

ALERT



Committee Rejects Curb on ADA Lawsuit Abuse

Chamber Sponsored Bill to Stop Shakedown Lawsuits



The Senate Judiciary Committee this week rejected a California Chamber-sponsored bill to stop frivolous shakedown lawsuits filed against California employers under the Americans with Disabilities Act (ADA).

SB 855 (Poochigian; R-Fresno) helps stop predatory shakedown ADA lawsuits by requiring a specific notice of intent to sue and brief period of time where a business can repair an ADA access problem.

“We are disappointed that members of the committee failed to pass this important bill,” said Julianne Broyles, Chamber director of employee relations and small business. “By rejecting SB 855, members of the Judiciary Committee are simply perpetuating the status quo, allowing serial litigants to continue filing these predatory lawsuits and putting California small businesses out of business.”

Background

Under the federal ADA, a business
See Senate: Page 4

Assembly Committee Fails to Move Chamber-Sponsored Pay Card Bill



The last of several California Chamber-sponsored bills to improve state labor laws, one permitting the use of paycheck cards in California,

failed to move out of an Assembly committee this week.

The Assembly Labor and Employment Committee declined to vote on **AB 822 (Benoit; R-Riverside)**, in effect turning the proposal into a “two-year bill” that won’t be considered again until next year.

“This common-sense bill would have brought California’s pay practices into the 21st century,” said Julianne Broyles, Chamber director of employee relations and small business. “It is unfortunate that committee members chose to table for another year a bill that was beneficial for both employers and employees.”

Expanding Options

AB 822 expands employers’ options for compensating employees to include electronic paycheck cards.

Current California law provides for only three ways in which an employer can pay an employee. The law states that a worker can be paid:

- in cash, as long as a written or

See Assembly: Page 4

Chamber Poll: Overwhelming Business Support for Governor Arnold Schwarzenegger



California Chamber President Allan Zaremborg tells a gathering of the Sacramento Press Club about the Chamber poll showing overwhelming business community support for the Governor. See story on Page 3.

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Business Education Reforms: Insert

Labor Law Corner

Vacation Pay Due at Time of Layoff, Doesn't Accrue During Layoff



Dale Louton
Labor Law Advisor

If we are planning a layoff, what should I do about accrued vacation? If we rehire the employees, does vacation accrue during the layoff? If rehired, does the employee begin accruing vacation immediately at the previous rate of accrual?

When an employee is laid off without

a specific return date within the normal pay period, the wages earned up to and including the layoff date are due and payable in accordance with Labor Code Section 201 — that is, immediately on layoff. This includes all accrued vacation wages.

If there is a return date within the pay period and the employee is scheduled to work, the wages may be paid at the next regular payday (Labor Code Section 204).

Vacation wages, including pro-rata accrued vacation, must be paid at termination (Labor Code Section 227.3).

Vacation accrual is considered a form of wages earned while working, as interpreted by the California Supreme Court in *Suastez v. Plastic Dress-Up Co.* (1982) 31 C3d 774. Therefore, while an employee is on layoff, vacation wages do not accrue.

Rehired employees accrue vacation in accordance with your policy. A rehired

employee can start anew or pick up where he/she left off. This is the employer's option and should be made clear in your employee handbook.

The Labor Law Helpline is a service to California Chamber 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 e-mail: helpline@calchamber.com.

Seminars

For more information on the seminars listed below, visit www.calchamber.com/events.

Business Resources

Governor's Older Worker and Exemplary Employer Awards. Employment Development Department. May 17, Sacramento. (916) 654-7079.
Society for Human Resource Management Annual Conference. Society for Human Resource Management. June 19-22, San Diego. (800) 283-7476.

International

Breakfast and Luncheon Address with President of El Salvador. May 9, Los Angeles, (310) 248-1000; and San Diego, (619) 544-1361.
Global Logistics Symposium. San Diego World Trade Center. May 18, San Diego. (619) 615-0868, ext. 109.
Mexico Economic Review and Political Outlook 2005. May 24, Los Angeles. (310) 586-7901.

Labor Law

Employee Discipline and Termination Web Seminar. California Chamber of Commerce. June 8. www.calchamberstore.com/store/products/edt.

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Chamber Calendar

Luncheon Forum:

May 12, Sacramento
(Lucinda "Cindy" Ehnes, director, California Department of Managed Health Care. "Health Care Choices for California Employers.")

Water Resources Committee:

May 24, Sacramento

Tourism Committee:

May 24, Sacramento

Volunteer Leaders Conference:

May 24, Sacramento

Board of Directors:

May 24, Sacramento

California Business Legislative Summit:

May 25, Sacramento



Visit www.calchamber.com for the latest business legislative news plus products and services to help you do business.

Chamber Poll Shows Overwhelming Business Support for Governor

A California Chamber of Commerce poll shows overwhelming business community support for Governor Arnold Schwarzenegger, Chamber President Allan Zaremberg announced last week.

“Governor Schwarzenegger has worked hard to bring jobs back to California,” said Zaremberg. “This poll reflects the awareness in the business community that the Governor is doing his job to reinvigorate California’s jobs climate.”

The poll, released during Zaremberg’s appearance at a Sacramento Press Club luncheon, shows 79 percent of California’s business leaders have a favorable view of the Governor. The poll reflects the broad range of business sizes throughout the state, with almost 80 percent of poll respondents having fewer than 50 employees.

During his speech, Zaremberg also highlighted the reform measures circulated by Citizens to Save California (CSC), a group formed to gather signatures for a variety of reforms supported by Governor Schwarzenegger. Zaremberg co-chairs the group.



California Chamber President Allan Zaremberg

“We set a goal four months ago to collect sufficient signatures by May 1st and I think that we will be very close to that goal,” Zaremberg said. “Then it is up to the Governor whether he wants to call a special election if the Legislature fails to act.”

CSC spearheaded signature-gathering for the following initiatives:

- **California Live Within our Means Act**, which curbs out-of-control spending by state officials by capping government spending to balance future state budgets,

while assuring funding for necessary transportation projects.

- **Put the Kids First Act**, extending from two years to five the number of years a teacher must have served in order to receive tenure. Signatures were being submitted as *Alert* went to press.

- **The Excellence in Teaching Act**, also extending the tenure requirement to five years of service plus creating a system in which teachers are paid based on performance.

These initiatives, as well as the **Voter Empowerment Act**, which Zaremberg spoke about, have been endorsed by the Chamber Board of Directors. The Voter Empowerment Act turns redistricting over to a panel of retired judges. CSC supports that measure, but another coalition gathered signatures, which also were being submitted this week.

“The process of reform is a marathon, not a sprint,” concluded Zaremberg. “The business community supports the Governor and stands behind his efforts. These reform initiatives are a large part of that effort.”

Staff Contact: Sara Lee

MAY 24-25, 2005

California Business Legislative Summit

SACRAMENTO CONVENTION CENTER

Major Sponsor
Wells Fargo Bank

Employers and business owners — Don’t miss out on this opportunity to learn how you and your company can have an impact on decisions at the state level.

HOT ISSUES

- Updating Infrastructure (highways, housing, energy, ports)
- Stopping Lawsuit Abuse (including Americans with Disabilities Act reform)
- Battling Health Care Costs
- Building Strong Grassroots Political Action
- Removing Barriers to Workplace Progress
- Reforming Policy through Ballot Initiatives

FEATURED SPEAKERS



Governor
Arnold
Schwarzenegger



Chamber Chair
Eugene J. Voiland

Register before May 11 deadline at www.calchamber.com, or for additional information, contact Amy Orr at (916) 444-6670, ext. 263 or e-mail events@calchamber.com.



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Senate Judiciary Committee Rejects Curb on ADA Lawsuit Abuse

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that is open to the public must have designated parking and no steps or curbs blocking an entrance. Bathrooms and aisles must be able to accommodate patrons with wheelchairs and counters cannot be too high. The ADA allows a disabled person who has been denied access to a public building because of access violations to file a lawsuit.

Businesses throughout the state have been targeted by what have been called "frequent filers," who file look-alike lawsuits where a single plaintiff and his/her lawyers file lawsuits alleging the same violation against numerous small businesses in a particular area.

"Since the ADA was passed 15 yrs ago, California has seen over 10,000 ADA access lawsuits," said David Warren Peters, president of Lawyers Against Lawsuit Abuse, APC. "How many lawsuits will it take before our legislators acknowledge that a lawsuit-based private enforcement system is the most costly, least effective means of regulating building standards?"

Peters, along with a number of others in the business community, testified in



Julianne Broyles, California Chamber director of employee relations and small business, explains the Chamber is sponsoring SB 855 to stop predatory shakedown ADA lawsuits.

support of SB 855 at the May 3 hearing. Peters will also be speaking on lawsuit abuse and reform at the Chamber's Business Legislative Summit on May 25.

Continued Support

The Chamber supports finding ways to help businesses avoid ADA shakedown lawsuits by creating a process where businesses have the opportunity to make a good faith effort to correct an alleged ADA violation before being subject to a lawsuit.

SB 855 was granted reconsideration and could come up for another vote at any time.

Businesses should continue sending letters in support of SB 855 to members of Senate Judiciary.

Key Vote

Ayes: Ackerman (R-Tustin); Morrow (R-Oceanside).

Noes: Cedillo (D-Los Angeles); Figueroa (D-Fremont); Kuehl (D-Santa Monica).

Absent/abstaining/not voting: Dunn (D-Garden Grove); Escutia (D-Norwalk).

This is the fourth time legislators have failed to provide small businesses with relief from frivolous ADA lawsuits.

Staff Contact: Julianne Broyles

Assembly Committee Fails to Move Chamber-Sponsored Pay Card Bill

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printed pay stub is provided;

- by paper paycheck and accompanying pay stub that must be cashable for free at some established place of business in the state, the name and address of which must appear on the paycheck (unless that business is a bank); and

- by direct deposit of the paycheck into a worker's bank account.

Use in Other States

Companies in other states already are using pay cards to compensate their workers. The process typically operates this way: The company establishes an account with a financial institution and deposits the employee's wages into that account. The employee is issued a pin number-secured pay card at no cost and is not required to have a bank account to use the card. The cards are the same size as an ATM or credit card.

The employee is able to use the pay card just like an ATM or debit card. The employer prepays the transaction fee on a certain number of withdrawals per month, permitting the worker to access some or all of those wages without fees or discount. Workers are also provided with either a written or electronic copy of their pay stub. The worker keeps the card as long as he/she is employed by that business and the wages are automatically added to the card on the worker's scheduled pay day.

New Technology

"California needs to take advantage of new technologies that make new pay systems available," continued Broyles. "It was made clear by those representing the labor unions that they are unwilling to discuss this important measure until an unrelated issue has been resolved. We will continue to work with committee

members to ensure that they understand the importance of this bill to California's employees and employers."

AB 822 would have established the use of a pay card as another form of employer payment in the state Labor Code. These pay cards would work just like direct deposit does, but without requiring the employee to have a bank account. The pay card option established in AB 822 also would have benefited employers because the new process provides a convenient, low-cost way to pay workers.

Next Year

Assembly Labor and Employment did not vote on AB 822 at the May 4 hearing. Its status as a two-year bill means this legislation will now be discussed and possibly changed before it is heard again by Assembly Labor and Employment next year.

Staff Contact: Julianne Broyles



Business Leaders Unveil Reform Plan to Make Sure Students Master Needed Skills

It's clear from the hard data — the student test scores — that high-achieving schools come from all parts of the state, including those with high poverty and high ethnic minority populations.

These schools have one thing in common: they continually evaluate their performance and their students' performance by testing the students and using that data to evaluate what's working and what's not.

A new business community-sponsored education reform package seeks to expand these successful strategies in all schools throughout California.

Last month, California Business for Education Excellence (CBEE), a coalition including the California Chamber of Commerce, released 11 proposals for education reform. Titled "*Closing Achievement Gaps at All Grade Levels; The Next Phase in Improving California's Public Schools*," this comprehensive plan is a common-sense approach to advancing the successful standards- and accountability-based education reforms strongly supported by Californians.

A full copy of the CBEE plan is available at www.cbee.org.

Goal

The CBEE reforms are geared toward one goal: making sure all students,



regardless of race, ethnicity, or income level, are mastering necessary skills at every grade level.

At the end of third grade, for example, a student should be proficient in third grade reading, writing and math, as defined by California's state standards. Schools should be held accountable for the results.

Focus on Results

"Just as no successful business would operate without setting goals, measuring progress and being accountable for results, CBEE members believe all govern-

ment programs should operate that way, especially our schools," said California Chamber President Allan Zaremborg.

"CBEE reforms will help schools improve student learning using existing resources. The plan takes what high achieving schools are already doing and helps export those successful teaching practices to other teachers and schools," Zaremborg said.

CBEE President Jim Lanich has visited hundreds of classrooms in his role as both a teacher and school district official in the Los Angeles Unified School District.

"What I saw consistently in high performing schools was that these schools were teaching to the state-approved grade-level standards, testing students, evaluating the results, and building on those teaching methods that were working in the classroom," Lanich said.

"Using the website Just for the Kids-California (www.jftk-ca.org) anyone can review school and classroom data to identify how schools and classes are performing," Lanich commented. "Teachers love it and principals love it because they can double and triple check their students' progress and know their instruction is working to help students learn. In every case, test scores have improved and students are doing better."

Statewide Poll Finds Support for CBEE Reforms

Results from the latest Public Policy Institute of California education poll in April show strong support for education reforms proposed by California Business for Education Excellence (CBEE). For example:

- 72 percent support requiring students to pass a statewide test before they graduate from high school. The same percentage
- also supports statewide testing before students are promoted to the next grade. CBEE strongly supports annual student testing in every grade.
- 64 percent support increasing teachers' pay based on merit. CBEE strongly supports an accountability system that rewards teachers based on their ability to improve student academic achievement.
- 59 percent of Californians believe the quality of the state's public education system can be improved by using the money now spent more wisely. CBEE supports reforms to make school budgeting and spending more transparent, making it easier to determine where and how education dollars are spent.



‘Just for the Kids-California’: Free Website Helps Show Which Schools Are Successful

Just for the Kids-California, www.jftk-ca.org, is a free website that allows users to look up schools, see how students in every grade have performed annually on the California Standards Test, and compare that school to the top 10 (with comparable student populations) in their county, region and throughout the state.

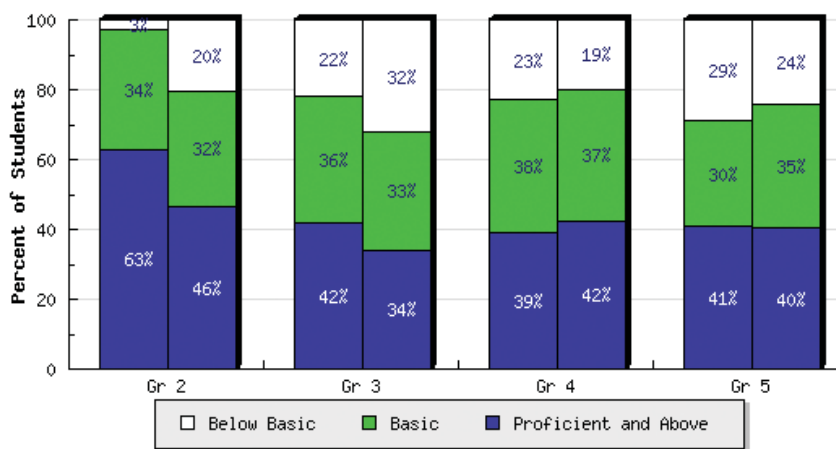
This site was developed with private funding from California businesses. It is the only site available that crunches massive amounts of student testing and enrollment data from the California Department of Education into easy-to-understand bar graphs and charts.

JFTK-CA is a valuable tool for educators, parents, business leaders and the general public to monitor school and classroom progress and hold teachers and schools accountable for results.

The first chart shows how each grade

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Bunche (Ralph) Elementary, Compton Unified Language Arts 2004 Multi-Grade Results



For each grade or subject listed, the left bar is the selected school and the right bar is the average of the Top 10 Comparable Schools in the state.

Educator, Business Input Builds CBEE Education Reforms

The CBEE proposals were developed with input from educators and business leaders:

- **Judge Students and Schools on Grade Level Proficiency.** Change the way schools report test scores so they compare how well students, schools and teachers meet grade-level proficiency in reading, writing and math as measured by the California Standards Test which students in grades 2-11 take every year. Now, students and schools are simply measured on overall school growth; there is no reporting of whether a student is performing at grade level and ready to succeed in the next grade.

- **Use Data to Identify Best Teaching Practices.** Encourage educators to use test data from the California Standards Test to evaluate student progress; identify and share teaching methods that work; detect schools that are failing; and provide early intervention for failing schools.
- **Better High School Reporting.** Keep better track of high school dropouts and developing standardized end-of-course exams in core high school subjects.
- **Improve Teacher and Principal Quality and Preparation.** Improve teacher and principal quality and preparation through performance-based merit pay system, by defining

“quality” as the ability to improve and maintain student academic achievement; and by giving principals the freedom to put teachers in classrooms where they will be most effective rather than basing teacher assignment on seniority.

- **Governance Changes and Fiscal Transparency.** Other recommendations include giving the Governor more responsibility and accountability; making it easier to determine how and on what schools and school districts spend their money; and giving parents more options when their schools fail.

For details, visit www.cbee.org.



‘Just for the Kids-California’ Helps Show Which Schools Are Successful

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level at Bunche Elementary School in Compton ranks against 10 comparable schools in the state in the Language Arts portion of the 2004 California Standards Test.

Proficient, in blue, represents students who have mastered the California Standards Test at that grade level in language arts or math and are prepared to succeed in the next grade. Schools should work to have students at 100 percent proficiency levels. Basic, in green, and Below Basic, in white, represent students who have tested below grade level and are in need of immediate intervention.

Making Comparisons

The website also allows users to compare how various subgroups are doing by school and by grade.

The second chart is an example showing how all students at Bunche Elementary performed on the language arts portion of the California Standards Test from 2002 to 2004, by subgroup.

The second chart demonstrates that Bunche Elementary is improving student performance and proficiency. While students are still only at about 50 percent proficiency overall, they are improving and have made an almost 30-point gain in just two years.

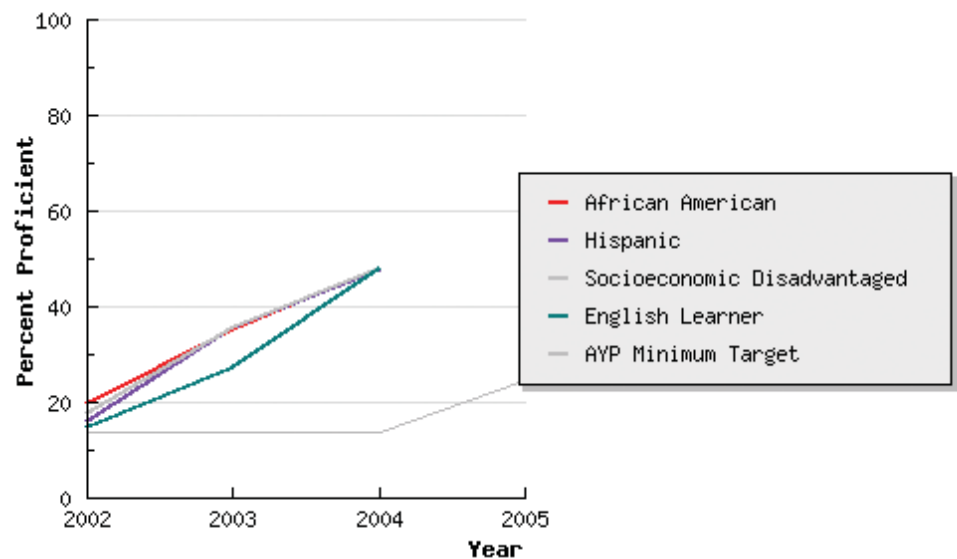
The third chart tells a different story about an elementary school in Oakland. Students from a variety of subgroups at the school are either showing no progress or declining performance over the two-year period.

Other Information Available

Other charts and graphs available on www.jftk-ca.org include proficiency results and rankings by grade and by district, and comparisons to show how schools measure up against federal No Child Left Behind guidelines.

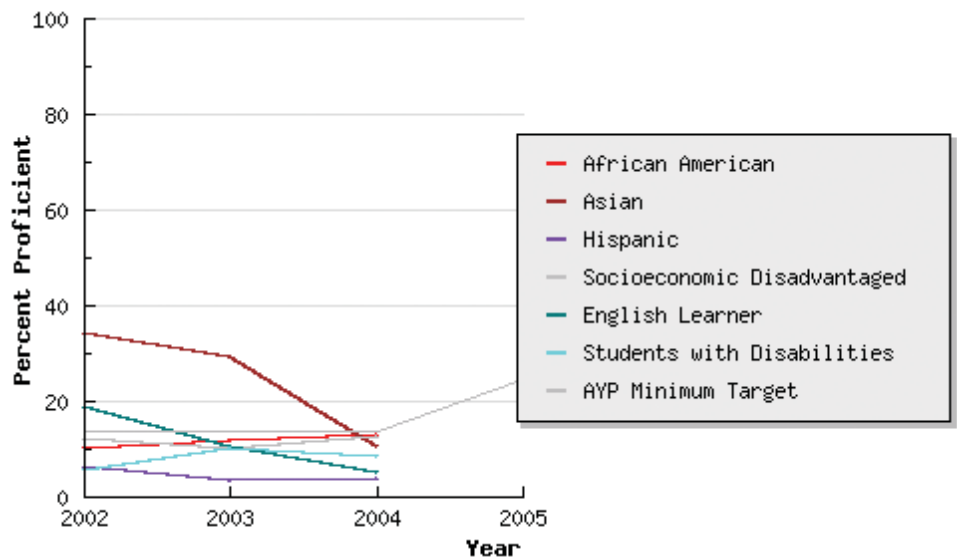
The site also includes a “Best Practices” section for educators where teachers and principals have shared lesson plans and other successful teaching methods that have raised student achievement.

Bunche (Ralph) Elementary, Compton Unified Language Arts Subgroup Performance Summary



The charted subgroups of students at Bunche Elementary are improving in language arts. AYP = adequate yearly progress.

Cole Elementary, Oakland Unified Language Arts Subgroup Performance Summary



Language arts performance by student subgroups is stagnant or has declined.



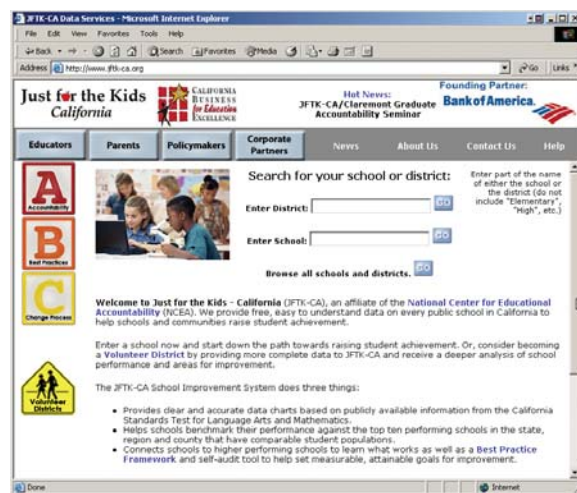
How Business Leaders Can Get Involved in Improving California Schools

As business leaders we recognize how important it is to be involved in our communities and our schools. The business community developed the website Just for the Kids-California — www.jftk-ca.org — to help raise student achievement in the classroom.

Your support is critical to enact California Business for Education Excellence (CBEE) policy reforms and dramatically improve our schools based on what we have learned from high-performing schools all over the state.

Here's what you can do to help:

- **Look up your area schools on the Just for the Kids-California website, www.jftk-ca.org.** You can search by school district or by individual school. Check to see how your local schools are doing in meeting grade level proficiency.
- **Call your local schools.** Get to know the principals, teachers. How are they addressing any students who are not meeting grade level standards and what are they doing to help those students?
- **Ask your local schools if they use the JFTK-CA website.** If not, encourage them to do so. It will not cost them a penny.
- **Attend school board and school district meetings.** Make sure school officials hear from the business community on issues of local importance.
- **Get involved in CBEE's efforts.** Go to www.cbee.org/updates.htm and sign up to receive legislative updates, press releases and action alerts via e-mail. We'll need your help in Sacramento and in your local area to help press for CBEE's common-sense reforms.
- **Talk about JFTK-CA, CBEE, and get others involved, too. Find ways in your area to recognize schools that are raising student achievement.**



www.jftk-ca.org

What Is CBEE?

California Business for Education Excellence (CBEE) was founded in 1999 by major businesses and business organizations to represent the business community in state education policy making and restore excellence to California education. Since its inception, CBEE has helped put in place rigorous academic standards for all students, a testing system that measures progress, and an accountability system that reports progress, rewards success, and provides clear consequences for failure. CBEE remains the business community's voice for standards and accountability in the State Capitol. Members include the California Chamber of Commerce, California Business Roundtable, Boeing Company, State Farm Insurance, IBM, Bank of America, Intel, and other regional business associations and businesses.



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Chamber Urges Business: Write in Support of U.S.-Central American Trade Agreement

As Congress prepares for a vote on the U.S.-Dominican Republic/Central American Free Trade Agreement (DR-CAFTA), the California Chamber of Commerce is urging businesses to write in **support** of the agreement.

Both California and the United States have much to gain from the DR-CAFTA, the nations of which make up the second largest U.S. export market in Latin America, behind Mexico.

In addition to the Dominican Republic, the agreement includes Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

Presidents Tour

With congressional action on the DR-CAFTA proving to be the hardest fought trade vote of the year, the presidents of the nations in the agreement are participating in a barnstorming tour to build support for the DR-CAFTA. Events have been scheduled in California and around the nation early next week.

On Monday, May 9, His Excellency Elias Antonio Saca, President of the Republic of El Salvador, will speak about business opportunities the DR-CAFTA presents for California at a breakfast in Los Angeles and a luncheon in San Diego.

More information is available in the events section at www.calchamber.com/international.

Presidents of other DR-CAFTA nations are scheduled for events on May 9-10 in Albuquerque, New Mexico; Birmingham, Alabama; Charlotte, North Carolina; Cincinnati, Ohio; Memphis, Tennessee; Miami, Florida; New York, New York; and Tampa, Florida. The barnstorming tour will conclude with a VIP

reception at the U.S. Chamber of Commerce in Washington, D.C. on May 10.

In March, ambassadors of the CAFTA nations traveled through California to promote approval of the agreement. Their itinerary included talks at the California Chamber International Luncheon Forum



The nations in the U.S.-Dominican Republic/Central American Free Trade Agreement — Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua — make up the second largest U.S. export market in Latin America.

and Board of Directors meeting.

Trade Agreement Impact

When the DR-CAFTA is implemented, more than 80 percent of U.S. exports will be able to enter the Dominican Republic and CAFTA countries duty-free, with all products having duty-free access in 10 years.

The DR-CAFTA is expected to contribute to stronger economies, the rule of law, sustainable development, and more accountable institutions of governance, complementing ongoing domestic, bilateral and multilateral efforts in the region.

A study by the U.S. International Trade Commission has indicated that the DR-CAFTA will increase U.S. exports worldwide by \$1.9 billion upon implementation, more than any other recent FTA.

Currently, U.S. products face a competitive disadvantage in the region because Central American countries have been very active in negotiating free trade agreements that do not include the United States. More than 20 trade agreements grant preferences in Central America to products

from Mexico, Canada, Chile and several South American nations.

Leading U.S. exports to Central America include textiles, machinery, plastics, electrical machinery and equipment.

California is one of the 10 largest economies in the world with a gross state product of approximately \$1.4 trillion. International-related commerce accounts for approximately one-quarter of the state's economy. Export-supported jobs account for more than 10 percent of California's total private sector employment - about one in 10 jobs.

California exports to the DR-CAFTA market totaled nearly \$660 million in 2004. California leads the nation in exports of computers and electronic products, accounting for nearly 40 percent of all the state's exports and 20 percent of total U.S. exports. Forty percent of total goods imported by Central America come from the United States.

Action Needed

Write your congressional representative to express **support** for DR-CAFTA. Note that agreements like the DR-CAFTA ensure California and the United States can continue to gain access to world markets, which will result in an improved economy and additional employment here. A sample letter is available in the Government Relations section at www.calchamber.com.

Staff Contact: Susanne Stirling

Legislative Outlook

An update on the status of key legislation affecting businesses. Visit www.calchamber.com/position_letters for more information, sample letters and updates on other legislation. Staff contacts listed below can be reached at (916) 444-6670. Address correspondence to legislators at the State Capitol, Sacramento, CA 95814. Be sure to include your company name and location on all correspondence.

Government-Run Health Care Proposal Moving



California Chamber of Commerce-**opposed** legislation creating a government-run health care system in California has passed the Senate Health Committee and will be considered next in the Senate Appropriations Committee.

SB 840 (Kuehl; D-Santa Monica) imposes a government-run health care system on all Californians.

The Chamber shares the author's concerns about the rising cost of health care and the growing number of uninsured Californians, but believes SB 840 is not the answer. Operating the health care system envisioned by SB 840 would cost tens of billions of dollars and foster the creation of a large bureaucracy.

These costs would be financed through new health care taxes on consumers, employees and businesses in California. Thus, SB 840 will result in a multibillion-dollar tax increase on Californians.

The Chamber agrees that the health care system in California has some seri-

ous problems, but believes there can be no true fix to the existing system without identifying and addressing the true health care cost drivers. SB 840 does nothing to address these underlying costs.

Key Vote

Senate Health passed SB 840 on a vote of 7-4:

Ayes: Ortiz (D-Sacramento), Alquist (D-Santa Clara), Chesbro (D-Arcata), Figueroa (D-Fremont), Kuehl (D-Santa Monica), Romero (D-Los Angeles), Vincent (D-Inglewood).

Noes: Runner (R-Lancaster), Aanes-tad (R-Grass Valley), Cox (R-Fair Oaks), Maldonado (R-Santa Maria).

Action Needed

Contact members of Senate Appropriations and urge them to **oppose** SB 840.
Staff Contact: Charles Bacchi

Chamber-Opposed Bill Held in Assembly Committee



California Chamber-**opposed** legislation that would have increased taxes on customers in California's entertainment venues has been held in an Assembly committee.

AB 655 (Leno; D-San Francisco), which would have driven up ticket prices in a crucial economic sector, was held in the Assembly Arts, Entertainment, Sports, Tourism and Internet Media Committee.

The bill would have placed a 1 percent tax on admission to California's entertainment venues in order to fund the California Arts Council.

"AB 655 fails to meet the basic test of there being a connection between those paying the tax and the purpose for which the taxes will be spent," said Charles Bacchi, Chamber legislative advocate. "The California Arts Council has a noble mission to help foster the display of public arts. However, taxing amusement parks, circuses and carnivals does not bear any

relation to the funding of public arts."

The travel, tourism and entertainment industries all play an important role in helping California's economy get back on track. In 2003, the travel and tourism industry alone generated \$78.2 billion in economic activity, and state and local tax revenues of nearly \$5 billion.

In opposing AB 655, the Chamber noted that during tough budget times, California employers are focused on investing limited public funds on improving infrastructure and solving the fiscal crisis without increasing taxes and stifling economic growth. AB 655 fails to meet that goal.

Staff Contact: Charles Bacchi

Assembly Committee OKs Anti-Business Bill



California Chamber-**opposed** legislation that will exacerbate an already-hostile legal environment passed the Assembly Judiciary Committee this week.

AB 1700 (Pavley; D-Agoura Hills) forces California businesses to settle frivolous claims in an effort to avoid the disclosure of information which businesses should be able to keep confidential in order to preserve their investment and remain competitive.

The bill is duplicative because existing law already achieves the stated goal of the bill.

AB 1700 prohibits the use of protective orders in any action involving the existence of a public danger and creates a public right of access to any information related to the alleged danger.

It disregards the fact that judges currently have discretion to review and deny a request for confidentiality in the interest of public safety. Similarly, judges have the discretion to deny a request for a protective order in the interest of public safety.

AB 1700 is the latest variation on a number of bills the Legislature has repeat-

edly determined are not beneficial for California and has rejected. These bills sought to force public disclosure of discovery materials and restrict judicial discretion — SB 1524 (Schiff; D-Burbank) 1999; AB 36 (Steinberg; D-Sacramento) and SB 11 (Escutia; D-Norwalk) 2001; AB 634 (Steinberg) and SB 466 (Escutia) 2003.

The Chamber believes public policy should support investment and competition in California because a strong competitive market generates revenue for the state, promotes productivity and produces jobs for California working families. AB 1700 runs counter to this goal.

Key Vote

Assembly Judiciary passed AB 1700 on a vote of 6-3:

Ayes: Jones (D-Sacramento), Evans (D-Santa Rosa), Laird (D-Santa Cruz), Levine (D-Van Nuys), Lieber (D-Mountain View), Montañez (D-San Fernando).

Noes: Harman (R-Huntington Beach); Haynes (R-Murrieta), Cogdill (R-Modesto).

Staff Contact: Erika Frank

Online Form Makes It Easy to Join Effort to Elect Pro-Jobs Candidates



CALIFORNIA CHAMBER OF COMMERCE
POLITICAL ACTION COMMITTEE

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To help elect pro-jobs candidates, the Chamber is conducting an aggressive, bipartisan candidate recruitment program for the 2006 election cycle.

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