HIGHLIGHTS OF THE 2026-2027 EDITION

This 2026-2027 Edition of the ***California Construction Law Manual*** has been updated to reflect recent trends and to include all of the latest case law, statutory law, and regulatory developments affecting construction law in California.

This volume includes updated **Appendix B,** which is a summary of all new California construction-related laws effective in 2026.

This volume also adds **Appendix D,** titled CEQA Reforms for Housing and Affordability: AB 130 and SB 131.

In addition, this edition includes cases addressing the following active and emerging issues:

- **Unjust enrichment**

Sepanossian v. National Ready Mixed Concrete Co., 97 Cal.App.5th 192, 315 Cal.Rptr.3d 373 (2023). Chapter 1

- **Prompt payment requirements**

Updated Prompt Payment Statute Matrix; new legislation regarding prompt payment on private works of improvement; new legislation regarding payment of retentions. Chapter 1

- **Requirements for home improvement contracts**

New statutory requirements. Chapter 2

- **[New] Severability**

Coinbase, Inc. v. Suski, 602 U.S. 143, 144 S. Ct. 1186, 218 L. Ed. 2d 615 (2024). Chapter 3

- **Discovery**

California's Senate Bill 940's expansion of arbitration discovery rights. Chapter 3

- **Contractor's License Law**

Classifications; Proving a compensable injury under the worker's compensation system: *DPR Construction v. Workers' Compensation Appeals Board,* 111 Cal.App.5th 1136, 333 Cal.Rptr.3d 412 (2025); What is a contractor: *AVL Test Systems, Inc. v. Hensel Phelps Construction Co.,* 120 Cal.App.5th 182, 343 Cal.Rptr.3d

813 (2026); Material suppliers: *AVL Test Systems, Inc. v. Hensel Phelps Construction Co.,* 120 Cal.App.5th 182, 343 Cal.Rptr.3d 813 (2026). Chapter 4

• **Admissibility of expert testimony**
Pagan v. City of San Rafael, 119 Cal.App.5th 853, 343 Cal.Rptr.3d 190 (2026). Chapter 5

• **Standing to sue**
Atlas Construction Supply, Inc. v. Swinerton Builders, 274 Cal. Rptr. 3d 414 (Cal. App. 4th Dist. 2021), review denied and ordered not to be officially published, (Apr. 28, 2021), *RND Contractors, Inc. v. Superior Court,* 112 Cal. App. 5th 697, 334 Cal. Rptr. 3d 582 (4th Dist. 2025), review filed, (Aug. 11, 2025), *Bean v. City of Thousand Oaks,* 114 Cal.App.5th 775, 337 Cal.Rptr.3d 339 (2025). Chapter 5

• **Expert testimony**
Fazel v. Pete Fowler Construction Services, Inc., 121 Cal.App.5th 315, 345 Cal.Rptr.3d 625 (2026). Chapter 5

• **Responsibility of owner**
Bean v. City of Thousand Oaks, 114 Cal.App.5th 775, 337 Cal.Rptr.3d 339 (2025), *Petrey v. Princess Cruises,* 2026 WL 1099261. Chapter 5

• **Negligence per se**
Jimenez v. Hayes Apartment Homes, LLC, 115 Cal.App.5th 1072, 338 Cal.Rptr.3d 719 (2025), *Petrey v. Princess Cruises,* 2026 WL 1099261. Chapter 5

• **Privette doctrine**
Ruckman v. Ag-Wise Enterprises, Inc., 117 Cal.App.5th 571, 340 Cal.Rptr.3d 391 (2025) (certified for partial publication); General contractor protected by Privette-Toland: *Cordero v. Ghilotti Construction Company, Inc.,* 2026 WL 972980; Property owner: *Andrews v. Wagner,* 116 Cal.App.5th 766, 339 Cal.Rptr.3d 588 (2025); Hirer: *Ruckman v. Ag-Wise Enterprises, Inc.,* 117 Cal.App.5th 571, 340 Cal.Rptr.3d 391 (2025) (certified for partial publication), *Cordero v. Ghilotti Construction Company, Inc.,* 2026 WL 972980; Non-delegable duty: *Cordero v. Ghilotti Construction Company, Inc.,* 2026 WL 972980; Liability of material suppliers: *Bjoin v. J-M Manufacturing Company, Inc.,* 113 Cal.App.5th 884, 336 Cal.Rptr.3d 475 (2025). Chapter 5

• **[New] Dangerous condition of public property/ Government Claims Act**
Restivo v. City of Petaluma, 111 Cal. App. 5th 267, 332 Cal. Rptr. 3d 574 (1st Dist. 2025), *Sargenti v. City of Long Beach,* 120

Cal.App.5th 702, 344 Cal.Rptr.3d 389 (2026), *Pagan v. City of San Rafael,* 119 Cal.App.5th 853, 343 Cal.Rptr.3d 190 (2026). Chapter 5

- **Homeowners insurance**

Nargizyan v. State Farm General Ins. Co., 120 Cal.App.5th 581, 344 Cal.Rptr.3d 585 (2026). Chapter 5

- **Faulty workmanship exclusion**

11640 Woodbridge Condominium Homeowners' Association v. Farmers Insurance Exchange, 110 Cal.App.5th 211, 331 Cal.Rptr.3d 319 (2025) (review granted). Chapter 5

- **Rain damage**

11640 Woodbridge Condominium Homeowners' Association v. Farmers Insurance Exchange, 110 Cal.App.5th 211, 331 Cal.Rptr.3d 319 (2025) (review granted). Chapter 5

- **Prevailing wages**

Anton's Services Inc. v. Hagen, 116 Cal.App.5th 90, 339 Cal.Rptr.3d 51 (2025), *Associated General Contractors of California, Inc. v. Department of Industrial Relations,* 108 Cal.App.5th 243, 329 Cal.Rptr.3d 294 (2026), *Nabors Corporate Services, Inc. v. City of Long Beach,* 108 Cal.App.5th 540, 329 Cal.Rptr.3d 492 (2025). Chapters 7 and 9

- **Warranty of plans and Information**

U.S. v. Spearin, 54 Ct. Cl. 187, 248 U.S. 132, 39 S. Ct. 59, 63 L. Ed. 166, 42 Cont. Cas. Fed. (CCH) P 77225 (1918), *United States for the Use and Benefit of United States for the Use and Benefit of Bonita Pipeline, Inc. v. Balfour Beatty Construction LLC,* 2017 WL 2869721 (S.D. Cal. 2017). Chapter 7

- **Apprenticeship requirements**

Anton's Services Inc. v. Hagen, 116 Cal.App.5th 90, 339 Cal.Rptr.3d 51 (2025), *Associated General Contractors of California, Inc. v. Department of Industrial Relations,* 108 Cal.App.5th 243, 329 Cal.Rptr.3d 294 (2026). Chapter 7

- **Backpay and penalties**

Anton's Services Inc. v. Hagen, 116 Cal.App.5th 90, 339 Cal.Rptr.3d 51 (2025). Chapter 9

- **Nuisance per se.**

County of Sacramento v. NKS Real Estate Holdings, Inc. 2026 WL 788638. Chapter 9

- **Constitutional violations**

Sheetz v. County of El Dorado, California, 601 U.S. 267, 273, 144

S.Ct. 893, 218 L.Ed.2d 224 (2024), *Sheetz v. County of El Dorado,* 335 Cal.Rptr.3d 316 (2025) (unpublished opinion), *Maria De La Cruz, et al. v. City of Los Angeles, et al.,* 2026 WL 413737. Chapter 9

- **Labor laws**

Associated General Contractors of California, Inc. v. Department of Industrial Relations, 108 Cal.App.5th 243, 329 Cal.Rptr.3d 294 (2026). Chapter 9

- **Environmental impacts**

Citizens for a Better Eureka v. City of Eureka, 111 Cal.App.5th 1114, 333 Cal.Rptr.3d 218 (2026), new legislation regarding changes to CEQA's statutory review process. Chapter 9

- **[New] Pension plans**

Walker Specialty Construction, Inc. v. Board of Trustees of Construction Industry and Laborers Joint Pension Trust For Southern Nevada, 2026 WL 21743. Chapter 9

- **[New] Unfair competition**

Sepanossian v. National Ready Mixed Concrete Co., 97 Cal.App.5th 192, 315 Cal.Rptr.3d 373 (2023). Chapter 9

We work diligently each year to make this publication the most important resource available on these topics and hope that you will find it valuable in your practice. Should you have any questions or comments or notice anything you think is not accurate, please let me know at annettedavisp@aol.com.

Many thanks for your subscription.

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