

Starting January 1, 2017, New California Law Requires Cal/OSHA to Notify State Contractor Licensing Board of Citations Issued to Contractors

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PRACTICES OSHA, Labor and Employment

California Governor Jerry Brown signed state Senate Bill 465 into law in September 2016, which requires the California Division of Occupational Safety and Health (Cal/OSHA), after consultation with the California Contractors' State Licensing Board (the Board), to transmit to the Board copies of any citations or other actions taken by Cal/OSHA against a contractor.¹ The bill also requires the following with respect to California contractors: (1) contractors must self-report to the Board within 90 days construction-related criminal convictions; (2) the Board is to study judgments, arbitration awards, and settlements of construction defect claims and report back to the legislature on whether requiring licensees to report such information would aid in better protecting the public; and (3) the state's Building Standards Commission is to review balcony and outdoor structure building codes for potential revisions.

Senate Bill 465 was spurred by a catastrophic balcony collapse that occurred in June 2015 where six students were killed and seven others were seriously injured in Berkeley, California. There, the contractor who had constructed the apartment complex had a history of construction defect settlements and had paid more than \$26 million in settlements in the previous three years. The Board said that if they had known, they would have initiated an investigation into suspending the company's contracting license.

This new collaboration between Cal/OSHA and the Board (and potentially other state organizations) could create new difficulties for contractors. With the new rule, if a contractor receives a citation, Cal/OSHA may hand over the citation to the Board regardless of whether the contractor is guilty of a violation. The Board may, as a result, initiate its own investigation into the contractor, putting the contractor's license in jeopardy. It is, therefore, even more essential that contractors remain vigilant with respect to their safety and health efforts.

¹ See Bea Karnes, [Bill Spurred By Berkeley Balcony Collapse Signed Into Law](#), BERKELEY PATCH (Sept. 15, 2016).