

# ALERT

CALIFORNIA CHAMBER OF COMMERCE

VOLUME 32, NUMBER 17 • MAY 19, 2006



## Impact of Strong Economy Shows in Budget Revision

Higher-than-expected state revenues produced by a strong economy have enabled Governor Arnold Schwarzenegger to propose a revised budget plan that includes a prudent reserve and repays state debt early, including monies borrowed from the state transportation fund.

“Governor Schwarzenegger’s revised budget reflects the strong economic growth his fiscal policies have allowed,” said California Chamber President Allan Zaremberg. “The Governor’s leadership of successful workers compensation reform, and his efforts to get the state’s fiscal house in order by reducing the structural deficit without raising taxes, have paid off for California.”

### Record Revenue Increases

More than 500,000 new jobs have been created in California since the Governor took office and annual revenues have increased by record amounts

— from \$74 billion to \$94.3 billion.

“It is these tax revenues, resulting from jobs and economic growth, that allow the state to fund essential programs, such as education, transportation, public safety and health care,” said Zaremberg. “Clearly, it is far better to raise government revenues from increased economic growth than from increased taxes.”

The May revision of the Governor’s budget plan totals \$131.1 billion and takes into account an increase in projected revenues since the Governor first released his proposal for 2006-07 state spending in January.

The additional revenue is expected to total \$7.5 billion over two years — \$4.8 billion in the current budget year (which

*See Impact: Page 4*

**Budget details at  
ebudget.ca.gov**

## TV Ad Highlights Problems with Proposition 82



**Fix K-12 First**

The No on 82 Campaign released its first television ad this week, highlighting problems with California Chamber-opposed Proposition 82 on the June 6 ballot.

The ad points out that Proposition 82 will create a massive new \$2.4 billion preschool bureaucracy that will increase preschool enrollment by only 4 percent.

The ad also points out that California has other pressing needs, such as fixing K-12 schools, and lists some of the things that \$2.4 billion annually could fund if that money were available to K-12 schools.

Finally, the ad highlights that Proposition 82 contains a provision that allows the Legislature to enact a new “parent tax” if revenues don’t cover the cost of the new preschool program.

“Proposition 82 isn’t a question about whether preschool is good or bad. Rather, the issue is whether Californians want to spend \$2.4 billion annually on a new preschool bureaucracy that will only increase enrollment by 4 or 5 percent,” said Pamela Zell Rigg, president, California Montessori Council.

To view the ad, visit [www.noprop82.org](http://www.noprop82.org).

**Staff Contact: Jeanne Cain**

## Transportation Bond Signing Kicks Off November Infrastructure Campaign

Governor Arnold Schwarzenegger this week signed the first piece of the infrastructure package — legislation that will put a \$20 billion transportation bond on the November ballot to relieve traffic congestion and enhance goods movement around the state’s ports.

The bill, SB 1266 (Perata; D-Oakland), carries out the transportation component of the Governor’s Strategic Growth Plan. It will appear on the November ballot as Proposition 1B.

“Approval of the transportation bond

will bring critically needed investment into our state’s transportation network and prepare for the millions who will move here over the next decade,” said California Chamber President Allan Zaremberg.

“But even the \$20 billion is not enough to meet our current and future needs,” Zaremberg said. “Voters will also need to approve the constitutional amendment adopted by the Legislature to protect Proposition 42 and ensure that gas tax revenues people pay at the pump are dedicated to

*See Transportation: Page 4*

### Inside

**Workers’ Comp Reform  
Rollbacks Stalled: Page 3**

## Labor Law Corner

# Employee's Wages May Be Garnished by Only One Order at a Time



**Dale Louton**  
Labor Law Advisor

*I have an employee whose wages currently are being garnished. The order is for \$50 per pay period, and the employee's disposable earnings are \$800 per pay period. Another earnings withholding order (a different judgment) has been received. Can I pay the remainder of the 25 percent*

*of disposable earnings toward the second garnishment while the first garnishment is in effect?*

No, you *cannot* honor the second garnishment!

### First, Not Second

The California Code of Civil Procedure provides in Section 706.023(a) that an employer shall comply with the first earnings withholding served upon the employer.

Section 706.023(c) states, however:

*"If an earnings withholding order is served while an employer is required to comply with another earnings withholding order with respect to the earnings of the same employee, the subsequent order is ineffective, and the employer shall not withhold earnings pursuant to the subsequent order."*

This means the first garnishment received gets paid and only one garnishment at a time is paid.

Disposable earnings consist of what remains after legally required taxes are deducted. Garnishments are limited to 25 percent of an employee's disposable earnings.

An exception exists for child support

and alimony, which can be as high as 65 percent (depending upon the number of children and arrearages). State and federal taxes are not bound by these percentages.

### Discharge Prohibited

The California State Labor Commissioner enforces Labor Code Section 2929, which prohibits an employer from discharging an employee because of a threatened garnishment of that employee's wages.

**An employer may not discharge an employee because of a garnishment for payment of one judgment.**

Note that the law, by inference, does not prohibit the discharge of an employee whose wages are garnished for payment of more than one judgment. You should consult your own employment and labor attorney before discharge.

*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](mailto:helpline@calchamber.com).*

### California Chamber Officers

**Donna F. Tuttle**  
Chair

**Russell Gould**  
First Vice Chair

**Edwin A. Guiles**  
Second Vice Chair

**Frederick R. Ruiz**  
Third Vice Chair

**Eugene J. Voiland**  
Immediate Past Chair

**Allan Zarembeg**  
President

*Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$199 paid through membership dues. Periodicals Postage Paid at Sacramento, CA.*

*POSTMASTER: Send address changes to Alert, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Publisher: Allan Zarembeg. Executive Editor: Ann Amioka. Associate: Trina Filan. Art Director: Andrew Larsen. Graphics Assistant: Jason Untalan. Capitol Correspondent: Christine Haddon.*

*Permission granted to reprint articles if credit is given to the California Chamber of Commerce Alert, and reprint is mailed to Alert at address above.*

*E-mail: [alert@calchamber.com](mailto:alert@calchamber.com).  
Home page: [www.calchamber.com](http://www.calchamber.com).*

## Seminars/Trade Shows

For more information on the seminars listed below, visit [www.calchamber.com/events](http://www.calchamber.com/events).

### Labor Law

HR 101: Introduction to Human Resource Administration. California Chamber of Commerce. June 20, Sacramento. (800) 331-8877.

Paying Employees Web Seminar. California Chamber of Commerce. June 29. (800) 331-8877.

### International Trade

80th Annual World Trade Week Luncheon & Trade Fair. Foreign Trade Association of Southern California, Los Angeles Customs Brokers and Freight Forwarders Association, Women in International Trade, Los Angeles. May 25, Los Angeles. (323) 730-1011.

Trading in America: Incoterms for Domestic Use. U.S. Council for International Business and the International Chamber of Commerce. June 8, San Francisco; June 9, Los Angeles. (212) 703-5061.

Hong Kong & Jiangmen: Your Partners for Success. Hong Kong Trade Development Council and the California Chamber of Commerce. June 15, San Diego. (213) 622-3194.

[calchamber.com](http://calchamber.com)



## Chamber Opposition Helps Stall Rollback of Workers' Comp Reform



### OPPOSE

Strong **opposition** from the California Chamber of Commerce and other business groups has helped persuade the author of two bills rolling back important elements of recent workers' com-

ensation reforms not to move forward with the proposals.

The Chamber and other interested groups met with Assemblyman Leland Yee (D-San Francisco) to explain their opposition to his bills and how they would undo reforms put in place to control medical costs.

- **AB 409** was drastically amended earlier this month to include provisions establishing a new government-run bureaucracy to review and approve, deny or modify medical treatment of injured workers.

- **AB 1209** removes current limits on chiropractic, physical and occupational therapy visits for workers' compensation injuries.

### Utilization Review

The utilization review process established by the workers' compensation

reform legislation enacted in 2004 (SB 899; Poochigian; R-Fresno) is currently conducted by the claims administrator for the employer — reviewing medical treatment requests for medical necessity based on guidelines from the American College of Occupational and Environmental Medicine.

AB 409 seeks to move that function into the hands of a newly created government-run program and charge employers a fee. In the hands of the private sector, the ability to impose penalties aids in accountability, a tool not available for a government-run program, which could cause delays in providing treatment to injured workers.

AB 409 also essentially eliminates the medical provider networks (MPN) established by the reform legislation to help reduce medical costs and improve medical outcomes by identifying a specific group of primary treating and specialty physicians in an employer-controlled network.

This bill allows employees to pre-designate their own "doctor" — it could be their dentist, podiatrist, surgeon or other doctor who keeps their medical records.

If the employee's medical provider is not in the employer's medical provider network, the employee's provider can ask to be put in the network without necessarily having a background in or qualifications for treating occupational injuries. This creates a moving target for a network, exacerbated by the provision to allow these physicians in and out of the network with ease as well as relieving the employer of any control over the qualifications and integrity of the physicians to whom it refers its injured workers.

### Chiropractic/Physical Therapy

AB 1209 rolls back reforms put in place to reduce costs and curb abuse in the use of chiropractors and physical therapists. A 2003 report from the California Workers' Compensation Institute detailed overuse of chiropractic, physical and occupational therapy visits.

As a result of the reforms, the Labor Code currently provides injured workers up to 24 visits to a chiropractor, occupational therapist or physical therapist during a claim. An employer can authorize additional visits shown to be medically necessary.

The Chamber believes the current process contains the necessary checks and balances to stem potential abuse of the workers' compensation system.

### System Savings

The Chamber-supported workers' compensation reforms enacted in 2004 have reduced system costs in California and led to lower premium rates. A report prepared for the state Department of Industrial Relations projects claims cost savings of \$8.1 billion for 2006, compared to 2003 costs, and \$15 billion in savings compared to what 2006 costs might have been without the reforms.

The average insurer rate per \$100 of payroll in the latter half of 2005 had dropped to \$4.53 — 30 percent less than its high of \$6.47 in the second half of 2003, according to the May 2006 report of the Workers' Compensation Insurance Rating Bureau.

The Chamber will continue to monitor these bills as it works to protect and enhance the workers' compensation reforms through both legislative and regulatory work.

**Staff Contact: Marti Fisher**

## Chamber Intro to HR Draws Capacity Crowd



Paul Schechter (right), California Chamber employment law counsel, and Susan Kemp, Chamber senior labor law counsel, take questions from a capacity crowd at the Chamber's first seminar on "HR 101: Introduction to Human Resource Administration" on May 16 in Sacramento. Demand for the class is so strong that it will be offered again on June 20. For more information, visit [www.calbizcentral.com](http://www.calbizcentral.com).



## Impact of Strong Economy Shows in Budget Revision

*From Page 1*

ends June 30) and another \$2.7 billion next year.

The Governor's plan for spending the new revenues includes \$2.8 billion for schools, as required by Proposition 98, \$500 million for flood control (fixing the levees) and \$400 million for emergency preparedness.

### Prudent Reserve

"California must be fiscally responsible with these additional revenues and not repeat the mistakes of the past," Zaremberg warned. "I applaud the Governor for proposing to use much of these

additional revenues to pay down billions of dollars of state debt and to establish a prudent reserve. This early repayment of state debt — including money borrowed from the Proposition 42 transportation fund — will improve our state's fiscal footing for more difficult budgets ahead."

The rainy-day reserve the Governor is proposing "will prepare the state for impending court judgments or unforeseen emergency needs," Zaremberg said. "This is an excellent use of revenues that may not be repeated every year."

The review of the Governor's May budget revision by the non-partisan Legislative Analyst Elizabeth Hill also

recommended against using this year's higher revenues for new programs.

Hill called for more of the additional revenues to be spent on paying down debt within the education budget or prepaying debt coming due in the next two years.

Her report noted that the additional revenue "is welcome news and presents an extraordinary opportunity. We urge the Legislature to keep its focus on regaining long-term fiscal balance, particularly in view of the magnitude of risks and budgetary pressures facing the State of California."

**Staff Contact: Dominic DiMare**

## Transportation Bond Signing Kicks Off Infrastructure Campaign

*From Page 1*

transportation projects. California needs to continue to invest in transportation every year, as voters agreed when they approved Proposition 42."

The transportation funding protection measure will appear on the November ballot as Proposition 1A. The rest of the package includes bonds for school facilities, levee protection and housing.

### Transportation Bond

The transportation bond allocates funds as follows:

- **Congestion relief:** \$4.5 billion to expand capacity, enhance operations and improve travel times in high-congestion travel corridors.

- **Public transit:** \$4 billion for public transit, intercity and commuter rail, and waterborne transit operations.

- **Sea, land and airport infrastructure:** \$3.1 billion to relieve traffic congestion along major trade corridors, improve freight rail facilities and enhance the movement of goods from port to marketplace. The bill designates \$1 billion for air quality improvements that will achieve emission reductions from activities related to port operations and freight movement, and makes \$100 million available for port, harbor and ferry terminal security improvements.

- **State Transportation Improvement Program (STIP):** \$2 billion to augment funds for STIP, a five-year capital improvement program for state

and regional transportation projects.

- **Route 99:** \$1 billion for improvements to this 400-mile highway through the Central Valley.

- **Local streets and roads:** \$2 billion for improvements to local transportation facilities that will repair and rehabilitate local streets and roads, reduce local traffic congestion, improve traffic flow or increase traffic safety.

- **Transit safety, security and disaster response:** \$1 billion to provide increased protection against security and safety threats. Funds will also increase the capacity of transit operations to move people, goods, emergency personnel and equipment during and after a disaster.

The Caldecott Tunnel on State Highway 24 in Orinda is the backdrop for the signing of the transportation bond proposal by Governor Arnold Schwarzenegger on May 16. A portion of the bond will help pay for a fourth tube at the congested tunnel. From left are: Senate Republican Leader Dick Ackerman; Senate President Pro Tem Don Perata, author of the bond proposal; Governor Schwarzenegger; Senator Charles Poochigian; Senator Bob Dutton; Assemblyman Bill Emmerson; Senator Alan Lowenthal; Senator Wes Chesbro; Assemblyman Greg Aghazarian; Senator Dennis Hollingsworth; Assemblyman Pedro Nava; Assemblywoman Betty Karneite; Assemblyman Guy Houston; and Assemblyman Keith Richman.



Photo by John Decker, Office of the Governor

- **Matching funds for counties:** \$1 billion for counties that have raised local money for transportation projects.

- **Highways:** \$750 million for highway safety, rehabilitation and pavement preservation projects.

- **School bus retrofit and replacement:** \$200 million to reduce air pollution and to minimize children's exposure to diesel exhaust.

- **Matching funds for seismic safety:** \$125 million to complete seismic retrofits on local bridges, ramps and overpasses.

- **Railroad infrastructure:** \$250 million for railroad crossings and the construction of bridges over rail lines.

**Staff Contact: Jeanne Cain**

## *Small Business Advocate of the Year Award*

# Going Global Sustains Local for Inland Empire Small Business Advocate

“You can’t talk about international trade without talking about jobs,” says Roderic O. Ballance — and he should know.

Ballance, a recipient of the California Chamber of Commerce 2006 Small Business Advocate of the Year Award, is in the thick of helping Inland Empire businesses prosper in the global marketplace.

As executive director of the Global Trade Center of the Inland Empire (GTCIE), Ballance puts his more than 30 years of international business experience to work helping local businesses penetrate new international markets and attracting international companies to establish bases of operation in the Inland Empire.

The GTCIE was founded as a public-private partnership in 1999 on the premise that globalization should be used to local businesses’ advantage, rather than being feared. The center provides information and services such as market research and planning, product development from an international perspective and bridging cultural differences.

As Ballance emphasizes, “We have to be good stewards and be sure companies in areas understand pros, cons, what-ifs, long-range consequences of going international.”

### **Interconnections**

According to Ballance, “Forty-nine percent of containers that pass through the ports of Los Angeles and Long Beach pass through Riverside County on their way to the Midwest. That traffic has created infrastructure challenges that have to be dealt with along with the growth in trade.”

Ballance is optimistic about the way the state has begun to address its infrastructure requirements, but the need to improve the state’s transportation system reinforces the connection between global and local trade, a sound economy and job creation, and the state’s legislative and regulatory climate.

“There are so many things that really affect the flow of commerce that are tied to regulation,” says Ballance, who insists upon advocacy as a vital part of being successful and attaining commercial longevity.

“If a business is not involved in



**Roderic O. Ballance (left), recipient of the California Chamber Small Business Advocate of the Year Award, speaks with a reporter about the importance of keeping the Naval Surface Warfare Center open.**

politics, it will have difficulty staying in business,” he says. “You have to be aware of what your elected representatives are doing. Many businesses are clueless, and suddenly a law is passed that affects them. If they had been aware, they possibly could have affected that outcome.”

### **Local Advocacy**

Ballance puts his words into action in the advocacy arena. He is chair of the governmental affairs committee (GAC) for the Greater Riverside Chambers of Commerce and is active on a number of other committees, as well. Under his leadership, the GAC took positions on more than 75 pieces of legislation last year.

According to Cindy Roth, president/ chief executive officer, and Lou Monville, chairman of the board of the Greater Riverside Chambers, however, Ballance’s “most tireless feat” last year was chairing the Inland Empire Installation Support Committee (IEISC) to spare March Air Reserve Base in Riverside and the Naval Surface Warfare Center (NSWC) in Corona from closure by the Base Realignment and Closure Commission.

Ballance’s efforts on behalf of the installations and the economic vitality they support included organizing a website, a letter-writing campaign, a public education campaign, rallies, tours of bases, fundraising for and hiring a lobbyist as an advocate, and lobbying personally at the U.S. Department of Defense.

The hard work paid off: both installations were spared. “Throughout the entire process,” say Roth and Monville, Ballance “remained upbeat yet realistic . . . his commitment to saving the bases,

and the small businesses surrounding them, was unprecedented and serves as a model for other cities.”

For Ballance, the choice to chair the IEISC was simple. “March is a designated Foreign Trade Zone and a magnet for international trade and jobs,” while the NSWC supports 1,000 high-paying research positions. Losing both would have been a *huge* loss of area jobs and income, as Ballance sees it.

### **Bright Business Future**

Ballance has great confidence in the future of California business. “Our state is blessed with many different industry clusters,” he says, including the high-tech industry, the agricultural community and the service sector. “Unlike other states that don’t have the cornucopia of manufacturing and other opportunities, the business engine here keeps going.”

Moreover, he asserts, “Business will continue to grow as long as certain sectors don’t look at business as the cash cow to fund other sectors. It’s important to remember that businesses create jobs. When people have jobs, they spend money, then cities benefit and spend money on their local communities, and the quality of life improves. That’s where a strong focus on business is very important.”

Ballance is a self-described “background kind of guy,” and found receiving the Small Business Advocate Award unexpected. “I was shocked and proud to receive it,” he says, and it has helped make the work of the GTCIE more visible.

“I’m very blessed to be in this line of work,” he comments. “I have a lot of fun. It’s exciting to be involved and see things move.”

# Legislative Outlook

An update on the status of key legislation affecting businesses. Visit [www.calchamber.com/position\\_letters](http://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.

## Business Investment Incentives Bill Moves in Assembly



SUPPORT

California Chamber-**supported** legislation to provide businesses with investment incentives and rewards for investment passed the Assembly Revenue and Taxation Committee this week.

**AB 2218 (Torricco; D-Newark)** reduces taxes on business by creating a tax exemption for the gross receipts from the sale or use of manufacturing equipment.

California's economic recovery cannot succeed without business investment and job creation. During the recession of the 1990s, the manufacturer's investment tax credit was a critical component to the state's recovery. After the 1990s, California ceased offering tax incentives for investment in manufacturing equipment. Consequently, California is one of the only states that taxes manufacturing equipment with no exemption or credit.

The Chamber believes AB 2218 sends an important message to the business community that California values and wants to encourage investment. Legislation such as AB 2218, as well as bills addressing bureaucratic and regulatory barriers, will help bring more quality jobs to California and will make California

more competitive with other states.

Assembly Revenue and Taxation held in committee three other investment incentive bills:

● **AB 2032 (Lieu; D-Torrance)** stimulates investment and encourages growth in research and development by increasing the state's research and development tax credit.

● **AB 2395 (Villines; R-Clovis)** reduces taxes for business by providing an income tax exemption for the sale or use of manufacturing equipment.

● **AB 2640 (Torricco; D-Newark)** stimulates the California economy by establishing a tax credit for employers who create new jobs in the state.

AB 2218 passed Assembly Revenue and Taxation, 6-0, on May 15.

### Action Needed

AB 2218 will be considered next by the Assembly Appropriations Committee. Contact committee members and urge them to **support AB 2218**.

**Staff Contact: Kyla Christoffersen**

## Bill Encouraging Brownfield Reuse Moving in Assembly



SUPPORT

California Chamber of Commerce-**supported** legislation to encourage redevelopment of brownfield sites in blighted areas is moving through the Assembly.

**AB 2547 (Ridley-Thomas; D-Los Angeles)** provides tax incentives for financial corporations to invest in the redevelopment of blighted brownfield areas.

The U.S. Environmental Protection Agency defines brownfields as real property whose redevelopment or reuse may be complicated by the presence or potential presence of pollutant(s) or contaminant(s).

California has an estimated 100,000 brownfield sites, the majority of which are located in urban areas and downtown communities. The revitalization and reuse of brownfields is a key strategy to

provide enough housing to accommodate the population growth in California while providing additional jobs and economic growth.

Providing tax incentives for brownfield remediation is an important step in fully utilizing the potential these sites have for the economic revitalization of many of California's urban communities.

### Action Needed

AB 2547 passed the Assembly Revenue and Taxation Committee, 7-0, on May 15. The bill will be heard next by the Assembly Appropriations Committee.

Contact Assembly Appropriations members and your Assembly representative to urge **support for AB 2547**.

**Staff Contact: John Hooper**



## Minimum Wage Hike Bills Temporarily on Hold



OPPOSE

California Chamber-**opposed** legislation to increase the minimum wage and automatically index future increases is on hold for now in the Legislature.

Referred to the Assembly Appropriations Committee suspense file are **AB 1835 (Lieber; D-Mountain View)** and **AB 1844 (Chavez; D-La Puente)**. Both bills increase both public and private employer wage costs by at least \$2.08 billion annually by raising the state minimum wage to \$7.25 in 2007 and to \$7.75 in 2008 and indexing the increase annually thereafter.

On the Senate Appropriations Committee suspense file is **SB 1162 (Cedillo; D-Los Angeles)**, an urgency measure that increases the minimum wage to \$7.25 an hour 60 days after the bill is signed into law and to \$7.75 on July 1, 2007, then indexes the increases thereafter.

Legislation with fiscal implications for the state generally gets placed on the suspense file at this time of the year to be considered again after state budget discussions are concluded.

The Chamber has asked legislators to consider the impacts of the automatically indexed minimum wage hike, including:

- The mandated 50-cent per hour rise in the minimum wage would increase base payroll costs for a small business with 20 workers by at least \$20,800 per year.

- By putting the minimum wage increases on autopilot, the bills will ensure that payroll costs will continue to rise substantially each year.

- Along with the direct wage cost increase, other employment-related costs will also rise if the bills become law. Employer payments for employee benefits, workers' compensation premiums, pensions and taxes all rise following wage increases.

- The bills also affect managerial and other exempt worker salaries. The provisions will increase the exempt worker annual base salary requirement by \$4,160 — to no less than \$32,240 per year.

**Staff Contact: Julianne Broyles**

## Chamber Opposes Bill Promoting Frivolous Lawsuits



OPPOSE

The California Chamber of Commerce is **opposing** legislation that would increase frivolous lawsuits against California businesses and harm consumers.

**SB 1274 (Dunn; D-Garden Grove)** opens the door to large numbers of frivolous anti-competition lawsuits that seek treble damages against companies under California's anti-trust laws. It also virtually removes the possibility of early dismissal of these frivolous cases, forcing businesses into drawn-out and costly jury trials or unreasonable settlements.

The Chamber opposes SB 1274 because it changes California antitrust laws to allow more shakedown lawsuits, class actions in particular. Antitrust lawsuits are very complex and expensive, often requiring expert witnesses and specialized lawyers. The primary purpose of antitrust laws is to prevent companies from engaging in business practices that harm competition. SB 1274 lets plaintiffs' lawyers sue a company for treble damages, even if there is no evidence that a company has harmed competition. For example, a company could be sued for doing something positive for consumers, such as lowering prices.

SB 1274 also eliminates any fair chance for businesses to get rid of frivolous antitrust lawsuits. Currently, judges have the power to dismiss frivolous law-

suits before they go to jury trial, known as summary judgment. This prevents waste and further clogging of the courts. In the area of antitrust law, summary judgment is very important because a high percentage of antitrust lawsuits are frivolous.

SB 1274 virtually removes the power of judges to grant summary judgment in antitrust cases. This forces companies into long, drawn-out jury trials or unreasonable settlements for cases that should have been dismissed.

SB 1274 puts California's antitrust law squarely out of step with the rest of the nation and unfairly tilts the playing field against California businesses.

### Key Vote

SB 1274 passed the Senate Judiciary Committee on May 9, on a party-line vote of 3-2.

**Ayes:** Dunn (D-Garden Grove), Escutia (D-Norwalk), Kuehl (D-Santa Monica).

**Noes:** Morrow (R-Oceanside), Ackerman (R-Tustin).

### Action Needed

SB 1274 is awaiting action by the full Senate. Contact your senator to voice **opposition** to **SB 1274**.

**Staff Contact: Kyla Christoffersen**

**Successfully managing HR duties within a company is critical.  
Remaining compliant with current labor laws is crucial.**

When you attend **HR 101 "Introduction to Human Resource Administration,"** you will learn the HR basics, best practices and how to comply with California law. This six-hour class is ideal for HR beginners, refreshers and small business employers. Learn about:

- Minimum compliance policies
- Finding and hiring qualified candidates
- Common mistakes when paying employees
- Controlling workers' compensation costs
- Avoiding discrimination or harassment lawsuits
- Properly disciplining or terminating an employee
- And more



Second Session Added!

**HR 101 Seminar**

**Tuesday  
June 20, 2006  
9:00 a.m. – 4:00 p.m.  
Lunch on your own.**

Register now!  
Seating is limited and filling up fast!

**Attend for as little as \$239.20.**

To register, call (800) 331-8877 or visit [www.calchamber.com/Store/Products/HRS2.htm](http://www.calchamber.com/Store/Products/HRS2.htm).

Periodicals  
Postage  
PAID  
Sacramento, CA

ADDRESS SERVICE REQUESTED

Helping California Business Do Business™  
[www.calchamber.com](http://www.calchamber.com)  
(916) 444-6670 FACSIMILE (916) 444-6685  
P.O. BOX 1736 SACRAMENTO, CA 95812-1736



CALIFORNIA CHAMBER OF COMMERCE

**ALERT**