

# ALERT

## CalChamber States Positions on Pending Ballot Initiatives

The California Chamber of Commerce this week announced its positions on a number of initiative proposals that have not yet qualified for the ballot.

The CalChamber Board of Directors has taken positions on the following initiative proposals:

- People’s Initiative to Protect Proposition 13 Savings—Support.
- California Care Act—Oppose.
- California Schools and Local Communities Funding Act of 2018—Oppose.
- Affordable Housing Act—Oppose.
- Fair Pricing for Dialysis Act—Oppose.
- California Consumer Privacy Act—Oppose.

### People’s Initiative to Protect Proposition 13 Savings



**SUPPORT**

The People’s Initiative allows homeowners over 55 years old to sell their homes, move, and transfer their property tax basis to the new residence.

Proposition 13, passed by California voters in 1978, generally limits ad valorem property taxes to 1% of the full

cash value of the property plus a maximum increase of 2% per year. The full cash value is the value of the property in 1975–1976 or “the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.”

Selling a home and buying a different home creates a new tax basis. Since 1978, voters have twice tweaked the portability of the Proposition 13 tax basis:

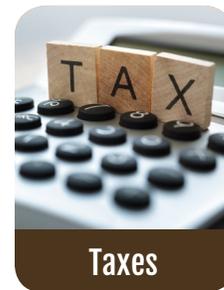
- Proposition 60 (1988) allowed homeowners over the age of 55 to transfer the assessed value of their present home to a replacement home if the replacement home is located in the same county, is of equal or lesser value, and purchased within 2 years of sale.

Proposition 90 (1988) extended that transfer to out-of-county purchases provided that the incoming county allowed the transfer.

The proposed initiative further extends the portability of Proposition 13 property tax basis by removing the geographic restrictions in Proposition 60 and Proposition 90.

California is facing a massive housing  
*CalChamber States Positions: Page 4*

## Federal Tax Reform Means More Business Taxes for California



**Taxes**

California’s corporate tax base may increase by up to 12% as a result of federal tax reform legislation, **according to a study** recently released by the **State Tax Research Institute (STRI)**.

This means that revenues from California’s corporate income tax could increase by as much as \$1.3 billion—without any action by state lawmakers to increase corporate tax rates or income definitions.

Larger tax revenues will result from the new tax reform law, which limited deductions and changed foreign tax rules. The federal tax law imposed new restrictions on companies’ ability to deduct interest payments, exchange property without paying capital gains taxes, deduct some fringe benefits and immediately write off future research costs. At the federal level, those changes were far outweighed by the rate cut.

According to Karl Frieden, vice president and general counsel at the Council on State Taxation, the study’s sponsor, “The state tax increase for corporations is totally inadvertent.”

The windfall from federal tax reform will likely produce even more revenue than would a recently proposed constitutional amendment to impose a 10% surcharge on corporate net incomes of more

*See Federal Tax Reform: Page 7*

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### Inside

**Water Storage Projects Under Review: Page 5**

## Labor Law Corner

# Dialogue with Employee Key Part of Deciding Whether to Extend Leave



**Dana Leisinger**  
HR Adviser

*Our employee has used up all of her Family Medical Leave Act (FMLA) leave, but called today to request an extension of time. Do we have to grant the extension, or can we terminate her employment?*

It depends. The Equal Employment Opportunity Commission (EEOC) has in recent years issued guidelines stating that an extension of FMLA is one of the “reasonable accommodations” contem-

plated under the Americans with Disabilities Act (ADA).

The next question asked is “how much time”? This is not an easy answer, because the ADA does not define precisely what a reasonable accommodation is.

### Factors to Consider

Several factors are considered in making this determination.

How much more time is being requested? Most companies with 50 and more employees (the minimum size for the FMLA to apply) can accommodate a few days, or even a week or two.

If an employee is requesting several more months, however, matters get more complicated. What’s reasonable for an employer with 800 employees might not be reasonable for a company of 52 employees. Therefore, the size of the company is yet another factor.

Another consideration is how sensitive the employee’s job is. Is it easy to shuffle her job duties to others, versus an important job that is causing strain on the company due to her prolonged absence?

Additionally, some companies are seasonal in nature, and an employee’s absence during a busy time of the year might be difficult to accommodate. For example, think of an accounting business during tax season.

What is critical for an employer to realize is not to have a knee-jerk reaction to such a request. These are very serious issues, and employers should work hard to accommodate the requests. It is much

easier to accommodate an employee’s request for more time versus defending a lawsuit based on denial of such a request.

### Interactive Dialogue

The employer should enter into an interactive dialogue with the employee, as is contemplated by the ADA. The law wants employers to evaluate leave requests on a case-by-case basis, not point to a “line in the sand” in the belief that the employer can automatically terminate the employee.

Indeed, if an employee has a serious health condition that also constitutes a disability as defined by Government Code Section 12926 and cannot return to work at the conclusion of her California Family Rights Act leave, the employer has an obligation to engage that employee in an interactive process to determine whether an extension of that leave would constitute a reasonable accommodation under the Fair Employment and Housing Act.

If the employer does indeed believe it cannot grant the leave request after discussing these factors with the employee, it may be advisable to consult with legal counsel to affirm the decision.

*Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at [www.hrcalifornia.com](http://www.hrcalifornia.com).*

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## CalChamber-Sponsored Seminars/Trade Shows

More at [www.calchamber.com/events](http://www.calchamber.com/events).

### Labor Law

Leaves of Absence: Making Sense of It All. CalChamber. March 22, Pasadena; June 21, San Diego; August 10, Oakland. (800) 331-8877.

HR Boot Camp. CalChamber. April 11, Oakland; April 26, Costa Mesa; June 5, Santa Clara; August 21, Sacramento; September 5, Long Beach. (800) 331-8877.

### Business Resources

Capitol Summit and Sacramento Host Breakfast. CalChamber. May 23–24, Sacramento. (916) 444-6670.

TECHSPO LA 2018. TECHSPO. June 13–14, Santa Monica. (800) 805-5385.

### International Trade

EU General Data Protection Regulations Seminar. U.S. Commercial Service, and San Diego and Imperial District Export Council. March 21, La Jolla. Info Session on US Pavilion at Expo 2020 Dubai. U.S.-U.A.E. Business Council. March 26, San Francisco; March 27, Stanford.

Comprehensive Export Training. Orange County Center for International Trade Development. April 13–14, Santa Ana.

*See CalChamber-Sponsored: Page 6*



## New Safety Rule to Protect Hotel Housekeepers to Take Effect July 1



California has adopted a new workplace safety and health regulation to prevent and reduce work-related injuries to housekeepers in the hotel and hospitality industry. It is the first ergonomic standard in the nation written specifically to protect hotel housekeepers.

The California Division of Occupational Safety and Health (Cal/OSHA) will enforce the new standard, which was approved March 9 by the Office of Administrative Law (OAL) and will go into effect on July 1.

The new regulation requires hotel and lodging employers to establish, implement and maintain an effective Musculoskeletal Injury Prevention Program (MIPP) for housekeepers.

### New Standard

According to the new standard, which the Cal/OSHA Standards Board approved on January 18, the MIPP must include:

- Procedures to identify and evaluate housekeeping hazards through worksite evaluations that include housekeeper input.
- Procedures to investigate musculoskeletal injuries to housekeepers.
- Methods to correct identified hazards.
- Training of employees and supervi-

sors on safe practices and controls, and a process for early reporting of injuries to the employer.

### CalChamber Involvement

Adoption of the **proposed standard** is the culmination of a years-long process that started in 2012 when UNITE HERE, a labor union representing workers in the hotel, gaming, food service, airport, textile, manufacturing, distribution, laundry and transportation industries, petitioned the Cal/OSHA Standards Board to develop a safety and health standard to “address the occupational hazards faced by housekeepers in the hotel and hospitality industry.”

Advocates called for stronger protections and better ergonomics training for hotel housekeeping workers to wrestle heavy mattresses and increased hotel room amenities, such as heavier comforters and towels.

The California Chamber of Commerce and other industry stakeholders participated in advisory committees convened by Cal/OSHA to bring together labor union workers, their advocates and industry representatives to discuss possible regulatory approaches and language.

Cal/OSHA adopted a number of CalChamber-recommended revisions to the regulatory language while not agreeing with the CalChamber and industry

contention that a separate program for the musculoskeletal injuries was unwarranted.

The new standard will be added to Title 8 of the California Code of Regulations as Section 3345, Hotel Housekeeping Musculoskeletal Injury Prevention.

**Staff Contact: Marti Fisher**

### Join CalChamber Safety Advisory Group

Hotel housekeeping is just one of many workplace safety issues on which the California Chamber of Commerce provides input, helping shape legislation and regulations.

To become part of this effort, sign up to join the CalChamber Occupational Safety Advisory Group (a subcommittee of the CalChamber Labor and Employment Committee).

The goal of the advisory group is to advocate cost-effective and practical safety and health regulations while protecting the competitive position of California employers.

The advisory group is open to representatives of CalChamber member firms.

To join or for more information, contact CalChamber Policy Advocate Marti Fisher, [marti.fisher@calchamber.com](mailto:marti.fisher@calchamber.com).

## Nominate an Outstanding Small Business Leader



The California Chamber of Commerce is seeking nominations for its annual Small Business

Advocate of the Year Award.

The award recognizes small business owners who have done an exceptional job with their local, state and national advocacy efforts on behalf of small businesses.

“Telling the business story is an important part of every advocacy program,” said Dave Kilby, CalChamber executive vice president, corporate affairs. “We look forward to receiving many nominations so that the CalCham-

ber can recognize outstanding spokespersons from around the state.”

### Application

The application should include information regarding how the nominee has significantly contributed as an outstanding advocate for small business in any of the following ways:

- Held leadership role or worked on statewide ballot measures;
- Testified before state Legislature;
- Held leadership role or worked on local ballot measures;
- Represented chamber before local government;
- Active in federal legislation.

The application also should identify

specific issues the nominee has worked on or advocated during the year.

Additional required materials:

- Describe in approximately 300 words why nominee should be selected.

- News articles or other supporting materials.

- Letter of recommendation from local chamber of commerce president or chairman of the board of directors.

### Deadline: April 23

Nominations are due by April 23. The nomination form is available at [www.calchamber.com/smallbusiness](http://www.calchamber.com/smallbusiness) or may be requested from the Local Chamber Department at (916) 444-6670.

## CalChamber States Positions on Pending Ballot Initiatives

From Page 1

shortage and needs at least 100,000 additional new units a year to meet demand. The CalChamber Board voted to support this measure because it could help ease the shortage by freeing up modest-priced and move-up housing for young families.

The change is important because seniors, who often are on a fixed income, fear they will not be able to afford a big property tax increase if they sell their existing home and buy another one, discouraging them from ever moving. As a result of this “moving penalty,” almost three-quarters of homeowners 55 and older haven’t moved since 2000. In addition, a recent estimate from the Legislative Analyst’s Office found that this initiative would increase home sales in the tens of thousands per year.

### California Care Act



**OPPOSE**

The California Care Act proposes a surcharge of 1% on all taxable income over \$1 million to pay for various health care programs.

This tax is in addition to the top state personal income tax rate of 12.3% and the existing 1% surcharge on incomes over \$1 million. The tax would apply to all taxpayers, regardless of filing status, and would not be indexed for inflation. The Legislative Analyst estimates the tax would raise between \$1.5 billion and \$2.5 billion annually, depending on economic conditions.

California’s personal income tax is notoriously the highest and most steeply progressive in the nation. Since 2004, voters have approved three income tax increases. Wealthy individuals pay a disproportionate share of personal income tax revenues. The Department of Finance estimates that the top 1% of income earners paid just under 48% of personal income taxes. Since the income tax today

accounts for about 70% of General Fund revenues, relatively few taxpayers disproportionately influence state revenues. The state budget is therefore vulnerable to economic cycles and the behavior of these relatively few taxpayers.

The CalChamber Board voted to oppose this measure because increasing income taxes again is unnecessary and potentially risky to California’s economic health and budget stability.

Layering additional tax increases on just a few taxpayers may encourage these taxpayers to source their income in tax-friendlier states, which would reduce economic activity and tax revenues in California. Many small businesses are organized such that their owners pay state taxes through the personal income tax. Another large tax increase—especially in the absence of the federal tax deduction—will penalize small business owners and job creators.

### California Schools and Local Communities Funding Act of 2018



**OPPOSE**

The California Schools and Local Communities Funding Act of 2018 proposes a split-roll property tax on commercial and industrial properties.

This measure requires that beginning with the 2020–21 lien date, all commercial and industrial properties, with some exceptions, be reassessed to full market value, and then reassessed every three years. Exempted from this requirement is any residential property, including rental housing, property used for production agriculture, and some small business property holdings. The measure also exempts from taxation tangible personal property up to \$500,000 per taxpayer.

The CalChamber Board voted to oppose this measure because the higher taxes would likely be passed on to con-

sumers, or would force businesses to reduce overhead costs, such as employee hours or positions. In the worst case, businesses may shut their doors or relocate to states with a less hostile tax environment.

A split roll that immediately reassesses business property would cost taxpayers \$9 billion to \$11 billion, according to a study from the University of Southern California. Annual reassessments to fair market value also would increase annual tax bills by billions more than under Proposition 13.

The CalChamber Board also was concerned that raising property taxes on commercial and industrial property increases the incentives that local governments have to approve commercial and retail development over badly needed new housing developments.

### Affordable Housing Act



**OPPOSE**

The Affordable Housing Act proposes to repeal the Costa-Hawkins Rental Housing Act in its entirety.

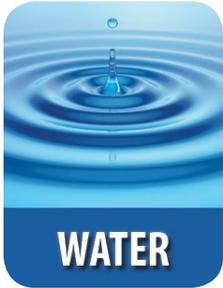
Under the initiative proposal, cities and counties can regulate rents for all types of housing regardless of age. They also can regulate how much a landlord may increase rents between tenants.

Before 1995, state law was silent regarding the adoption of local rent control laws. Case law provided that rent controls are a valid exercise of a city’s police power so long as the controls are reasonably calculated to eliminate excessive rents while providing landlords with a “just and reasonable return on their property” (*Birkenfeld v. Berkeley* (1976) 17 Cal.3d 129). Cities with rent control laws were afforded a high degree of flexibility to shape their policies

In response to the wave of rent control laws passed in the 1970s and 1980s, there

*CalChamber States Positions: Page 7*

# Clear Requirements Can Help Ease Review of Water Storage Project Funding Requests



The California Water Commission is in the middle of reviewing applications from a dozen water projects statewide for funding from Proposition 1, the measure approved by voters in 2014

to provide \$2.7 billion for investments in new water storage projects.

As Governor Edmund G. Brown Jr. wrote in the ballot arguments supporting Proposition 1: “Water storage is key and we haven’t added any new storage in 30 years. Proposition 1 carefully invests only in the most cost-effective storage projects.”

## Project Reviews

Nevertheless, in early February 2018, all 12 projects submitted to the Commission were found unacceptable for funding. Reaction to the pronouncement was swift and critical.

Project proponents and their supporters peppered the Commission at the public hearing with questions relating to why their projects scored so poorly. Letters flooded into the Commission asking for the same information.

Ultimately, the Commission opened a three-week window for appeals. Applicants were invited to have an individual one-hour session with Commission staff to clarify what information was lacking in their proposals. All but two applicants submitted additional information during the window.

Chairman Armando Quintero stated that the Commission is anxious to get the money out the door but needed more information, hence the additional three-week timeframe for clarification and the ability to resubmit with additional information.

## ‘Public Benefits’

The problem seems to be how to quantify the “public benefits” with an emphasis on eco-system improvements that help the Sacramento-San Joaquin Delta. The \$2.7 billion of storage money in the proposition can fund only those benefits.

## Water Storage Investment Program Projects

| Project  | Claimed Public Benefit  | Funding Request | Total Project Cost |
|--|---|-----------------|--------------------|
| Sites Project  | Ecosystem & water quality improvements, flood control, emergency response, recreation | \$1,662 M       | \$5,176 M          |
| Los Vaqueros Reservoir Expansion   | Ecosystem improvements, emergency response, recreation                                | \$434 M         | \$795 M            |
| Willow Springs Water Bank Conjunctive Use Project  | Ecosystem improvements, emergency response  | \$306 M         | \$343 M            |
| Temperance Flat Reservoir Project  | Ecosystem improvements, flood control, emergency response, recreation                 | \$1,330 M       | \$2,661 M          |
| Centennial Water Supply Project*   | Ecosystem improvements, recreation  | \$12 M          | \$324 M            |
| Pacheco Reservoir Expansion Project  | Ecosystem improvements, flood control, emergency response                             | \$485 M         | \$969 M            |
| Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program   | Ecosystem & water quality improvements, emergency response                            | \$480 M         | \$480 M            |
| San Joaquin River & Tributaries Conjunctive Use*   | Ecosystem & water quality improvements  | \$22 M          | \$22 M             |
| Tulare Lake Storage & Floodwater Protection Project  | Ecosystem improvements, flood control, emergency response, recreation                 | \$452 M         | \$603 M            |
| Kern Fan Groundwater Storage Project   | Ecosystem improvements, emergency response  | \$86 M          | \$171 M            |
| Pure Water San Diego Program North City Phase 1  | Ecosystem & water quality improvements, emergency response, recreation                | \$219 M         | \$1,210 M          |
| South Sacramento County Agriculture & Habitat Lands Recycled Water, Groundwater Storage, & Conjunctive Use Program | Ecosystem & water quality improvements, emergency response, recreation                | \$304 M         | \$373 M            |

Source: California Water Commission

\*No appeal filed

Some benefits, like flood control improvements, are easier to quantify and assign a dollar value. Other project elements, like placing a monetary value of a returning salmon or the improvement provided by being able control water temperature in a river or send replacement water from another source are not so easy to quantify.

The Commission plans on announcing which projects will receive funding in June.

## CalChamber Support

The California Chamber of Commerce supported the water bond based on the \$2.7 billion water storage components. Storage is needed to control the amount and timing of water flowing through the Delta to meet endangered

species requirements, which affects the amount of contracted water available for farmers and cities downstream.

Storage capacity also provides the opportunity to store more water in wet years to offset needs in drier years. Groundwater and surface water projects qualify for funding.

The CalChamber urges the Commission to be transparent in its requirements for project funding so that applicants in this highly technical process can be certain to provide all the data needed for commissioners to make informed decisions.

More information on the water storage projects, applications, hearings and more is available at the Commission website,

[www.cwc.ca.gov](http://www.cwc.ca.gov).

Staff Contact: Valerie Nera

## Assembly Committee OKs Bill to Deter Organized Retail Theft



### SUPPORT

A California Chamber of Commerce-supported bill to help retailers limit losses from theft won unanimous bipartisan approval this

week from a Senate policy committee.

**AB 1065 (Jones-Sawyer; D-South Los Angeles)** strengthens penalties by creating an Organized Retail Crime felony in California law.

Organized retail crime is theft conducted with the intent to convert stolen merchandise into financial gain rather than for personal use. Perpetrators of such thefts usually are large and sophisticated organizations that steal merchandise from several stores in many jurisdictions and have a fencing operation to sell the ill-gotten merchandise online or through

other means, such as flea markets.

Retailers are experiencing escalating merchandise loss that is adversely affecting their profitability. General merchandise retailers and grocery stores have experienced an average 40% increase in losses and chain drug stores a doubling of losses since the implementation of Proposition 47, approved by voters in November 2014 to make nonviolent property crimes punishable as misdemeanors whenever the value of the property taken does not exceed \$950.

Small retail businesses are especially vulnerable without the resources to withstand repeated losses.

The organized habitual offenders steal items under the \$950 threshold. If caught, the thief often will be back on the street the same day.

AB 1065 strengthens the capacity for local justice systems to hold accountable people who are engaged in serial or chronic retail theft and allows law enforce-

ment to pursue felony prosecutions.

If multiple thefts involving the same thieves occur in multiple counties, AB 1065 allows the crime to be prosecuted in any jurisdiction where the thefts happened.

The CalChamber supports AB 1065 because retail theft is bad for the economy, resulting in lost tax revenues for government, higher consumer costs and potentially dangerous workplaces for employees.

### Key Vote

The Senate Public Safety Committee passed AB 1065 on March 13 by a vote of 7-0.

**Ayes: Skinner (D-Berkeley), Anderson (R-Alpine), Bradford (D-Gardena), Jackson (D-Santa Barbara), Mitchell (D-Los Angeles), J. Stone (R-Temecula), Wiener (D-San Francisco).**

The bill will be considered next by the Senate Appropriations Committee.

**Staff Contact: Valerie Nera**

## CalChamber-Sponsored Seminars/Trade Shows

*From Page 2*

(714) 564-5413.

Asia Pacific Business Outlook Conference. University of Southern California Marshall School of Business. April 16-17, Los Angeles. (213) 740-7130.

Chile California Clean Energy Conference. Chile California Council. April 18, Sacramento.

Business Forum: Innovations in Safety and Security. U.S. Consulate in Hong Kong and the U.S. Commercial Service. April 18-20, Hong Kong. (703) 235-0103.

Expo Seguridad. California Centers for International Trade Development.

April 24-26, Mexico City. (951) 571-6458.

World Trade Week Kickoff Breakfast. Los Angeles Area Chamber. May 4, Los Angeles. (213) 580-7569.

Water and Agriculture Technology Business Mission to Israel. U.S. Chamber. May 8-10, Israel. (202) 463-3584.

CalChamber International Forum. CalChamber. May 23, Sacramento. (916) 444-6670 ext. 233.

21st Annual International Business Luncheon. World Trade Center Northern California. May 24, Sacramento. (916) 319-4272.

SelectUSA Investment Summit. U.S. Department of Commerce. June 20-22, Oxon Hill, MD. (800) 424-5249.

83rd Thessaloniki International Fair. HELEXPO. September 8-16, Thessaloniki, Greece.

China International Import Expo. China International Import Export Bureau. November 5-10, Shanghai, China.

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## CalChamber States Positions on Pending Ballot Initiatives

*From Page 4*

were numerous attempts over the years in the courts, the Legislature, and at the statewide ballot, to preempt local rent control. These attempts were unsuccessful until 1995, when the California Legislature passed and then-Governor Pete Wilson signed AB 1164 (Hawkins), also known as the Costa-Hawkins Rental Housing Act.

The CalChamber Board voted to oppose the initiative proposal because removing the limitations on locally enacted rent control laws could discourage new construction, decrease the supply of rental housing and reduce the quality of housing available in communities statewide.

In a 2016 report, the Legislative Analyst's Office (LAO) concluded that "Rent control will do nothing to increase our supply of affordable housing and, in fact, likely would discourage new construction."

Cities with stringent forms of rent control, such as San Francisco and Santa Monica, have lost large numbers of rental units as a result of rent control. Owners of rental housing subject to rent control are more likely to convert their properties to condos or other forms of ownership housing. This results in fewer homes being available for rent and more being available for purchase.

Rental property owners would not be able to afford to adequately maintain their buildings. According to the LAO, "By depressing rents, rent control policies reduce the income received by owners of rental housing. In response, property owners may attempt to cut back their operating costs by forgoing maintenance and repairs. Over time, this can result in a decline in the overall quality of a community's housing stock."

### Fair Pricing for Dialysis Act



**OPPOSE**

The measure limits amounts outpatient kidney dialysis clinics may charge for patient care and imposes penalties for excessive charges.

Specifically, the measure:

- Requires clinics, beginning in 2019, to provide rebates to commercial health insurers when total revenues exceed 115% of certain costs for direct patient care and treatment quality.

- Outlines a process for legal challenges against the measure's rebate provision as an unconstitutional taking of private property without due process or just compensation. If the courts rule in the clinic's favor, the clinics have the burden to propose an alternative revenue cap.

- Imposes a penalty of 5% on the amount of the rebates to the Department of Public Health to implement and enforce laws governing chronic dialysis clinics.

- Requires annual reports relative to the rebate provision that include the number of treatments provided, the amount of direct care and quality improvement costs, the amount of the revenue cap, the amount the revenues exceed the cap and the amount of rebates provided to payers.

The CalChamber Board opposes arbitrary government price controls that do not account for actual cost of care. This measure sets a dangerous precedent to apply government price control to other health care providers and businesses. Moreover, the measure could increase costs by shifting treatment from a dialysis clinic to more expensive venues, such as emergency rooms or hospitals. Finally, the measure could jeopardize the financial viability of clinics, which could lead to

closures, thereby reducing access to patients for critical care.

### California Consumer Privacy Act



**OPPOSE**

The measure amends California statutes to require businesses to provide a copy of any personal information to consumers upon request, allows

consumers to opt out of the business sharing or selling personal information, and provides for new causes of action and penalties on businesses.

The proposed initiative would add new California statutes that establish an opt-out regime to businesses sharing or selling consumer information. The breadth of the initiative encompasses all business sectors. The initiative applies to any for-profit business that has \$25 million gross revenue, or buys, sells, or shares information of 50,000-plus consumers, or derives 50% or more of its revenue from selling consumer information. Nonprofit and governmental entities are not covered directly. However, the initiative could have significant impacts on how information is shared with these entities.

The CalChamber Board voted to oppose this measure because it poses grave risks to the business community and potentially the state's economy. It has an impact on businesses across every sector and would be particularly harmful to the data-driven economy that generates a significant portion of the state's revenue. In addition, the measure creates a strict liability litigation regime that would increase both the incentives for filing class action suits and the damages in those suits. Some businesses may decide the best way of adapting to the new requirements would be to relocate out of state.

## Federal Tax Reform Means More Business Taxes for California

*From Page 1*  
than \$1 million.

The avowed purpose of that measure is "to share with ordinary California taxpayers the economic gains provided by federal income tax cuts for corpora-

tions with over one million dollars (\$1,000,000) in net income."

It turns out that federal tax reform will accomplish that goal without the Legislature casting a vote.

"The Impact of Federal Tax Reform on

State Corporate Income Taxes" was prepared for STRI by Ernst & Young. STRI is the 501(c)(3) research affiliate of Council on State Taxation, a nonprofit trade association of multistate corporations.

**Contact: Loren Kaye**



LIVE WEBINAR | THURSDAY, MARCH 29, 2018 | 10:00 - 11:30 AM PT

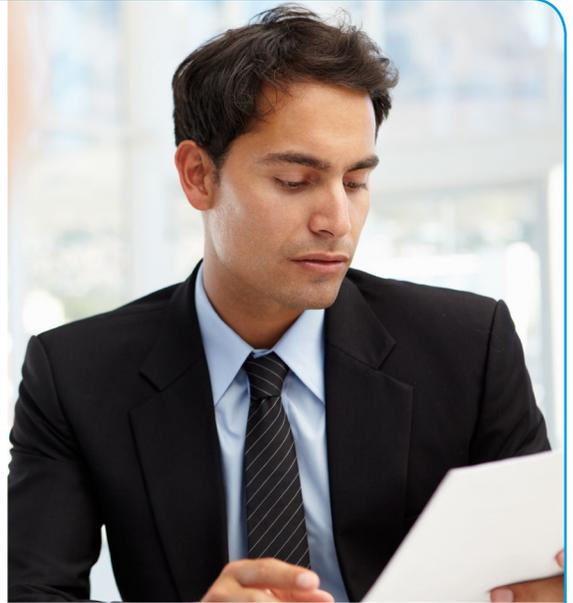
## Hiring Steps You Don't Want to Regret

Recruiting, interviewing and hiring new employees involves significant legal risks if not handled properly. **No business wants to open itself to a costly discrimination lawsuit.**

In fact, California has stricter protections for job applicants than federal laws do—even more so since January 1, 2018.

Join our employment law experts online on March 29, to learn correct steps to take in the hiring process.

**Cost: \$199.00 | Preferred/Executive Members: \$159.20**



This webinar is mobile-optimized for viewing on tablets and smartphones.

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