

# CLC UPDATE

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California Legislative Conference of the Plumbing, Heating and Piping Industry

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## **CLC Retention Cap Reauthorization Legislation Continues to Move**

Our sponsored 5% retention cap legislation (AB 92) has moved out of the California State Assembly and will next be heard in the California State Senate.

The California State Legislature passed and Governor Brown signed CLC sponsored legislation (SB 293) in 2011, putting into place statutes that capped the amount of retention a public entity could withhold from progress payments made to construction contractors on public works projects at 5%. In 2014, CLC sponsored legislation (AB 1705) was passed into law providing technical clean up to the law and also extending the sunset on the 5% retention cap statute to January 1, 2018.

AB 92 would extend the sunset clause on the current 5% retention cap statutes, pertaining to public works projects, from January 1, 2018 to January 1, 2023.

The 5% retention cap is a significant policy for our industry and has had an extremely positive impact on large, small and emerging construction businesses.

It is imperative that we extend this fair policy that reduces the cost of public works construction and provides capital for job creation, at a time in which California is actively investing in its infrastructure, at both the local and state levels.

We will keep you updated on this important measure and ask you to “engage” once the bill makes it to Governor Brown for consideration.

## **DIR Announces Renewal Registration for Public Works Contractors**

Public works contractors who are registered with the Department of Industrial Relations (DIR) for the current fiscal year (ending June 30, 2017) may now renew their registration(s) for the next fiscal year (starting July 1, 2017) using DIR’s online public works contractor registration system. Registered contractors who fail to renew by July 1, but continue working on public works after that date will be subject to late fees and potential penalties.

Contractors must be registered with DIR before bidding, being awarded, or performing work on public works projects in California.

Using the [online system](#), public works contractors can:

Register for the first time

Renew an active registration

Reactivate a prior registration

Securely pay the non-refundable \$300 registration/renewal fee.

Contractor registration is active when the online registration form is complete, and the \$300 registration/renewal fee is processed. Registration is processed within 24 hours, if paying by credit card. A user guide with [instructions](#) is on the DIR website.

**New California Registrar of Contractors**

California Contractors State License Board (CSLB) has announced the selection of CSLB Enforcement Chief David R. Fogt to serve as the Board's new Registrar of Contractors, effective May 2, 2017.

Our office was very supportive of this appointment and has had a great working relationship with Dave during his time as CSLB Enforcement Chief. Mr. Fogt's appointment, which was approved by the Director of the Department of Consumer Affairs, continues a long history of CSLB employees working their way through the ranks to become Registrar. We look forward to working with Dave in the years to come.