

ORDINANCE NO. NS-XXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
SANTA ANA AMENDING SANTA ANA MUNICIPAL CODE
SECTION 8-6 RELATING TO LICENSE REQUIREMENTS
OF CONTRACTORS AND SUBCONTRACTORS

WHEREAS, Section 8-6 of the Santa Ana Municipal Code provides that no person shall be issued a permit to perform work requiring a permit under the Code unless they are a licensed contractor or a representative thereof, among other things; and

WHEREAS, Section 8-6 further provides that at the time of permit issuance, the permit applicant must submit a list of all subcontractors and furnish for each subcontractor verification of workers' compensation insurance, state contractor license and license category, city business license, and federal tax identification number; and

WHEREAS, the City wishes to expand the scope of these disclosures to include for each subcontractor any pending or final determinations for state or federal labor code violations within the prior 5 years, and make the same disclosures applicable only to projects involving 20 or more residential dwelling units or 20,000 or more square feet of commercial or industrial development; and

WHEREAS, these added disclosures are intended to recognize and promote the value of fair labor and business practices in these types of projects.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA ANA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

Section 2. Section 8-6 (License requirements of contractors and subcontractors) of Article I of Chapter 8 of the Santa Ana Municipal Code (Buildings and Structures) is hereby amended to read in its entirety as follows (*new language underlined, deleted language in strikeout for tracking purposes only*).

Sec. 8-6. License requirements of contractors and subcontractors.

(a) No person shall be issued a permit to perform work requiring a permit under this Code, unless they are:

- (1) A licensed contractor;
- (2) An employee, agent or authorized representative of a licensed contractor;
- (3) A representative of an electronically subscribed service acting on behalf of a licensed contractor; or

(4) The property owner performing their own work;

(5) An employee of the owner, provided that the owner shows evidence of workers' compensation insurance required by state and city law, and their federal tax identification number.

(b) A person applying for a permit under this code to perform work on a project consisting of 20 or more residential dwelling units or 20,000 or more square feet of commercial or industrial development shall submit the following information at the time of permit issuance and prior to commencement of work:

~~(b) At the time of permit issuance, the applicant shall submit~~

(1) a list of all subcontractors and provide verification of each subcontractor's workers' compensation insurance, state contractor license and license category, city business license and federal tax identification number. No person shall contract or subcontract construction work without a valid contractor's license pursuant to applicable provisions of the state business and professions code.

(2) a disclosure of any pending or final determinations pertaining to state or federal labor code violations and any penalties paid to a government agency related to the provisions of the California Labor Code within the prior 5 years for all subcontractors.

(c) In the event that the applicant cannot provide a list of valid subcontractors and the information required above upon permit application, the applicant shall provide to the city, within a reasonable period of time after issuance of each permit but prior to commencement of any work pursuant to said permit, all information required by subsection (b). Failure to provide valid and current subcontractor listings prior to commencing work shall result in one or more of the following:

(1) Issuance of a Stop Work Order; and

(2) Revocation of any permit issued by the city; and

(3) The permit applicant paying a penalty for default to the city in an amount equal to the original permit fee for each violation in order to defray city costs of enforcement of this section prior to the issuance of any new permit.

(d) The information required by subsection (b) shall be required at the time when any new contractor or subcontractor is added to the permit.

(e) Any work performed prior to satisfying the requirements of this section shall be deemed performed without the required permits.

Section 3. The City Council finds and determines that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections

15060(c)(2) and 15060(c)(3) of the State CEQA Guidelines because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, as there is no possibility it will have a significant effect on the environment, and it is not a "project," as defined in Section 15378 of the CEQA Guidelines.

Section 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Santa Ana hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 5. This Ordinance shall become effective thirty (30) days after its adoption.

Section 6. The Clerk of the Council shall certify the adoption of this ordinance and shall cause the same to be published as required by law.

ADOPTED this _____ day of _____, 2023.

Valerie Amezcua
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: John M. Funk
John M. Funk
Chief Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Jennifer L. Hall, City Clerk, do hereby attest to and certify the attached Ordinance No. NS-_____ to be the original ordinance adopted by the City Council of the City of Santa Ana on _____, and that said ordinance was published in accordance with the Charter of the City of Santa Ana.

Date: _____

City Clerk
City of Santa Ana