar with Assembly Bill 219 by Assemblymember Tom Daly (D-Anaheim) from 2015. This measure was signed into law by Governor Jerry Brown and will take effect July 1, 2016.

In its most basic form, AB 219 expands prevailing wage requirements to ready-mix drivers. Contractors must verify each delivery driver’s personal information. Contractors have to depend on the driver and supplying company to submit the appropriate paperwork to both the entity that ordered the material and to

the general contractor. Contractors could be held liable under Labor Code 1743 and 1775(b) if the driver is not paid proper prevailing wage.

While SCCA opposed this measure, we still must comply with the new requirements placed on contractors working with Concrete Delivery Persons. SCCA’s legal committee is preparing additional and more in-depth information for members, and we will continue to discuss needed actions to comply with the requirements of AB 219.

### Rumor Has It...

.... There may be a transportation bond in the mix with any transportation funding this year. It could look similar to the 2006 Prop 1B funding — which was a \$20 billion bond. With matching funds from local transportation agencies and the federal government, it was worth closer to \$40 billion in improvements. This is a great way for the government to provide PRIVATE economic stimulus because each billion creates about 13,000 private sector jobs.

### Fact Check

... This is still rumor although we definitely could see this developing further since transportation funding is one of the big issues this year. Stay tuned.

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