



June 2, 2025

Assembly Member Ash Kalra  
Assembly Judiciary Committee  
1020 N Street, Room 104  
Sacramento, CA 95814

**RE: SB 61 (Cortese) – Support (As Amended 03/26/2025)**

Dear Assembly Member Kalra:

Associated Builders and Contractors of California (ABC CA) is a statewide organization representing working Californians in carpentry, construction, construction craft laborer, electrical, low voltage, painting, plumbing, pipefitting, and sheet metal who are building commercial, industrial and affordable housing projects, and we write to express our support position on SB 61 (Cortese), which prohibits an owner, direct contractor, or a subcontractor of a private work of improvement from withholding a retention payment from a direct contractor or subcontractor of more than five percent.

This proposed cap offers several key advantages, such as, allowing contractors to maintain a healthier financial position, ensuring timely payment of benefits, investment in future projects, and sustained business operations. The proposed cap also decreases reliance on expensive credit lines, alleviating financial pressure and enabling competitive bidding on future projects. And finally, SB 61 is critical for small businesses and emerging contractors, as excessive retainage disproportionately harms firms with limited access to capital.

For these reasons, ABC CA supports SB 61 (Cortese).

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Gutierrez', with a stylized flourish at the end.

Greg Gutierrez  
Chair of the Board