

ALERT

CALIFORNIA CHAMBER OF COMMERCE

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California Chamber Endorses Governor for Re-Election

The California Chamber of Commerce Board of Directors has voted to endorse Governor Arnold Schwarzenegger for re-election.

Following the the Chamber Board's action on September 8, Chamber President Allan Zarembeg issued the following statement:

"The California Chamber of Commerce has maintained a long-standing policy not to endorse candidates in statewide elections with rare exception. As it was during the unprecedented recall of 2003, this gubernatorial race is such a time.

Immense Difference on Policy

"The difference between the candidates' positions on jobs and economic growth is immense and too significant not to act upon. As Governor, Arnold

Schwarzenegger has successfully pursued policies to create jobs, strengthen our economy and increase revenues to the state through economic growth, and he pledges to continue those policies if elected to a second term. His opponent advocates policies that will harm business, our economy and, ultimately, our state. That is why the California Chamber of Commerce believes Governor Schwarzenegger must be re-elected and has voted today to endorse him again.

"Throughout his term, Governor Schwarzenegger has taken policy actions that align with the interests of California's employer community to the benefit of our greater state. These include, among others:

- Landmark reform of the state's broken workers' compensation system,

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Strong Opposition from Businesses Reins in 'Job Killers'



Strong opposition from the California Chamber of Commerce, business community and business-friendly lawmakers helped keep 29 "job killers" from landing on Governor

Arnold Schwarzenegger's desk this year.

Of the 40 "job killer" bills identified this year, the Chamber and its allies were able to stop or amend more than 70 percent to the benefit of the California economy.

'Job Killers' Vetoed

In addition, Governor Arnold Schwarzenegger has already vetoed three "job killer" bills — two that would have expanded unemployment insurance benefits and costs, and a health care tax on major employers (see story on Page 3).

"The Chamber worked hard to educate legislators about the dire effects the 'job killer' bills would have on California's business climate," said Dominic DiMare, Chamber vice president of government relations. "By stopping or amending harmful proposals, lawmakers helped ensure they would do no more harm to

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Governor Arnold Schwarzenegger gives a brief talk to the California Chamber Board of Directors on September 8 before the Board's vote to endorse the Governor for re-election. At left is Chamber Chair Donna Tuttle.

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Labor Law Corner

Family Leave Laws Determine Employee/Dependent Coverage



Sunny Lee
Senior Labor Law
Consultant

Can I require an employee to pay for his/her insurance on a leave? Can I require the employee to pay 100 percent for dependent coverage? Can I require an employee to reimburse the company for the cost of insurance during a leave?

The answer to the first question

depends on whether the employer is covered by the federal Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

Employers covered by these laws clearly are obligated to continue to pay for coverage on the same basis as if the employee had not gone on a leave. For example, if a covered employer pays 80 percent of the employee's insurance premium before the leave, the employer would continue to pay 80 percent during the FMLA/CFRA leave.

While nothing in the law prohibits the employer from continuing to pay for coverage beyond 12 weeks, generally, employers stop paying for coverage after the COBRA Notice has been provided to the employee.

Not only is the employee entitled to be provided with a COBRA Notice and Election Form or Cal COBRA rights, but an employer must provide those notices in a timely manner.

Dependent Coverage

As to the second question, because the employer is required to continue coverage, it would not be appropriate for an employer to bill an employee 100 percent for dependent coverage during the leave if the employer paid 80 percent before the leave.

If, on the other hand, the employee was responsible for paying 100 percent for dependent coverage before the leave, he/she would continue to pay 100 percent during the leave.

Reimbursing Insurance Costs

An employer may require that the employee reimburse the employer for coverage under the FMLA if both of the following conditions are present:

- the employee fails to return from the leave or returns to work and works less than 30 days; and
- the employee's reason for failing to return to work is other than continuation, recurrence or onset of a serious health condition that would entitle the employee to FMLA/CFRA leave or other circumstances beyond the control of the employee.

Although an employer has the right to proceed in court against an employee

for reimbursement, it is difficult and time consuming, and therefore rarely done.

Non-FMLA/CFRA Employers

Currently, no laws require an employer not covered by FMLA or CFRA to continue to pay for employee insurance coverage during a leave. What employers need to be aware of is discrimination issues that may arise by treating employees differently.

Employers should develop policies that clearly communicate employees' rights to continued insurance coverage and payment in advance of being placed on a leave. If no policy is in place, the employee may assume the employer will continue to pay for coverage.

Before formulating a policy, an employer always should check his/her own contract of insurance to see what provisions apply to a leave of absence and then clearly communicate to the employee how the insurance issue will be handled.

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 submit your question at www.hrcalifornia.com.

Seminars/Trade Shows

More seminars at calchamber.com/events.
International Trade

Trade Show Success Seminar for High-Tech Firms. Northern California World Trade Center. October 5, Sacramento. (916) 447-9827.

One Global California. Los Angeles Area Chamber of Commerce. October 10, Los Angeles. (213) 580-7538.

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**Next Alert:
September 29**

Governor Vetoes ‘Job Killer’ Proposals



Three California Chamber of Commerce-opposed “job killer” bills have been vetoed by Governor Arnold Schwarzenegger.

● **AB 1884 (Chu; D-**

Monterey Park) would have increased the cost of doing business in California by forcing California employers to subsidize a strike against their own company by providing unemployment insurance (UI) benefits to workers unemployed due to a strike.

● **AB 2209 (Pavley; D-Agoura**

Hills) would have increased the cost of doing business in California by forcing employers, in essence, to subsidize a strike against their company by creating a new monetary penalty payment — equivalent to all lost wages and benefits — that employers must pay directly to all workers unemployed due to the strike.

● **SB 1414 (Migden; D-San**

Francisco) would have imposed a tax on employers with over 10,000 employees to spend the equivalent of 8 percent of their total payroll on health care or pay the equivalent amount to the state.

Both UI bills defied long-established California case law ruling that workers unemployed due to a lockout during a trade dispute are ineligible for benefits when an employer association notifies the union in advance that a “strike against one is a strike against all.”

SB 1414 would have done nothing to provide access to health care while raising the cost of doing business in California. Similar legislation was ruled invalid under federal law.

AB 1884 Veto Message

AB 1884 and AB 2209 were similar in intent to last year’s vetoed “job killer,” AB 391 (Koretz; D-West Hollywood).

In his veto message on AB 1884, which would have added \$16 million in new costs to the UI fund, Governor Schwarzenegger noted, “A basic principle of unemployment insurance is that benefits are intended for workers who have lost their job through no fault of their own. Allowing workers who strike to receive unemployment benefits is inconsistent with that principle.”

AB 2209 Veto Message

Recent amendments to AB 2209 would have established a new employer penalty process where workers deemed ineligible for UI benefits paid out of the UI Trust Fund due to the existence of a trade dispute would have received payments equivalent to all lost wages and benefits directly from the employer when the employer was found to have engaged in “fraud, misrepresentation or misconduct.”

In his veto message, Governor Schwarzenegger observed that AB 2209 “fails to define ‘fraud, misrepresentation or misconduct,’ leaving the statute open to abuse.”

Of further concern, the Governor’s veto message continued, “under this measure an employer could get penalties for acts completely unrelated to the trade dispute,” while “the penalty scheme allows for penalties that bear no relation to the type of misconduct by the employer.”

Finally, an array of remedies already

exists to protect employees from employer fraud during a trade dispute, the Governor noted.

SB 1414 Veto Message

In vetoing SB 1414, the Governor wrote, “Singling out large employers and requiring them to spend an arbitrary amount on health care does nothing to lower costs or guarantee that even one more person has health care coverage... Beyond its legal shortcomings, SB 1414 is not the comprehensive approach to health care reform that California needs. Without fundamental change, costs will spiral higher, more businesses will be forced to drop health care coverage, and fewer working families will find themselves with health care. This is not an option.”

The Governor encouraged the Legislature to work with him next year to develop “a comprehensive plan to address our state’s health care challenges.”

Staff Contacts: Julianne Broyles

Marti Fisher

Mayor Villaraigosa Outlines Plan for Reforming Los Angeles Schools

Los Angeles Mayor Antonio Villaraigosa describes for the California Chamber Board of Directors his Chamber-supported proposal to reform the Los Angeles Unified School District. The legislation, AB 1381 (Núñez; D-Los Angeles), gives the Los Angeles mayor and a council of mayors additional means by which to measure pupil achievement in the district (see story in August 25 Alert). The bill awaits action by the Governor.



Chamber Advisory Council Presents Economic Outlook

Rising interest rates, the softening housing market and high energy prices are among the keys to California's economic outlook, according to the California Chamber Economic Advisory Council.

In its quarterly report to the Chamber Board of Directors, the council identifies the "possible intensification" of those "three economic headwinds" as central to

its forecast for the economy.

Last year the California economy slightly outpaced the national economy, after trailing the nation by a small margin earlier in the economic expansion. But the state's performance has slipped.

The council's full report is available in the "Chamber Reports" section at www.calchamber.com.



Publication of the council report is a project of the California Foundation for Commerce and Education.

Strong Opposition from Businesses Reins in 'Job Killers'

From Page 1

employers or consumers in a state many already consider costly to do business in and subject to extensive workplace mandates."

Costly Proposals Derailed

The derailed legislation includes proposals that targeted California's economic development by putting up barriers that would have made state businesses less competitive and driven up

costs for consumers.

Other bills increased business expenses by creating costly workplace mandates, implementing expensive, unnecessary regulatory burdens or increasing frivolous lawsuits.

A number of bills would have significantly increased the tax burden on California employers to the detriment of workers and consumers. A pair of bills would have reduced the state's only remaining economic development credit by

making it harder for businesses to qualify for the credit and making it harder for banks to lend to these businesses.

An update on priority business legislation the Chamber is tracking this year, including the "job killer" bills, begins on Page 9 of this *Alert*.

To see the status of the "job killer" bills, visit www.calchamber.com/jobkillers.

Staff Contact: Dominic DiMare

California Chamber Endorses Governor Schwarzenegger for Re-Election

From Page 1

which has saved employers \$15 billion annually, allowing them to invest in their businesses, create jobs and increase tax revenues to the state.

- Achieving a bipartisan agreement with the Legislature to sponsor a comprehensive infrastructure investment package that would provide bond funds for transportation, education, housing, levees and disaster preparedness.

- Staunch support for improving transportation and goods movement, including full funding for Proposition 42 and support for Proposition 1A, which will protect gas tax revenues for transportation needs as desired by the voters.

- Protecting California taxpayers by preventing tax increases and repealing the last car tax increase.

- Shrinking the state's budget deficit by increasing revenues through pro-jobs and economic growth policies.

- Litigation and legal reform, including support of Proposition 64 and signifi-

cant modifications to California's 'Sue Your Boss' law.

- Improved workforce development through increased resources for education, including important enhancements of Career Technical Education, and increased education accountability for Los Angeles Unified School District.

- Promotion of California products, tourism and investment in our state, both at home and abroad.

- Protecting California's business climate and economy by stopping 'job killer' bills from becoming law.

Polling Research

"It is also clear that highlighting the Governor's pro-jobs policies with our endorsement can make a difference in this race. The California Chamber of Commerce retained the respected polling firm of Baseline & Associates to survey likely voters. Our research found that when voters are reminded of the more than 500,000 new jobs created under Gover-

nor Schwarzenegger and his successful actions to repeal the car tax increase, reform workers' compensation, shrink the deficit, prevent tax increases and invest in our infrastructure, two-thirds of them, on average, become more likely to vote for him.

"Governor Schwarzenegger has been good for California business and California itself. The California Chamber of Commerce believes he should be given the opportunity to continue and build upon his pro-jobs and economic growth policies in a second term.

"It appears the California people agree. Our poll also found likely voters support the Governor over his opponent by a 15-point margin — and a 17-point spread when reminded of his pro-jobs policies. We hope today's endorsement will further remind them."

A summary of the poll results is available at www.calchamber.com.

Staff Contact: Vince Sollitto

Chamber Backs Infrastructure Bonds; Votes to Oppose Propositions 88, 90

The California Chamber of Commerce has reiterated its **support** for the infrastructure bond package (**Propositions 1A-1E**) on the November ballot and announced its **support** for **Proposition 84**.

In addition, the Chamber announced it **opposes Proposition 88**, which creates a new statewide parcel tax, and **Proposition 90**, which increases costs for government regulations by placing restrictions on eminent domain.

The Chamber is on record as **opposing Proposition 86**, the cigarette tax hike to pay for unrelated medical costs, **Proposition 87**, the tax on California oil production, and **Proposition 89**, the corporate income tax hike to pay for publicly financed political campaigns.

Support Propositions 1A-1E

In highlighting the Chamber’s support for the infrastructure measures, Chamber President Allan Zarembek commented:

“Passage of the infrastructure bonds as outlined in Governor Arnold Schwarzenegger’s Strategic Growth Plan is vital to California’s businesses, economy and growing population.

“One very important measure, Proposition 1A, addresses the continued raiding of transportation funds in the state budget by amending the California Constitution to guarantee that all sales tax revenues on gasoline will be used for transportation needs, which was the original intent of the voters when they passed Proposition 42 in 2002.

“The transportation bonds in Proposition 1B will allow the state to take an important first step in addressing the more than \$100 billion in backlogged transportation needs that have been identified by the California Transportation Commission. The bonds will cover the costs of new projects to help California businesses move their goods to

consumers and will address critical needs surrounding California ports, airports and heavily congested transportation goods movement corridors, including truck and rail improvements.

“California’s schools are in disrepair and bond funds for modernization will benefit students, as well as the state’s businesses and economy, by providing classrooms that are equipped to deliver the highest quality education. As an added benefit, Proposition 1D will, for the first time in California’s history, provide bond monies for career technical education.

“An additional \$7 billion in bonds will bring critically needed investments to California’s levees and other flood control facilities and allocate funds for additional housing, all of which will help keep our economy — and California businesses — going strong. That is why the Califor-

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California Chamber Positions on November Ballot Measures

Ballot Number	Subject	Chamber Position
Proposition 1A	Transportation funding protection	Support
Proposition 1B	Transportation bond	Support
Proposition 1C	Housing bond	Support
Proposition 1D	Education facilities bond	Support
Proposition 1E	Disaster preparedness and flood prevention bond	Support
Proposition 83	Increased penalties for sex offenders	No Position
Proposition 84	Drinking water, flood protection, coastal protection bond	Support
Proposition 85	Waiting period/parental notification of minor’s abortion	No Position
Proposition 86	Cigarette tax hike to pay for unrelated medical costs	Oppose
Proposition 87	Tax on California oil production	Oppose
Proposition 88	New statewide parcel tax	Oppose
Proposition 89	Corporate income tax hike to pay for publicly financed political campaigns	Oppose
Proposition 90	Increased costs for government regulations/restrictions on eminent domain	Oppose

Chamber Backs Infrastructure Bonds; Votes to Oppose Propositions 88, 90

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nia Chamber of Commerce urges a 'Yes' vote on Propositions 1A, B, C, D and E."

Infrastructure Bonds

The Chamber **supports** the following infrastructure bond measures:

● **Proposition 1A:** Transportation Funding Protection. The Chamber **supported** the enactment of Proposition 42 in 2002 and intended that the sales tax revenues on the sale of gasoline should be used for transportation needs. This constitutional amendment will protect gas tax revenues from being used for purposes other than transportation.

● **Proposition 1B:** Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. A \$19.9 billion bond measure.

● **Proposition 1C:** Housing and Emergency Shelter Trust Fund Act of 2006. A \$2.9 billion bond measure.

● **Proposition 1D:** Kindergarten-University Public Education Facilities Bond Act of 2006. A \$10.4 billion bond measure.

● **Proposition 1E:** Disaster Preparedness and Flood Prevention Bond Act of 2006. A \$4.1 billion bond measure.

Support Proposition 84

Proposition 84, the related infrastructure bond measure supported by the Chamber, will allocate \$5.38 billion to fund improvements and programs to ensure safe drinking water, local water supply reliability, flood protection, and preservation of California's natural landscapes, including parks, forests, lakes, rivers, beaches, bays, ocean and the coastline.

"Proposition 84 proceeds are dedicated to regional water quality projects, clean drinking water projects, feasibility studies, flood control needs and water management issues," said Zarembeg. "The Chamber supports these programs because they benefit the overall health of California's water system."

The bond continues to fund safe drinking water facility improvements and projects to protect drinking sources from contamination. The measure also provides emergency assistance to communities with contaminated water supplies, which is vital for any community that suffers from a disaster.

Oppose Proposition 88

In announcing the Chamber's opposition to Proposition 88, Zarembeg noted, "Proposition 88 would impose a new, statewide parcel tax on real property to further increase education spending, while doing little to address California's need for education reform. Instead the measure would undermine local control over property taxes."

Historically, property taxes, including parcel taxes, have been used at the local level to fund various local programs, including education.

"The decision to increase property taxes for education should be left at the local level so that local property owners and their respective communities receive the benefits of the tax increase and the resulting expenditures are based on the needs of the local community," Zarembeg said. "Any necessary statewide education funding increase should generally be left to the state's general budgetary process."

Currently, there is no statewide property or parcel tax. "If Proposition 88 succeeds, it could open the door to a new form of statewide tax increase to be attempted at every election," Zarembeg said.

"Furthermore, when a parcel tax increase is placed on the ballot at the local level, taxpayers are protected by a two-thirds vote requirement; Proposition 88 would remove this protection."

Oppose Proposition 90

Zarembeg cited a number of problems with Proposition 90: "California may need to take policy steps to address

eminent domain issues in our state but Proposition 90 is too extreme," he said. "It contains provisions damaging to California that are unrelated to eminent domain that could cost taxpayers billions of dollars and will threaten our economy and job creation here. It will encourage thousands of frivolous and time-consuming lawsuits, and will tie up needed land-use planning in litigation delays. We need to find a better way to address eminent domain in our state."

One of the more extreme provisions in Proposition 90 would force taxpayers to pay unreasonable costs — no longer based on fair market value — whenever agencies need to acquire property for public works.

"At a time when California is trying to finally address the huge backlog of needed roads, schools and flood protection/water delivery systems, the massive new costs of Proposition 90 would destroy our efforts to improve our infrastructure," Zarembeg said.

"In addition, our members are concerned that Proposition 90 would make it more difficult — and, hence, less likely — for utilities to site and add the increased transmission capabilities our state desperately needs, making California's power supply less reliable and even more expensive."

More information on the Chamber's actions on ballot measures appears at www.calchamber.com.

Staff Contact: Vince Sollitto

Political Communications with Employees

As election season heats up, the California Chamber of Commerce reminds employers to brush up on the dos and don'ts of political communications with employees.

Business owners are within their rights to inform employees and stockholders about the potential impacts of proposed ballot measures.

The Chamber has prepared a

brochure giving a quick overview of what employers can and cannot do, as well as when they need to report what they spend on political communications.

A pdf file of the "**Guidelines to Political Communications to Employees**" brochure is available on the Chamber's website at www.calchamber.com/guidelines.

Appeals Court Decision Supports Chamber-Backed Workers' Comp Reforms

A recent court decision has upheld the cost-saving California Chamber of Commerce-supported workers' compensation reforms.

The 3rd District Court of Appeal agreed with the Chamber that the Legislature did not intend to alter the method for apportioning responsibility for a permanent disability when enacting the landmark reforms of 2004.

Apportionment Unchanged

The Chamber filed a friend-of-the-court brief with the 3rd District last month in the case of *Lopez v. Workers' Compensation Appeals Board et al.* supporting fair apportionment of an employer's legal responsibility for a permanent disability.

In its brief, the Chamber argued that the 2004 workers' compensation reform legislation did not change the formula for calculating apportionment from a percentage-based formula to a dollar-based formula.

The Chamber therefore urged the court not to follow two decisions so that future workers' compensation cases apportion an employer's proportionate



liability by subtracting percentages of an employee's disability as a result of a work-related injury, not by subtracting the dollar value of the injury.

The court agreed with the Chamber that the Legislature did not intend to alter the apportionment method adopted by the California Supreme Court 30 years ago in *Fuentes v. Workers' Comp Appeals Bd.* (1976) 16 Cal.3d 1 (Fuentes).

SB 899 Reforms Upheld

The court also agreed with the

Chamber that when the Legislature enacted Chamber-supported **SB 899 (Poochigian; R-Fresno)** of 2004, it did not intend to change the formula with which apportionment would be calculated.

This ruling upholds the reforms in SB 899, which made fundamental changes in the way the workers' compensation system determines the level of injury and the amount of disability assigned to an injury and created a new medical network to provide quality, cost-effective care to workers.

This package ensured that medical treatment follows nationally recognized guidelines and sets clear parameters for what is acceptable treatment for injured workers in the system, while also reducing excessive litigation.

Included in the reform package were changes in the law designed to bring rationality to the process of determining which conditions contributed to an injury and how much, so employers would be responsible for only the portion of an injured worker's disability resulting from the existing job-related injury.

Staff Contact: Erika Frank

Help Fight Ballot Initiatives Designed to Impede Business Voice in State

CALBUSPAC, the issues political action committee of the California Chamber of Commerce, is urging all of its members to get involved in defeating several onerous ballot initiatives, including the tax on corporations to publicly finance political campaigns, Proposition 89.

CALBUSPAC was formed in 1976 by the Chamber to protect, preserve and further the private enterprise system. CALBUSPAC is organized under California law as a general purpose issues committee (Fair Political Practices Commission committee identification number: 761010) that makes contributions to support or to oppose ballot measure campaigns and other issues of interest to



CALBUSPAC

CALIFORNIA BUSINESS POLITICAL ACTION COMMITTEE

the business community.

CALBUSPAC does not make any contributions or expenditures in support of or opposition to any candidate for public office.

CALBUSPAC may accept contributions in any amount, but cannot accept contributions from foreign nationals or accept any funds earmarked for specific issues. CALBUSPAC's funding priorities will be based on its analysis of the importance of the issues to the business

community and the needs and viability of the ballot measure committees formed to support the interests of business.

Contributions to CALBUSPAC are not

deductible as charitable contributions for federal income tax purposes.

To Contribute

To contribute to CALBUSPAC online, visit www.calchamber.com/calbuspac.

Contributions may be mailed to:
CALBUSPAC, ID# 761010
c/o California Chamber of Commerce
1215 K Street, Suite 1400
Sacramento, CA 95814

Staff Contact: Michele Steeb

Governor Signs Chamber-Supported Bills to Help Small Businesses in California



SUPPORT

Governor Arnold Schwarzenegger this week signed three California Chamber of Commerce-supported bills aimed at helping small businesses.

● **AB 2330 (Arambula; D-Fresno)** helps protect the ability of small businesses to maintain and create jobs by requiring a study of the cost impact of state regulations on California small businesses.

● **AB 3058 (Arambula; D-Fresno)** instructs Office of Small Business Advocate to help prepare "Small Business Emergency/Disaster Preparedness" handbook.

● **SB 1436 (Figueroa; D-Fremont)** seeks to re-establish the Small Business Ombudsman program in state agencies to improve small business access to information on proposed regulations affecting their businesses.

"By signing these bills, Governor Schwarzenegger has reiterated his commitment to California's businesses and economy," said Julianne Broyles, Chamber director of employee relations and small business.

"These bills will help alleviate the regulatory burden for California businesses, which operate under the most stringent and costly tangle of laws and regulations in the nation. Small businesses are the most significant source of new jobs for both California and the nation's economy. The laws will provide small businesses with new tools that will help sustain current jobs and foster conditions for strong job growth in the future," Broyles said.

Study Regulatory Impact

The Chamber believes that AB 2330 is important to California small business owners because the burden of "one-size-fits-all" regulations usually falls most heavily on them. AB 2330 will help identify some of the most burdensome regulations on small businesses and recommend possible ways to alleviate the impact.

Ill-advised or unnecessary laws and regulations easily can damage the economic vitality that small businesses add to the state's economy.

The consequences of laws and regulations sometimes are directly at odds with the intentions of the policymakers. Worse, an overly burdensome regulatory environment can quash the entrepreneurial spirit that motivates many small business owners in California.

AB 2330 provides a positive process to ensure that policymakers have credible information on the impact current state regulations have on California small businesses.

Disaster Preparedness

AB 3058 requires the California Office of the Small Business Advocate, in conjunction with other state agencies, to develop a Web-accessible handbook to help small businesses prepare, respond to and recover from emergencies.

AB 3058 also requires that at least three meetings be scheduled around the state where small businesses can learn first-hand about best practices for disaster preparedness.

Small businesses often lack necessary tools to prepare disaster plans.

The Chamber believes this bill will help small business owners, who frequently do not have the time or

resources to adequately prepare a comprehensive plan covering such situations as a flood, earthquake or acts of terrorism.

Planning will help small businesses and their employees to not only survive a disaster, but also prepare to contend with its many aftereffects.

Improved Information Access

SB 1436 will improve access to information of importance to small business by centralizing information online at the state's Internet portal.

The bill requires the Department of Technology Services to create a separate link to state agency websites in order to make information regarding small business startup and other regulatory issues more easily accessible to small business owners.

The bill also requires agencies with regulations that have an impact on small business operations to designate at least one person to serve as a small business liaison.

Reducing regulatory red tape continues to be among the top issues small businesses would like to see government address. SB 1436 will benefit small entrepreneurs by creating clear lines of information to follow in dealing with the many paperwork and compliance obligations small businesses contend with in California.

The Chamber believes that small business compliance will improve through the efforts of the agency small business liaisons as SB 1436 directs the liaisons to collect and convey small business concerns and recommendations to top state agency officials.

These laws will take effect January 1, 2007.

Staff Contact: Julianne Broyles

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

California Chamber Status Report on Major Legislation for Business

The following list summarizes top priority bills for the California Chamber of Commerce and their status as of August 31, when legislators adjourned, or the action taken by the Governor before *Alert* went to print.

Within each subject area, the list presents bills in order of priority, with the

higher priorities at the top.

In October, the Chamber will publish the final status report on priority bills, showing the ultimate fate of legislation sent to the Governor this year.

The last day for the Governor to sign or veto bills passed by the Legislature before it adjourned is September 30.

Each fall, the Chamber also publishes a record of legislators' votes on key bills affecting California's business climate. Generally, the bills selected for the vote record have appeared in one of the status reports. This year's vote record will be published on October 13.

Federal bills are marked with an *.

Status of bills as of August 31, 2006, the day the Legislature adjourned, or Governor's action. Dates listed are the latest date of committee action, the next hearing date or when the bill reached the floor, unless action is stated. Key to status descriptions on Page 23.

Subject and Bill — Chamber Position	Status
Agriculture and Natural Resources	
Timber Rules. SB 1310 (Kuehl; D-Santa Monica) subjects certain forest landowners to costly mandatory, duplicative permitting and regulatory requirements that do not provide any additional benefits. Oppose.	Assembly Natural Resources 6/15/06
Heritage Trees. SB 1799 (Perata; D-Oakland) severely limits timber harvesting by prohibiting damage to certain trees without scientific qualification for the prohibition. Oppose.	Held in Senate Appropriations 5/25/06
Farmworker Housing. SB 1802 (Ducheny; D-San Diego) permits growers to build housing for up to 36 farmworkers in group quarters to alleviate chronic farmworker housing shortages. Support.	To Governor
Forestry: Federal Roadless Area Conservation Rule. AB 715 (Levine; D-Van Nuys) inappropriately allows the Legislature to circumvent the federal process in place for the Governor to petition for action on issues regarding roadless areas in national forests. Oppose.	Assembly Inactive File 2/27/06
Pesticides. AB 2078 (Montañez; D-San Fernando) restricts certain scientific tests regarding human pesticide toxicity studies approved under current federal law with very strict standards for safety. Oppose.	Senate Appropriations Suspend File 8/17/06
Agriculture. SB 1056 (Florez; D-Shafter) affirms that state regulation of seed law pre-empts local actions, preventing local ordinances banning genetically modified crops. Support.	Senate Unfinished Business 8/28/06
Air and Waste Management	
Halts Economic Growth. AB 32 (Núñez; D-Los Angeles) increases costs for California businesses, makes them less competitive and discourages economic growth with little or no proven environmental benefit by adopting an arbitrary cap on carbon emissions. Oppose/ Job Killer.	To Governor
Biomonitoring. SB 1379 (Perata; D-Oakland) would have made California unfriendly to business by establishing a biomonitoring program that could generally lead to the elimination or reduction of use of certain chemicals that have not been scientifically proven harmful, based on mere detection. Amended to remove opposition. Former Job Killer.	To Governor
Increases Gas Prices. SB 1675 (Kehoe; D-Santa Monica) creates market volatility, ignores current operational limitations and supply availability by mandating the use of biodiesel in fuels. Oppose/ Job Killer.	Failed passage in Assembly 8/31/06

Subject and Bill — Chamber Position	Status
Fuel Mandate. AB 1012 (Nation; D-San Rafael) disrupts California’s transportation fuels market by mandating the sale of scarce alternative fuel vehicles and will result in significant gas price spikes. Oppose/ Job Killer.	To Governor
Excessive Litigation. SB 109 (Ortiz; D-Sacramento) increases litigation costs and potential lawsuits by allowing for both civil and criminal penalties for minor air quality violations. Oppose/ Job Killer.	Failed Passage in Assembly Natural Resources 8/24/06
Limits Technology. AB 2202 (Saldaña; D-San Diego) limits the availability of consumer electronic devices in California by prohibiting the sale of those devices if they contain certain heavy metals. Oppose/ Former Job Killer.	Senate Appropriations Suspend File 8/14/06
Resource Regulation. SB 1252 (Florez; D-Shafter) penalizes businesses that are in the process of implementing the latest air standards by imposing an additional civil penalty. Oppose/ Job Killer.	Failed passage in Assembly 8/31/06
Punitive Regulation. SB 1205 (Escutia; D-Norwalk) makes California unattractive to business by raising maximum fines for emission violations, creating a new category of violators with no due process for the determination of who is a violator while ignoring that there is no demonstrated connection between penalties and emission rates. Oppose/ Job Killer.	Failed passage in Assembly 8/31/06
Indoor Air Pollution. AB 3018 (Lieber; D-Mountain View) chases manufacturers and businesses out of California by targeting specific sources as indoor air pollutants based on no absolute science and provides the Air Resources Board the authority to restrict or even ban household items. Oppose.	Dead in Assembly
Lead Plumbing. AB 1953 (Chan; D-Oakland) enacts a drastic and unrealistic reduction in the maximum level of lead in plumbing products and fixtures. Oppose.	To Governor
Toxic Chemicals: Release Form. SB 1478 (Speier; D-San Francisco) undermines federal efforts to streamline and reduce costs of reporting chemical use by creating a duplicate state program requiring more reporting with no added public benefit. Oppose.	Assembly Inactive File 8/31/06
Oil Conservation, Efficiency and Alternative Fuels Act. SB 757 (Kehoe; D-San Diego) mandates that all state agencies consider fuel efficiency when making rules and regulations. Neutral.	To Governor
Corporate Governance	
Distributions: Unpaid Pension Obligations. AB 2122 (Klehs; D-Castro Valley) creates a burdensome and confusing new prohibition on shareholder distributions and makes board members strictly liable for improper corporate distributions. Oppose.	Failed passage in Senate Banking, Finance & Insurance 6/22/06; Reconsideration granted
Corporations: Reporting Requirements. AB 2426 (Hancock; D-Berkeley) violates taxpayer privacy rights and expands opportunities for misappropriation and misuse of confidential taxpayer information by requiring numerous companies to publicly disclose virtually every element of their tax return. Oppose.	Assembly Banking & Finance 4/17/06
Corporations: Uncontested Election of a Listed Corporation. SB 1207 (Alarcón; D-San Fernando Valley) establishes a new voting rule for uncontested director elections that gives shareholders greater control. No Position.	To Governor
Education	
Public Schools: State and Federal Accountability. AB 2975 (Hancock; D-Berkeley) undermines the effectiveness of the high school exit exam by lowering California student proficiency standards. Oppose.	To Governor
School District Governance: Los Angeles Unified School District. AB 1381 (Núñez; D-Los Angeles) gives the Los Angeles mayor and a council of mayors additional means by which to measure pupil achievement in the Los Angeles Unified School District. Support.	To Governor

Subject and Bill — Chamber Position	Status
<p>Career Technical Education: School District Reporting. SB 560 (Migden; D-San Francisco) appropriately places an emphasis on career technical education (CTE) programs by requiring school districts to provide the Department of Education information regarding the state of CTE at the district's high schools. Support.</p>	To Governor
<p>Vocational Education: Requirements. SB 794 (Scott; D-Pasadena) promotes workplace readiness by improving coordination between career technical programs at the K-12 level. Support.</p>	Assembly Appropriations Suspense File 8/17/05
<p>Postsecondary Education: College Opportunity Act. SB 845 (Scott; D-Pasadena) improves workplace preparation by expanding the number of eligible instructors for career technical education programs and adult education programs. Support.</p>	Assembly Rules 6/26/06
<h2 style="color: red;">Employee Relations</h2>	
<p>4-Day Workweek. SB 1254 (Ackerman; R-Tustin) helps employees achieve greater flexibility in work schedules by allowing individual workers to request and their employers to mutually agree to a four-day workweek. Sponsor/Co-Sponsor.</p>	Failed Passage in Senate Labor & Industrial Relations 4/26/06
<p>4-Day Workweek. AB 2217 (Villines; R-Clovis) helps employees achieve greater flexibility in work schedules by allowing individual workers to request and their employers to mutually agree to a four-day workweek. Sponsor/Co-Sponsor.</p>	Failed passage in Assembly Labor & Employment 4/19/06; Reconsideration granted
<p>Minimum Wage. AB 1835 (Lieber; D-Mountain View) increases the cost of doing business by raising the state minimum wage to \$7.50 in 2007 and to \$8 in 2008, giving California the highest minimum wage rate in the nation. Oppose/Former Job Killer.</p>	Chapter 230
<p>Automatic Minimum Wage Increases. SB 1162 (Cedillo; D-Los Angeles) originally increased the cost of doing business without regard to the state's economy by increasing the minimum wage with annual automatic increases. Significantly amended to deal with another subject. No Position/Former Job Killer.</p>	To Governor
<p>Leave Law Abuse. SB 300 (Kuehl; D-Santa Monica) opens California's leave law to potential abuse by removing controls that require that the employee actually provide the care, among other provisions. Oppose/Job Killer.</p>	Assembly Appropriations Suspense File 8/17/05
<p>New Reason to Sue. AB 581 (Klehs; D-Castro Valley) makes California less desirable as a place to establish or expand a business by opening new avenues to sue employers by establishing a broad new private right of action that permits joint labor management committees to sue any employer for certain Labor Code violations that may have occurred up to four years previously, among other provisions. Oppose/Job Killer.</p>	Held in Assembly Appropriations 8/25/05
<p>Excessive Litigation. AB 2555 (Oropeza; D-Long Beach) negatively distinguishes California from the rest of the country by exposing every business to excessive litigation and increases the cost of doing business by mandating excessive damage awards and new civil penalties for gender pay equity violations. Oppose.</p>	Vetoed
<p>Plain Language Workplace Posters. AB 2277 (Villines; R-Clovis) reduces confusion and increases understanding of workplace rights and responsibilities by requiring all workplace posters to be written simply and in plain language. Sponsor/Co-Sponsor.</p>	Failed Passage in Assembly Labor & Employment 4/19/06; Reconsideration granted To Governor
<p>Employment Practices. AB 2095 (Niello; R-Fair Oaks) makes common-sense, clarifying changes to recently enacted supervisor anti-sexual harassment training requirements that will simplify compliance with the new law. Support.</p>	To Governor

Subject and Bill — Chamber Position	Status
New Overtime Lawsuits. AB 2536 (Montañez; D-San Fernando) establishes stringent new overtime requirements on employers of personal attendants, along with creating a new right of these workers to sue for liquidated damages for overtime violations. Oppose.	To Governor
Payroll Check Cashing: Fees. SB 778 (Florez; D-Shafter) attempts to usurp federal law by prohibiting financial institutions from charging fees for services. Oppose.	Failed Passage in Assembly Banking & Finance 6/26/06
Employment: Compensation. SB 1188 (Florez; D-Shafter) effectively eliminates current “safe harbor” and creates uncertainty for employers who already arrange fee-free payroll check cashing for their employees. Oppose.	Failed Passage in Assembly Banking & Finance 6/26/06
Port Owner-Operators: Anti-Trust Immunity. SB 1213 (Dunn; D-Garden Grove) unreasonably attempts to give anti-trust immunity protections to port owner-operator truck drivers so that they may collectively set prices for services. Oppose.	To Governor
Employment-Based Lawsuits: New Ability to File. SB 1745 (Kuehl; D-Santa Monica) exposes employers to new employment-related lawsuits based on information the employer is forbidden to ask the employee about. Oppose.	To Governor
Energy	
Increases Electricity Costs. SB 1368 (Perata; D-Oakland) limits the available power sources to meet California’s energy demands while substantially increasing the price of electricity to consumers and businesses by establishing an unattainable greenhouse gas emission performance standard. Oppose/ Job Killer.	To Governor
Public Utilities: Refineries. SB 1794 (Dunn; D-Garden Grove) creates duplicative regulation on industry by giving the Public Utilities Commission authority over refinery corporations. Oppose.	Held in Assembly Utilities & Commerce 6/26/06
Energy Resources: California Vampire Slayer Act of 2006. AB 1970 (Levine; D-Van Nuys) disadvantages California manufacturers by creating a state-level mandatory labeling requirement for consumer products using electricity. Oppose.	Senate Appropriations Suspense File 8/17/06
State Energy Resources Conservation and Development Commission: Liquefied Natural Gas Terminals. SB 426 (Simitian; D-Palo Alto) possibly exacerbates potential energy shortages by establishing a new permitting process that adds delay to the approval of pending LNG facility permit applications. Oppose.	Assembly 8/24/06
Energy Resources: Liquefied Natural Gas Terminals. SB 1003 (Escutia; D-Norwalk) delays critically needed liquid natural gas facilities to meet our energy needs by establishing a permitting process at the California Energy Commission to the exclusion of all other city, state or local authorities. Oppose.	Assembly Appropriations Suspense File 8/17/05
Electricity: Self-Generation Incentive Program. AB 2778 (Lieber; D-Mountain View) compromises the state’s energy supply by arbitrarily restricting certain technologies from being eligible to receive funding through the Self-Generation Incentive Program (SGIP). Oppose.	To Governor
Electric Transmission Corridors. SB 1059 (Escutia; D-Norwalk) enables the California Energy Commission to identify the most appropriate locations for new transmission lines. Support.	To Governor
Public Utilities: Energy Efficiency. AB 2021 (Levine; D-Van Nuys) helps California achieve its energy-saving targets by requiring municipal utilities to invest in cost-effective, energy-efficient technologies. Support.	To Governor
Energy: Electricity: Carbon Dioxide. AB 1925 (Blakeslee; R-San Luis Obispo) requires the Energy Resources Conservation and Development Commission to submit a report to the Legislature with recommendations on strategies and incentives to reduce carbon dioxide emissions during the generation of electricity. Support.	To Governor

Subject and Bill — Chamber Position	Status
Health	
Government-Run Health Care. SB 840 (Kuehl; D-Santa Monica) imposes a government-run health care system on all Californians. Oppose/ Job Killer.	To Governor
Health Care Tax. SB 1414 (Migden; D-San Francisco) imposes a tax on employers with over 10,000 employees to spend the equivalent of 8 percent of their total payroll on health care or pay the equivalent amount to the state. Oppose/ Job Killer.	Vetoed
Health Care Coverage Review Process. AB 977 (Nava; D-Santa Barbara) reduces employer choice and options to purchase affordable health care coverage for their employees by requiring a health plan or health insurer to seek prior approval from its regulator before adjusting co-pays, deductibles and other out-of-pocket costs or limiting benefits or coverage on any of its products. Seeks to eliminate high-deductible health plans as an option. Oppose.	Failed Passage in Senate Banking, Finance & Insurance 6/22/06; Reconsideration granted
Employer “Pay or Play.” AB 1952 (Nation; D-San Rafael) moves California to a government-sponsored health care system by forcing employers to either purchase a minimum benefit package or pay a payroll tax. Oppose.	Held in Assembly Appropriations Suspense File 5/25/06
Income Tax: Health Savings Account. AB 2010 (Plescia; R-La Jolla) facilitates flexibility for employers and employees to take advantage of high-deductible health plans by aligning California’s tax deduction for health savings accounts with the federal tax deductions allowed. Support.	Held in Assembly Revenue & Taxation 5/15/06
Income and Corporation Taxes: Credit: Health Savings Account. SB 1639 (Dutton; R-Rancho Cucamonga) provides tax credit to employers for contributing to employee health savings accounts when used with high-deductible health plans. Support.	Dead in Senate
Income Tax: Health Savings Account. SB 1584 (Runner; R-Lancaster) facilitates flexibility for employers and employees to take advantage of high-deductible health plans by aligning California’s tax deduction for health savings accounts with the federal tax deductions allowed. Support.	Dead in Senate
Health Care Coverage with Deductibles. AB 2281 (Chan; D-Oakland) creates unreasonable requirements for high-deductible health plans that would raise health care premiums and limit options for employers and employees. Oppose.	Failed passage in Assembly 5/31/06
Health Care: Employer Coverage: Disclosure. AB 1840 (J. Horton; D-Inglewood) creates public access website to list employers with employees participating in public assistance health care programs on a “list of shame.” Oppose.	To Governor
Healthy Families Program and Medi-Cal. SB 558 (Migden; D-San Francisco) requires specified employers to provide notice to their employees they may be eligible for Medi-Cal/Healthy Families programs. <i>Note:</i> AB 1840 would then publish a “list of shame” on a publicly accessible website of employers with employees enrolled in these programs. Oppose.	Assembly Health 2/16/06
Healthy Families Program and Medi-Cal: Employee Eligibility. SB 1622 (Escutia; D-Norwalk) requires specified employers to provide notice to their employees they may be eligible for Medi-Cal/Healthy Families programs. <i>Note:</i> AB 1840 would then publish a “list of shame” on a publicly accessible website of employers with employees enrolled in these programs. Oppose.	Assembly Appropriations Suspense File 8/16/06
Group Disability Insurance: Economic Benefit. SB 1591 (Kuehl; D-Santa Monica) allows Department of Insurance to interfere with employer’s selection of group disability plans provided to employees by empowering the Insurance Commissioner to disapprove a policy of no real economic value. Oppose.	Failed Passage in Assembly Health 6/27/06; Reconsideration granted
Public Health: Health Care Technology Systems: Loans. SB 1672 (Maldonado; R-Santa Maria) establishes a low-interest loan program for non-profit health provider organizations purchasing a health care information technology system. Support.	Senate Appropriations 6/28/06

Subject and Bill — Chamber Position	Status
Health Care Mandate. AB 2012 (Emmerson; R-Redlands) increases health care premiums by mandating health care plans that cover orthotic or prosthetic devices provide the same amount of this benefit as provided for other health plan benefits. Oppose.	To Governor
Health Care Mandate. SB 1223 (Scott; D-Pasadena) increases health care premiums by mandating that health care plans cover up to \$1,000 for hearing aids for children. Oppose.	To Governor
Health Care Mandate. SB 1508 (Bowen; D-Redondo Beach) increases health care premiums by mandating that health care plans cover certain anesthesia and its administration for colonoscopies. Oppose.	Failed Passage in Assembly Health 6/27/06; Reconsideration granted
Hospital Seismic Retrofit. AB 1978 (Walters; R-Laguna Niguel) helps postpone a huge cost to hospitals statewide that will likely be borne by private payers by providing California hospitals an extended timeline to meet costly seismic safety retrofit requirements. Support.	Failed Passage in Assembly Health 4/18/06; Reconsideration granted.
Hospital Seismic Retrofit. SB 1661 (Simitian; D-Palo Alto) avoids potential hospital closures by permitting a hospital to request a two-year extension for seismic safety retrofit construction. Support.	To Governor
Seismic and Patient Safety. SB 167 (Speier; D-San Francisco/San Mateo) provides California hospitals an extended timeline to meet costly seismic safety retrofit requirements, helping postpone another huge cost increase that will likely be borne by private payers. Support.	Failed Passage in Assembly Health 7/5/05; Reconsideration granted
Discount Drug Program. AB 2911 (Núñez; D-Los Angeles) shifts the cost of prescription medicines from the state to the private sector by imposing cost controls on medicines purchased for Medi-Cal recipients. Oppose.	To Governor
Medi-Cal: Direct Marketing of Contract Drugs: Rebates. AB 2730 (Nation; D-San Rafael) chills commercial free speech through advertising and denies low-income individuals in the Medi-Cal program from receiving the medicines they need by prohibiting the state from contracting for prescription drugs that have been promoted through direct-to-consumer advertising, which is designed to inform and educate consumers. Oppose.	Failed Passage in Assembly Health 4/25/06
Prescription Drugs: Importation: Procurement. AB 2877 (Frommer; D-Glendale) establishes the California Rx Prescription Drug Service Web Site Program, administered by the Department of Health Services, to provide information to California residents about options for obtaining affordable prescription drugs. Neutral.	To Governor
Health Care: Product Database. SB 1804 (Florez; D-Shafter) establishes a redundant administrative burden on health plans to report to a state-run website information on their publicly accessible websites regarding medical providers in their network, which could contribute to higher premiums in an already-costly health care system. Oppose.	Failed Passage in Assembly Health 6/27/06; Reconsideration granted
Housing and Land Use	
Halts Economic Growth. AB 2641 (Coto; D-San Jose) Former job killer originally would have halted development indefinitely by requiring open-ended consultation and ultimate land use decision by an advocacy commission for Native Americans. Now requires the identified descendants of Native American human remains to make recommendations or preferences for treatment of those remains within 48 hours of being granted access to a Native American burial site. Neutral/ Former Job Killer.	To Governor
Regulatory Hurdles. SB 1523 (Alarcón; D-San Fernando Valley) stifles economic development by adding an economic impact report prior to the superstore retailer approval process. Oppose/ Job Killer.	To Governor
Affordable Housing Development Impediment. SB 44 (Kehoe; D-San Diego) originally would have slowed the development process by adding yet another element to be included within general plans and increased opportunities for “anti-growth” litigation. Significantly amended to deal with another subject by a different author. No Position/ Former Job Killer.	To Governor

Subject and Bill — Chamber Position	Status
<p>Native American Artifacts. SB 1395 (Ducheny; D-San Diego) originally could have delayed California Environmental Quality Act (CEQA) exempt projects by requiring a special CEQA notice and new consultation with tribes if project may affect cultural or spiritual site. Amended to require tribes be notified if an emergency or railroad grade project exempt from CEQA uncovers Native American artifacts. Neutral.</p>	To Governor
<p>Hazardous Substance Release: Vapor Intrusion. AB 2092 (Hancock; D-Berkeley) potentially stigmatizes entire neighborhoods and makes it increasingly difficult to attract crucial investment dollars to revitalize underserved communities by creating a statewide, publicly accessible list of properties with known or potential vapor intrusion before the risks of those intrusions are understood. Oppose.</p>	To Governor
<p>Mello-Roos Districts. SB 1432 (Lowenthal; D-Long Beach) reduces available funding for necessities such as basic infrastructure needs by inappropriately expanding the use of Mello-Roos taxes. Oppose.</p>	To Governor
<h2 style="color: red;">Industrial Safety and Health</h2>	
<p>Cal/OSHA Standards Board: Dilution of Board Abilities. AB 815 (Lieber; D-Mountain View) is an unwarranted attempt to take away the ability of the California Occupational Safety and Health Standards Board to craft and adopt consensus workplace safety and health standards and adds unreasonable new customer reporting mandate that orders all businesses turn over names and addresses of customers who purchase certain chemicals or commercial products containing the chemicals. Oppose.</p>	Held in Senate Appropriations 8/25/05
<p>Employment Rights. AB 1912 (Maze; R-Visalia) reduces the ability of California employers to ensure safe workplaces for their employees. Oppose.</p>	Assembly Labor & Employment 4/27/06
<h2 style="color: red;">Insurance</h2>	
<p>Flood Insurance. AB 1898 (Jones; D-Sacramento) forces homeowners, business and local government to purchase flood insurance through a federal program that is not actuarially sound. Oppose.</p>	Held in Assembly Banking & Finance 4/21/06
<p>Insurance: Community Investments. AB 925 (Ridley-Thomas; D-Los Angeles) increases insurance premiums by mandating the reporting of incomplete information on an insurer's communiti investments and does nothing to improve the insurance market. Oppose.</p>	To Governor
<h2 style="color: red;">International Relations/Trade</h2>	
<p>Trade Policy. SB 1513 (Romero; D-Los Angeles) improves business competitiveness in global markets by developing a comprehensive international trade and investment policy for California. Support.</p>	To Governor
<p>International Trade Agreements. SB 1762 (Figueroa; D-Fremont) seeks to strip the power to give consent for trade agreements from state officials, including the Governor. Oppose.</p>	Assembly Jobs, Economic Development & the Economy 6/27/06
<p>*U.S.-Oman Free Trade Agreement. A bilateral free trade agreement that will foster increased trade and investment between both countries. This agreement is an important step in President Bush's plan to create a Middle East Free Trade Area by 2013. Support.</p>	Passed U.S. Senate 6/29/06; Passed U.S. House 7/20/06
<p>*U.S.-Peru Free Trade Agreement. A bilateral free trade agreement that will foster trade and investment between both countries. This agreement is an important step in President Bush's plan to create a U.S.-Andean Free Trade Agreement. Support.</p>	Pending Congressional Action
<p>*Permanent Normal Trade Relations for Vietnam. An agreement to grant permanent normal trade relations to Vietnam with the following step being entry into the World Trade Organization. Would allow U.S. entry into this emerging market of 83 million people. Support.</p>	Pending Congressional Action

Subject and Bill — Chamber Position	Status
Legal Protection and Reform	
<p>Government Agency Potential Harassment of Employers. SB 1489 (Ducheny; D-San Diego) invites unlimited “fishing expeditions” by the Attorney General under numerous statutes, including the Unruh Civil Rights Act and environmental laws, by making defendant companies pay all the investigation and lawsuit costs, including attorneys’ fees, if the Attorney General “prevails.” The term “prevail” could include settlements, changes in operation by the defendant or even a miniscule monetary award. Oppose/Job Killer.</p>	To Governor
<p>Disasters: Price Controls. AB 457 (Núñez; D-Los Angeles) creates burdensome and arbitrary new standards for price controls on numerous industries and opens the door to unfair competition prosecutions brought at the subjective whim of the Attorney General. Oppose/Job Killer.</p>	Assembly Concurrence 8/30/06
<p>Increases Litigation Costs. AB 2371 (Levine; D-Van Nuys) eliminates an employer’s ability to mandate the use of the far less expensive and faster process of arbitration rather than court to resolve discrimination claims under the California Fair Employment and Housing Act. Oppose.</p>	Failed passage in Assembly 5/31/06
<p>Cartwright Act: Monopolies. SB 1274 (Dunn; D-Garden Grove) significantly increases the ability of plaintiffs to bring frivolous anti-competition suits against companies and virtually removes the ability of defendants to achieve dismissal of these meritless suits, forcing businesses into drawn-out and costly jury trials or unreasonable settlements. Oppose.</p>	Failed passage in Senate 6/1/06
<p>Reduces Court Costs. SB 1386 (Morrow; R-Oceanside) helps reduce court costs by allowing businesses to contract that future lawsuits be tried by a judge only rather than undergo a full-blown jury trial, which is lengthier and more expensive. These contracts were previously used by numerous businesses in this state until they were prohibited last year by the <i>Grafton</i> Supreme Court decision. Sponsor/Co-Sponsor.</p>	Failed passage in Senate Judiciary 5/2/06; Reconsideration granted
<p>Reduces Court Costs. AB 2258 (Villines; R-Clovis) helps reduce court costs by allowing businesses to contract that future lawsuits be tried by a judge only rather than undergo a full-blown jury trial, which is lengthier and more expensive. These contracts were previously used by numerous businesses in this state until they were prohibited last year by the <i>Grafton</i> Supreme Court decision. Sponsor/Co-Sponsor.</p>	Failed passage in Assembly Judiciary 5/2/06
<p>Punitive Damages: Reform. SB 1429 (Morrow; R-Oceanside) helps bring balance to the court system by prohibiting punitive damages awards in product liability cases against companies that have complied with government standards as to that product. Support.</p>	Senate Judiciary 5/10/06
<p>Attorneys’ Fees/Penalty. SB 1818 (Alarcón; D-San Fernando Valley) unfairly chills the ability of large retailers to challenge local government actions, such as ordinances or regulations, in the courts. Oppose.</p>	To Governor
<p>Punitive Damages Reform. AB 1863 (Harman; R-Huntington Beach) gives judges rather than juries the responsibility of determining the amount of punitive damage awards. Sponsor/Co-Sponsor.</p>	Failed passage in Assembly Judiciary 4/4/06
<p>Punitive Damages. SB 832 (Perata; D-Oakland) hampers needed reforms to California’s out-of-control punitive damages system by establishing 75 percent of all punitive damages awards as a source of state funding for the next five years. Oppose.</p>	To Governor
Other	
<p>State Property: Vending Machines. SB 254 (Torlakson; D-Antioch) infringes on the discretionary rights of property managers by requiring vending machines located on state property to contain at least 50 percent food and beverages that meet certain accepted nutritional guidelines by December 31, 2007. Oppose.</p>	Assembly Business & Professions 6/27/06

Subject and Bill — Chamber Position	Status
Political Affairs	
Political Contributions: Reporting/Refund Mandates. SB 1354 (Dunn; D-Garden Grove) chills business participation in the political process and interferes with shareholder dividends by placing significant administrative burdens on corporations to return to a shareholder that shareholder's pro rata share of a political contribution to which the shareholder objects. Oppose.	Failed Passage in Assembly Banking & Finance 6/26/06
Initiative Petitions. AB 2946 (Leno; D-San Francisco) denies the check and balance on the legislative branch by the public by limiting the use of paid signature gatherers critical for successfully sponsoring a referendum. Oppose.	To Governor
Privacy and Confidentiality	
Privacy. SB 550 (Speier; D-San Francisco/San Mateo) requires traditional brick-and-mortar businesses that operate a commercial website to have different privacy policies for their customers. Oppose.	Assembly Rules 6/27/06
Information Privacy: Consumer Credit Reports. SB 1744 (Bowen; D-Redondo Beach) exposes consumers to potential identity theft by requiring credit bureaus to lift credit freezes within 15 minutes. Oppose.	Failed passage in Assembly Banking & Finance 6/19/06; Reconsideration granted
Identity Information. SB 768 (Simitian; D-Palo Alto) originally jeopardized the use of technologies that ensure the safety and security of identity information by limiting use of developing radio frequency identification devices (RFID) in government identity documents. Amended to require a study of RFIDs in government documents. Neutral.	To Governor
Personal Identifying Information. SB 1387 (Poochigian; R-Fresno) increases penalties for the theft and trafficking of personal identifying information. Support.	Assembly Appropriations Suspense File 8/16/06
Privacy Protection: Personal Identification Documents. AB 2561 (Torrico; D-Newark) establishes a commission in Office of Privacy Protection to develop best practices regarding RFID in government identity documents. Support.	Senate Appropriations 8/29/06
Phishing. SB 1388 (Poochigian; R-Fresno) creates new criminal penalties for phishing — a person or website pretending to represent a legitimate business for the purpose of extracting personal information for fraudulent purposes. Support.	Held in Assembly Appropriations Suspense File 8/17/06
Crime. AB 2886 (Frommer; D-Glendale) increases fines and penalties for identity theft, classifies mail theft as a wobbler and expands venue to counties where the victim resides. Support.	To Governor
State Government: Office of Faith-Based and Community Initiatives. AB 1958 (Leslie; R-Tahoe City) Before being amended to a different subject, this bill required disclosure of number of products that must be purchased and approximate cost associated with free gift offers over the Internet. Neutral.	Senate Rules 6/22/06
Rebates. SB 1737 (Figueroa; D-Fremont) imposes unrealistic and burdensome requirements on companies offering consumer rebates. Oppose.	To Governor
Small Business	
Small Business Advocate: Study of Regulatory Impact on Small Business. AB 2330 (Arambula; D-Fresno) helps protect ability of small businesses to maintain and create jobs by requiring a study of the cost impact of state regulations on California small businesses. Support.	Chapter 232
Small Business: Improved Access to Government. SB 1436 (Figueroa; D-Fremont) seeks to re-establish Small Business Ombudsman program to improve small businesses' access to information on proposed regulations affecting their businesses. Support.	Chapter 234

Subject and Bill — Chamber Position	Status
<p>Emergency Preparedness. AB 3058 (Committee on Jobs, Economic Development and the Economy) instructs Office of Small Business Advocate to help prepare “Small Business Emergency/Disaster Preparedness” handbook. Support.</p>	Chapter 233
<h2 style="color: red;">Taxation</h2>	
<p>Tax Increase. AB 1177 (Chan; D-Oakland) increases the tax burden on small business by increasing the personal income tax rate to 10 and 11 percent and the alternative tax rate to 8.5 percent. Oppose/Job Killer.</p>	Senate Revenue & Taxation 6/26/06
<p>Tax Increase. AB 2829 (Ridley-Thomas; D-Los Angeles) increases taxes on multinational companies that do business in California but whose parent company is incorporated overseas. Oppose/Job Killer.</p>	Assembly Third Reading 5/30/06
<p>Tax Increase. AB 2892 (Ruskin; D-Palo Alto) penalizes multinational corporations that do business in California with higher taxes if they are incorporated, headquartered or located in a “tax haven,” regardless of legitimate business reasons for being there. Oppose.</p>	Assembly 2/27/06
<p>Tax Increase. SB 663 (Migden; D-San Francisco) increases taxes on multinational companies that do business in California by taxing investment income earned outside the United States. Oppose.</p>	Chapter 22
<p>Gas Tax Increase. AB 2442 (Klehs; D-Castro Valley) drives up fuel prices for businesses and consumers by imposing a 2 percent tax on oil companies’ net income in excess of \$10 million to fund a reduction in the gasoline sales tax. Oppose/Job Killer.</p>	Assembly Third Reading 5/30/06
<p>Gas Tax Increase. AB 3075 (Klehs; D-Castro Valley) drives up fuel prices for businesses and consumers by imposing a 5 percent tax on oil companies’ net income in excess of \$10 million to fund a reduction in the gasoline sales tax. Oppose/Job Killer.</p>	Senate Revenue & Taxation 6/20/06
<p>Gas Tax Increase. ACA 36 (Nation; D-San Rafael) makes California gasoline, already the most expensive in the nation, even more expensive by imposing a 25-cent increase over five years, none of which will be used for transportation. Oppose/Job Killer.</p>	Assembly 4/17/06
<p>Gas Tax Increase. AB 2325 (Nation; D-San Rafael) makes California gasoline, already the most expensive in the nation, even more expensive by imposing a 25-cent increase over five years, none of which will be used for transportation. Oppose.</p>	Assembly Revenue & Taxation 4/24/06
<p>Tax Increase. SB 1784 (Kuehl; D-Santa Monica) targets the self-employed and small businesses for a tax increase on taxable income that exceeds \$200,000 in order to fund a government-sponsored health care program. Oppose.</p>	Senate Health 4/20/06
<p>Business Tax Trap. AB 2344 (Chu; D-Monterey Park) makes California tax system unpredictable and burdensome by creating a tax “amnesty” program that could trap law-abiding, taxpaying companies into lost confidentiality protections, lost appeal rights, harsh penalties and criminal liability. Oppose.</p>	Senate Revenue & Taxation 6/28/06
<p>Tax Increase. SB 1118 (Figueroa; D-Fremont) targets and blames narrow segments of the food and drink industry for health care problems resulting from personal dietary choices and genetics by imposing a 2 percent sales tax on fast food and soda to fund a government-sponsored children’s health care program. Oppose.</p>	Senate Revenue & Taxation 5/10/06
<p>Tax Increase. SB 1008 (Ducheny; D-San Diego) reduces the state’s only remaining economic development tax credit by making it harder for businesses to qualify for the credit and making it harder for banks to lend to these businesses. Oppose/Job Killer.</p>	Assembly Revenue & Taxation 6/19/06
<p>Tax Increase. AB 1766 (Dymally; D-Compton) reduces the state’s only remaining economic development tax credit by making it harder for businesses to qualify for the credit and making it harder for banks to lend to these businesses. Oppose/Job Killer.</p>	Senate Third Reading 9/7/05

Subject and Bill — Chamber Position	Status
Tax Increase. AB 2830 (Ridley-Thomas; D-Los Angeles) increases taxes by changing how stock purchases in corporate acquisitions are taxed. Oppose.	Assembly Third Reading 5/30/06
Property Tax Increase. SB 17 (Escutia; D-Norwalk) deprives business of constitutional property tax rights and imposes extremely burdensome reporting requirements and harsh new penalties on business property owners. Oppose.	Died
Business Investment Incentive and Tax Relief. AB 2218 (Torricon; D-Newark) helps revitalize the manufacturing industry and encourages business investment and expansion by providing various sales and use tax exemptions for manufacturers. Support.	Held in Assembly Appropriations Suspense File 5/25/06
Business Investment Incentive and Tax Relief. SB 1643 (Runner; R-Lancaster) encourages business investment and expansion by providing various sales and use tax exemptions for manufacturers. Support.	Senate Revenue & Taxation 4/26/06
Business Investment Incentive and Tax Relief. SB 1291 (Alquist; D-Santa Clara) encourages business investment and expansion by providing various sales and use tax exemptions for manufacturers. Support.	Senate Revenue & Taxation 4/26/06
Business Investment Incentive and Tax Relief. SB 1619 (Dutton; R-Rancho Cucamonga) helps stimulate and revive the airline industry by capping the amount of tax on the sale and use of fuel and petroleum. Support.	Senate Revenue & Taxation 4/26/06
Business Investment Incentive and Tax Relief. AB 2395 (Villines; R-Clovis) encourages business investment and expansion of start-up companies by providing them an income tax exemption for sale or use of manufacturing equipment. Support.	Held in Assembly Revenue & Taxation Suspense File 5/15/06
Streamlined Taxes. AB 970 (Torricon; D-Newark) eliminates unnecessary tax reporting burden and waste by streamlining the tax-filing process for out-of-state board of director members who must pay California taxes merely because they attend a board meeting in California. Sponsor/Co-Sponsor.	To Governor
Research and Development Tax Incentive. AB 2032 (Lieu; D-Torrance) stimulates investment and encourages growth in research and development by increasing the state's research and development tax credit. Support.	Held in Assembly Revenue & Taxation 5/15/06
Economic Development Tax Incentive. AB 2502 (Arambula; D-Fresno) encourages small business to locate, stay and expand within enterprise zones by providing the ability to transfer extra enterprise zone research and development incentives to satisfy other tax obligations. Support.	Assembly Revenue & Taxation 4/27/06
Economic Development Tax Incentive. AB 2589 (S. Runner; R-Lancaster) stimulates California's economy by allowing enterprise zone credits to be used to reduce the tax attributable to the income of all a business's enterprise zone activities. Support.	Held in Assembly Revenue & Taxation Suspense File 5/15/06
Job Creation Incentive. AB 2640 (Torricon; D-Newark) stimulates California's economy by establishing a tax credit for employers who create new jobs in California. Support.	Dead
Job Creation Incentive. AB 37 (Torricon; D-Newark) rewards businesses that invest in California by establishing a job creation tax credit. Support.	Dead
New High-Tech Jobs. AB 2033 (Lieu; D-Torrance) helps bring new jobs to California by helping defense contracting companies to secure cutting-edge federal defense aircraft projects. Support.	Held in Assembly Revenue & Taxation 5/15/06
Economic Development Incentive. AB 2547 (Ridley-Thomas; D-Los Angeles) encourages revitalization and reuse of blighted areas, which will help generate housing needed to accommodate California's growing population, additional jobs and economic growth. Support.	Held in Assembly Appropriations Suspense File 5/25/06
Small Business Tax Fix. AB 2668 (Canciamilla; D-Pittsburg) corrects unintended and adverse tax consequences of legislation enacted in 2002 that forced about 11,000 California companies to change their incorporation status from "C" to "S." Support.	Assembly Revenue & Taxation 3/14/06

Subject and Bill — Chamber Position	Status
Tax Burden Increase and Penalties. AB 675 (Klehs; D-Castro Valley) once again disadvantages California businesses by creating burdensome, complicated and unnecessary new tax reporting requirements for publicly traded California corporations of all sizes, with penalties up to \$50,000 for failure to comply. Oppose.	Vetoed
Limited Liability Companies. AB 1614 (Ruskin; D-Palo Alto) retroactively changes, back to 2001, the fee for limited liability companies in a manner that violates the Constitution. Oppose.	To Governor
Government Harassment of Taxpayers. AB 1026 (J. Horton; D-Inglewood) burdens business by creating an automatic and unnecessary audit of certain corporate tax returns. Oppose.	Dead
Government-Prepared Tax Returns. AB 1046 (Frommer; D-Glendale) undermines taxpayer independence and violates conflict of interest principles by allowing the state tax collector and enforcer to establish a government-run tax return preparation program. Oppose.	Senate Revenue & Taxation 6/26/06
Government-Prepared Tax Returns. AB 2905 (Frommer; D-Glendale) undermines taxpayer independence and violates conflict of interest principles by allowing the state tax collector and enforcer to establish a government-run tax return preparation program. Oppose.	Assembly Inactive File 5/31/06
Small Business Tax Relief. AB 1847 (Leslie; R-Tahoe City) helps small businesses to comply with disability laws by offsetting some of the monetary costs of disabled access changes, such as reconfiguring a building or workspace. Support.	Held in Assembly Appropriations Suspense File 5/25/06
Small Business Tax Fix. AB 2982 (Lieber; D-Mountain View) corrects unintended and adverse tax consequences of legislation enacted in 2002 that forced about 11,000 California companies to change their incorporation status from “C” to “S.” Support.	Held in Assembly Appropriations Suspense File 5/25/06
Tax Increase. SB 308 (Simitian; D-Palo Alto) increases taxes by creating a new fee to be imposed by counties on every real estate recording in order to fund the Elder and Dependent Adult Financial Abuse Prevention Trust Fund. Oppose.	To Governor
Enterprise Zones. AB 1550 (Arambula; D-Fresno) continues a tax credit to businesses while their enterprise zone is pending redesignation. Support.	To Governor
Tax Assessment: High Tech Equipment. AB 2182 (Mullin; D-South San Francisco) helps ensure high tech and biopharmaceutical equipment is not over-taxed by updating valuation methods to more accurately reflect today’s rapid advancements in technology. Support.	To Governor
Enterprise Zones. SB 686 (Lowenthal; D-Long Beach) continues a tax credit to businesses while their enterprise zone is pending redesignation. Support.	Senate Inactive File 8/31/06
Telecommunications	
Telecommunications Competition. AB 2987 (Núñez; D-Los Angeles) encourages competition in the video services market, leading to lower prices, enhances private investment in our telecommunications infrastructure and creates jobs by removing city-by-city franchising requirements that have prevented new competitors from entering the television entertainment services market. Support.	To Governor
Antiquated Regulations. SB 1068 (Escutia; D-Norwalk) stifles innovation and limits consumer choices by imposing antiquated regulations developed for monopolistic landline telephone services on rapidly growing and competitive telecommunications industry. Oppose/ Job Killer.	Passed Assembly Utilities & Commerce 6/19/06
Tourism	
Touch-Screen Devices. AB 768 (Nation; D-San Rafael) originally imposed costly new mandates on the travel industry that did not take into account a lack of technology for retrofitting travel kiosks, but has been amended to conform with more reasonable federal accessibility requirements. Neutral.	To Governor

Subject and Bill — Chamber Position	Status
<p>Tourism Promotion. AB 2592 (Leno; D-San Francisco) enhances the industry-funded program to promote tourism in California by adjusting the makeup of the California Travel and Tourism Commission, which oversees use of the program funds, to assure geographical diversity and by permitting the gaming industry to participate in the voluntary assessment to fund the program. Support.</p>	To Governor
<h2 style="color: red;">Transportation</h2>	
<p>Ports: Regulatory Complexity. AB 1101 (Oropeza; D-Long Beach) hampers operations at ports, rail yards and airports by shifting regulatory authority over emissions from state to local entities, creating a patchwork of potentially inconsistent regulations statewide, creating conflicts with federal law. Oppose/Job Killer.</p>	Failed passage in Senate 8/31/06
<p>Ports: Goods Movement Consumer Fee. SB 927 (Lowenthal; D-Long Beach) increases the cost of exporting and importing goods in California by assessing a \$60 fee per container processed through the Los Angeles and Long Beach ports. Oppose/Job Killer.</p>	To Governor
<p>Ports: Goods Movement Cost Increase. SB 760 (Lowenthal; D-Long Beach) increases the cost of goods movement in California by assessing a \$60 fee per container processed through the Los Angeles and Long Beach ports. Oppose/Job Killer.</p>	Assembly Appropriations Suspend File 8/16/05
<p>Ports: Goods Movement Cost Increase. SB 764 (Lowenthal; D-Long Beach) increases the costs of goods movement and drives business and jobs from California ports by requiring the City of Los Angeles and the City of Long Beach to prohibit any growth at their respective ports unless that growth can be accomplished with no net negative impact on air quality. Oppose/Job Killer.</p>	Held in Assembly Appropriations Suspend File 8/17/06
<p>Goods Movement Cost Increase. SB 459 (Romero; D-Los Angeles) increases the cost of goods movement and discourages job creation by imposing an air quality mitigation fee on railroad companies that operate in the counties of Los Angeles, Riverside and San Bernardino. Oppose/Job Killer.</p>	Assembly Inactive File 8/31/06
<p>Ports: Cost Increase. SB 762 (Lowenthal; D-Long Beach) makes California ports less competitive by assessing a fee on motor carriers and creating a government-run bureaucracy to regulate truck movement in and out of the state's major ports. Oppose.</p>	Failed Passage in Assembly Transportation 6/26/06
<p>Public Contracts: Design-Build Contracting: Transportation Entities. SB 371 (Torlakson; D-Antioch) improves project delivery by developing alternative and optional procedures for bidding on public construction projects. Support.</p>	Held at Assembly Desk 1/31/06
<p>Air Pollution: Marine Ports: Emissions. SB 1601 (Lowenthal; D-Long Beach) hinders port operations by requiring a lessee to use the best available control technology to reduce emissions when signing new or renegotiated existing leases. Oppose.</p>	Senate Third Reading 5/30/06
<h2 style="color: red;">Unemployment Insurance/State Disability Insurance</h2>	
<p>Unemployment Insurance Compensation Benefits: Strikers. AB 1884 (Chu; D-Oakland) increases the cost of doing business in California by forcing California employers to subsidize a strike against their own company by providing unemployment insurance benefits to workers unemployed due to a strike. Oppose/Job Killer.</p>	Vetoed
<p>Unemployment Insurance Benefit Expansion: Strikers. AB 2209 (Pavley; D-Agoura Hills) increases the cost of doing business in California by forcing employers, in essence, to subsidize a strike against their company by creating a new monetary penalty payment equivalent to all lost wages and benefits that employers must pay directly to all workers unemployed due to the strike. Oppose/Job Killer.</p>	Vetoed
<h2 style="color: red;">Water Supply and Quality</h2>	
<p>Halts Economic Growth. AB 1528 (Jones; D-Sacramento) halts much-needed housing in undeveloped areas by shifting flood liability from state government to local government, resulting in local governments refusing to issue development permits. Oppose/Job Killer.</p>	Senate Judiciary 6/26/06

Subject and Bill — Chamber Position	Status
Halts Economic Growth. AB 1899 (Wolk; D-Davis) prohibits development in the Central Valley by requiring the creation of a 200-year flood standard that is currently impossible to achieve. Oppose/ Job Killer.	Senate Rules 8/21/06
Flood Control Liability. AB 3050 (Committee on Judiciary) provides that liability for flood damage or personal injury is jointly shared by the state and local public entities. Oppose.	Assembly Inactive File 6/12/06
Water Discharge Fee. SB 646 (Kuehl; D-Santa Monica) jeopardizes jobs and agriculture and timber industry revenues by imposing mandatory annual fees for water discharge waivers with no accountability requirements. Oppose/ Job Killer.	Assembly Inactive File 8/30/06
Flood Management. AB 1665 (Laird; D-Santa Cruz) chills production of much-needed housing in undeveloped areas by shifting flood liability from state government to local government, resulting in local governments refusing to issue development permits. Oppose/ Job Killer.	Assembly 8/31/06
Water. SB 1640 (Kuehl; D-Santa Monica) imposes a new groundwater monitoring and reporting requirement that is locally funded. Oppose.	To Governor
Flood Preparedness. AB 3022 (Umberg; D-Santa Ana) enhances flood protection preparedness for new home buyers through notification that the property for sale is protected by levees and guarantees access to flood insurance and preparedness information. Support.	Senate Rules 8/21/06
General Plans Cost Increase. AB 802 (Wolk; D-Davis) Before being amended, this bill would have slowed development of affordable housing and increased opportunity for unnecessary litigation by forcing local government to integrate two incompatible planning processes. Neutral.	Senate Rules 8/28/06
Workers' Compensation	
Workers' Compensation Reform Rollback. SB 815 (Perata; D-Oakland) rolls back recent workers' compensation reforms by arbitrarily doubling the permanent disability payments over three years without sound data with which to base the increase. Oppose/ Job Killer.	To Governor
Workers' Compensation: Designation of Physician. AB 2068 (Nava; D-Santa Barbara) increases the cost of workers' compensation by expanding the definition of personal physician to include a medical group. Oppose.	To Governor
Health Care Services. AB 2590 (Keene; R-Chico) unwinds workers' compensation reforms by compromising an employer's ability to manage its claims and puts injured workers at risk of unnecessary treatment by allowing employees to choose and pay for medical treatment outside the workers' compensation system. Oppose.	Failed passage in Assembly Insurance 4/26/06; Reconsideration granted
Proof of Insurance Coverage. AB 1883 (De La Torre; D-South Gate) potentially exposes employers to enforcement action if the published information regarding their workers' compensation coverage is inaccurate and used for a coverage enforcement program. Oppose.	To Governor
Workers' Compensation. AB 3026 (Lieber; D-Mountain View) increases local government workers' compensation costs by allowing peace officers injured on the job to receive medical treatment outside the workers' compensation system that is in place for all employers, both public and private. Oppose.	Senate Rules 8/17/06
Acupuncture. AB 2287 (Chu; D-Monterey Park) creates an unfounded legislative edict that could lead to escalating, unchecked cost for acupuncture in workers' compensation treatment outside of evidence-based medical guidelines and in potential conflict of statutory medical guidelines. Oppose.	To Governor
Apportionment: Presumptions. AB 1368 (Umberg; D-Santa Ana) mandates substantial new costs for local governments, allowing peace officers injured on the job to receive permanent disability payments for injuries incurred off the job. This bill proposes to roll back and undermine important cost containment components of the workers' compensation system that are in place for all employers, both public and private. Oppose.	To Governor

Subject and Bill — Chamber Position	Status
<p>Workers' Compensation: Medical Provider Networks. AB 1612 (Pavley; D-Agoura Hills) undermines recent workers' compensation reforms establishing medical provider networks by allowing doctors to opt out at will of their legally binding contract to treat injured workers, potentially leading to increased costs. Oppose.</p>	<p>Senate Inactive File 8/31/06</p>
<p>Workers' Compensation: Access to Health Care. AB 2524 (DeVore; R-Irvine) seeks to roll back reasonable pharmaceutical fee schedules established in recent workers' compensation reforms and could lead to out-of-control costs for pharmaceuticals in workers' compensation by de-linking the reimbursement rates from the Medi-Cal fee schedule and creating an independent, subjective and higher fee schedule through a mandated study. Oppose.</p>	<p>Held in Assembly Appropriations Suspense File 5/25/06</p>
<p>California Insurance Guarantee Association. AB 3072 (Committee on Insurance) will prevent excess unnecessary expenses in workers' compensation by allowing the employer-funded California Insurance Guarantee Association (CIGA) to issue currently authorized bonds at a later date, instead of incurring bond liability and expense before it is needed. Employers fund CIGA to guarantee workers' compensation claims in the event of insolvency. Support.</p>	<p>Chapter 112</p>
<p>Increased Workers' Compensation Costs. AB 1862 (Vargas; D-San Diego) increases workers' compensation premiums and interferes with contractual relationships between private parties by requiring insurance carriers to honor provisions of contracts that they did not negotiate. Oppose.</p>	<p>To Governor</p>
<p>Inpatient Burn Diagnoses: Reimbursement Review. AB 2942 (Koretz; D-West Hollywood) mandates higher reimbursement rates for treatment of burn patients, bypassing the Inpatient Hospital Fee Schedule established through recent bipartisan reforms, establishing a new reimbursement scheme that would upset the current actuarial assessment by insurance companies, leading to higher insurance premiums for employers. Oppose.</p>	<p>To Governor</p>

Key to Status Descriptions

- Assembly or Senate Inactive file: In house of origin; no further action on bill.
- Assembly or Senate Appropriations Suspense file: Bills with fiscal impact are placed on the suspense file pending the Legislature's review of their overall financial impact.
- Assembly Second Reading or Assembly Third Reading: Bill awaits action by full Assembly.
- Chapter: A bill listing a chapter number has been signed by the Governor and will become law on January 1, 2007 (urgency measures become law as soon as they are signed).
- Held in a committee: No further action on bill.
- Held at Assembly or Senate desk: Awaiting assignment to an Assembly or Senate policy committee.
- Reconsideration granted: No further action.
- Senate Third Reading: Bill awaits action by full Senate.

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