

ORDINANCE NO. _____

ORDINANCE OF THE CITY OF CHULA VISTA ADDING
CHAPTER 2.71, "CONSTRUCTION CONTRACTOR AND
SUBCONTRACTOR REPORTING" TO TITLE 2 OF THE
CHULA VISTA MUNICIPAL CODE TO ENHANCE LOCAL
COMPLIANCE WITH LABOR STANDARDS

WHEREAS, the City of Chula Vista (the "City") desires to create a culture of safety, accountability, and legal compliance to increase transparency and ensure that labor standards are upheld; and

WHEREAS, California Business and Professions Code Division 3, Chapter 9 requires all persons performing contracting work on any project valued at \$500 or more in combined labor and material costs to be licensed by the Contractors State Licensing Board; and

WHEREAS, unlicensed contractors lack accountability and compete unfairly with licensed contractors who operate with bonds, insurance, and other responsible business practices; and

WHEREAS, the City strives to protect human rights, protect workers' rights, and end labor exploitation by identifying labor violations and unqualified operators; and

WHEREAS, enhancing local compliance with labor standards protects public health, safety and welfare and is in the best interest of the City and its residents.

NOW, THEREFORE the City Council of the City of Chula Vista does ordain as follows:

Section I. Chapter 2.71 is added to the Chula Vista Municipal Code to read as follows:

Chapter 2.71

CONSTRUCTION CONTRACTOR AND SUBCONTRACTOR REPORTING

Sections:

2.71.010	Title
2.71.020	Purpose and Intent
2.71.030	Definitions
2.71.040	Reporting Requirements
2.71.050	Penalty for Violations
2.71.060	Appeal Procedures
2.71.070	Effective Date

2.71.010 Title

This chapter is known as the “Construction Contractor and Subcontractor Reporting Ordinance,” may be cited as such, and will be referred to herein as “this chapter”.

2.71.020 Purpose and Intent

The purpose of this chapter is to protect the public health, safety, and welfare by enhancing local compliance with the California Business and Professions Code.

2.71.030 Definitions

When used in this chapter, the following words and phrases shall have the meanings ascribed to them below. Words and phrases not specifically defined below shall have the meanings ascribed to them elsewhere in this Code, or shall otherwise be defined by common usage. For definitions of nouns, the singular shall also include the plural; for definitions of verbs, all verb conjugations shall be included.

“City” means the City of Chula Vista.

“City Manager” means the City Manager of the City of Chula Vista, or designee.

“Code” means the City of Chula Vista Municipal Code.

“Contractor” means the prime contractor or general contractor for the Project.

“Director of Development Services” means the Director of Development Services of the City of Chula Vista, or designee.

“Inspected Work” means the scope of work to be performed, subject to issuance of a Permit and inspection by the City. Work performed on a Project that is not subject to a Permit and inspection is excluded.

“Permit” means any building permit, mechanical permit, plumbing permit, electrical permit, demolition permit, [land development permit](#), grading permit, construction permit, utility permit, or fire permit issued for a Project.

“Permittee” means any property owner, property owner’s authorized agent, or licensed contractor who obtains a Permit for a Project.

“Person” means any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination of Persons acting as a unit.

“Project” means a residential or mixed-use development consisting of twenty or more dwelling units, a non-residential development that proposes 20,000 square feet or more of tenant improvements or additional new gross floor area, or utility work in the City right-of-way.

“Qualifying Subcontractor” means a subcontractor of any tier performing the Inspected Work.

2.71.040 Reporting Requirements

A. **Acknowledgement.** As a condition of Permit issuance, the Permittee shall affirmatively acknowledge their obligations pursuant to this chapter.

B. **Duty to Provide Information.** As a condition of receiving City inspections, the Permittee shall, under penalty of perjury, submit the following information to the City:

1. The identity of each Contractor and Qualifying Subcontractor that will perform the Inspected Work, whether a sole proprietor, independent contractor, company, or other entity.
2. For each Contractor and Qualifying Subcontractor so identified:
 - a. State contractor’s license number, license category, and license expiration date.
 - b. City business license number and expiration date.
 - c. State and federal tax identification numbers.
 - d. Valid worker’s compensation insurance information, including policy number and expiration date.
 - e. Any previous and/or pending enforcement actions resulting from violations of state or federal labor law, along with any penalties paid, criminal convictions, or judgements related to the provisions of the California Labor Code or the Federal Labor Standards Act.
 - f. Scope of Inspected Work to be performed.

C. **Duty to Update Changed Information.** At any time between Permit issuance and final inspection, if a change occurs in any information submitted to the City pursuant to Section 2.71.040(A) of this chapter, the Permittee shall submit updated information to the City within 72 hours of Permittee’s knowledge of such change, excluding weekends and [Holidays](#).

2.71.050 Penalty for Violations

A. It shall be unlawful for any Permittee to fail to comply with the requirements of this chapter.

- B. City shall withhold inspections for any Inspected Work until such compliance is achieved.
- C. The Director of Development Services may issue a stop work order if a second violation of this chapter is committed in connection with the same Permit within a continuous period of 12 months. A stop work order issued pursuant to this chapter shall be made in writing and served on the Permittee via certified mail. Notice of such stop worker order shall also be conspicuously posted at the job site of the subject Permit.
- D. The Director of Development Services may revoke a Permit if more than two violations of this chapter are committed in connection with the same Permit within a continuous period of five years. Prior to taking such action, the Director of Development Services shall issue a written notice of intention to revoke the Permit. The written notice shall be served on the Permittee, shall specify the facts which, in the opinion of the Director of Development Services, constitute substantial evidence to establish grounds for revocation, and state that the Permit shall be revoked within 30 calendar days from the date the notice is given unless the Permittee files a request with the City Clerk for an administrative hearing to appeal the decision pursuant to CVMC 2.71.060.
- E. The penalties specified in this section shall be the sole penalties available under local law for a violation of this chapter.
- F. In accordance with CVMC [15.04.015](#) and [15.06.080](#), no Person shall perform work or cause work to be performed prior to issuance of a Permit.

2.71.060 Appeal Procedures

- A. A Permittee may appeal the decision of the Development Services Director to revoke a Permit to the City Manager within 30 calendar days from the date the notice is given. Said appeal shall be in writing and filed with the City Clerk upon forms provided by the Development Services Department and shall specify therein that the decision of the Director of Development Services was in error and identify the facts and circumstances on which the claim of error is based. If any appeal is filed within the time limit specified, it shall automatically stay proceedings in the matter until a determination is made by the City Manager. The City Manager shall set the matter for hearing before a hearing examiner and notify the parties in writing of the date and location of the hearing at least 10 business days prior to said date.
- B. The fee to request an appeal pursuant to this chapter shall be in the form of a deposit, the amount to be determined by the City Manager in accordance with any applicable law based on the anticipated staff cost to conduct the hearing. If the cost of the hearing or appeal exceeds the deposited amount, the Permittee shall be responsible for payment of the additional costs incurred. If the hearing officer determines that the violation is not supported by the evidence, the entire deposited amount will be returned to the Permittee. The appeal hearing shall be conducted pursuant to CVMC 1.30.090 and 1.30.100.

2.71.070 Effective Date

This chapter shall apply to all Permits for which a Permit application is received by the City on or after January 1, 2024. No enforcement action shall be taken pursuant to this chapter until July 1, 2024.

Section II. Severability

If any portion of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid, unenforceable or unconstitutional, by a court of competent jurisdiction, that portion shall be deemed severable, and such invalidity, unenforceability or unconstitutionality shall not affect the validity or enforceability of the remaining portions of the Ordinance, or its application to any other person or circumstance. The City Council of the City of Chula Vista hereby declares that it would have adopted each section, sentence, clause or phrase of this Ordinance, irrespective of the fact that any one or more other sections, sentences, clauses or phrases of the Ordinance be declared invalid, unenforceable or unconstitutional.

Section III. Construction

The City Council of the City of Chula Vista intends this Ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this Ordinance shall be construed in light of that intent.

Section IV. Effective Date

This Ordinance shall take effect and be in force on the thirtieth day after its final passage.

Section V. Publication

The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted according to law.

Presented by

Approved as to form by

Tiffany Allen
Assistant City Manager

Jill D.S. Maland
Lounsbury Ferguson Altona & Peak
Acting City Attorney