

ALERT

VOLUME 34, NUMBER 28 • OCTOBER 3, 2008

 **CalChamber**[™]
CALIFORNIA CHAMBER OF COMMERCE

Governor Signs Landmark Disability Access Reform



Governor Arnold Schwarzenegger has signed a California Chamber of

Commerce-backed “job creator” bill that increases public access for individuals with disabilities while reducing unwarranted litigation.

The CalChamber worked closely with the authors and their staff, other business groups, disability rights groups and the consumer attorneys to achieve this historic reform.

SB 1608 is a bipartisan, bicameral comprehensive reform measure, authored by **Senators Ellen Corbett (D-San Leandro), Tom Harman (R-Huntington Beach) and Ron Calderon (D-Montebello), and Assembly Members Cameron Smyth (R-Santa Clarita) and Lois Wolk (D-Davis).**

The legislation is the culmination of a two-year collaborative effort involving countless hours of work, crafting reforms within an extremely complex body of law that appropriately balanced the interests of those impacted. The bill received

See Governor: Page 4

CalChamber Urges Congress to Stabilize Financial Markets



As Congress prepared to vote again on a response to the nation’s financial crisis, California Chamber of Commerce President and Chief Executive Officer

Allan Zaremborg urged the California congressional delegation to work with the administration to reach and pass quickly a bipartisan plan to stabilize U.S. financial markets.

The U.S. House vote was pending as **Alert** went to press.

“Swift action is critical,” Zaremborg said in a letter to California representatives in Congress. “California businesses are paralyzed by the uncertainty in the economy. California’s tax receipts and ability to fund education and public safety are at risk over the constricting credit markets and the lack of confidence in the stock markets.”

The CalChamber is the largest broad-based business advocate to government
See Financial: Page 19

CalChamber Urges Support for Proposition 11



Photo by Aaron Lambert

CalChamber President and Chief Executive Officer Allan Zaremborg and Governor Arnold Schwarzenegger encourage voters to support the redistricting reform in Proposition 11 during a September 23 news conference at the State Capitol. See story on Page 19.

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Labor Law Corner

Paid Time Off to Vote Depends on Employee's Circumstances



Barbara Wilber
Labor Law Consultant

Our employee is asking for time off to vote. The polls are open before and after work, so do we have to give the time off and if so, is it paid time?

The November 4 Election Day is almost here and employers are required to comply with Elections Code Sections 14000 and 14001. Pursuant to Section

14000, you may be required to give an employee time off to vote, including up to two hours of that time without loss of pay. Whether the employee is entitled to the time off depends on the employee's specific circumstances.

Time Considerations

The statute states that the time off to vote is available if the voter does not have sufficient time to vote outside of working hours. The intent is to enable employees to have enough time to vote by combining work time with voting time available outside of work hours.

This is accomplished by allowing an employee to take time off at the beginning or end of the regular work shift to allow the most time to vote and the least time off from the regular work schedule.

Although the polls in California are open from 7 a.m. to 8 p.m., some employees still may need extra time before or after their shift because of the location of their polling station in relation to their usual work commute, as well as other problems that may limit their ability to vote.

2 Days' Notice

In order to be granted voting leave, the employee must notify the employer at least two working days in advance that time will be needed. By mutual agreement, employees may be given

more than two hours off to vote, but only two hours must be provided without loss of pay.

Elections Code Section 14001 requires that an employer post voting leave requirements in a conspicuous place at least 10 days before every statewide election. Only statewide elections are subject to the voting leave requirements.

A statewide election is defined as one where all voters in the state have an opportunity to vote on at least one common race or issue. See the **HR California** website for a copy of the required poster.

Election Officer

The Elections Code also protects an employee's right to serve as an election officer on Election Day without being discharged or suspended. You must provide the time off, but it is not necessary to pay for this absence. It is probably a best practice to allow the employee to use any available vacation or paid time off (PTO).

The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

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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 \$50 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 Zaremborg. Executive Editor: Ann Amioka. Associate Editor: Blake Ellington. Art Director: Marcy Wacker. Capitol Correspondent: Christine Haddon. Photographer: Aaron Lambert.

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Home page: www.calchamber.com.*

CalChamber-Sponsored Seminars/Trade Shows

For more information, visit www.calchamber.com/events.

International Trade

U.S.-Africa Infrastructure Conference.

The Corporate Council on Africa.
October 6-8, Washington, D.C.
(202) 835-1115.

2008 National District Export Council Conference. California Inland Empire District Export Council. October 15-18, Palm Springs. (909) 466-4136.

Tradexpo Indonesia 2008. Consulate General of Indonesia, San Francisco. October 21-25, Indonesia. (415) 474-9571.

Trade Mission to Panama. U.S. Commercial Service. October 26-29, Panama. (727) 893-3738.

Labor Law

On-Demand Web Seminar Library.
CalChamber. Through December 31.
Call for details. (800) 331-8877.

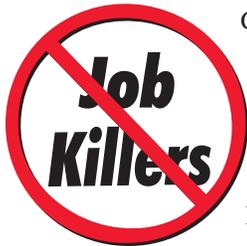
CalChamber Calendar

*Public Affairs Council November Retreat:
November 12-14, La Jolla*



Governor Vetoes 9 of 10 'Job Killers'

Proposed Laws Would Have Put California's Economy, Job Climate in Jeopardy



Governor Arnold Schwarzenegger has vetoed nine of the 10 "job killer" bills sent to his desk for action by the Legislature.

"Governor Schwarzenegger used his veto pen to protect jobs and our state's business climate," said CalChamber President and Chief Executive Officer Allan Zaremborg.

"If these 'job killers' had been signed into law, our state's employers would have faced more regulation and higher costs that would further threaten their competitiveness and the state's long-term economic health," Zaremborg said.

Since taking office, Governor Schwarzenegger has vetoed more than 90 percent of the "job killer" bills that have been sent to his desk.

In 2008, CalChamber identified 39 bills as "job killers." At the end of the legislative session, only 10 were still active and sent to the Governor.

Vetoed in 2008

Below is a summary of CalChamber-identified "job killer" bills that Governor Schwarzenegger vetoed this year:

Inflated Liability Costs

- **AB 437 (Jones; D-Sacramento)**

Increased Employer Liability

Exposure. Could have resulted in significant new liability exposure for employers by stating that the Legislature rejects, for purposes of any California statutes of limitation, a recent U.S.

Supreme Court decision that provided clear limits on statutes of limitation for lawsuits relating to employer decisions.

- **SB 1113 (Migden; D-San Francisco) Incentive to Sue.** Would have expanded rewards to plaintiffs for costs of litigation stemming from private attorney general actions while providing no cost recovery for those who must defend themselves against such actions, even if those actions are found to be baseless.

Costly Workplace Mandates

- **AB 2279 (Leno; D-San Francisco) Employee Safety Risk.** Would have compromised employee safety and employers' right to maintain drug-free workplace policies and exposed employers to potential litigation by prohibiting employers from refusing to hire applicants or fire current workers because they use medical marijuana.

- **AB 2386 (Núñez; D-Los Angeles) Increased Agricultural Costs.** Would have eliminated the requirement for secret-ballot elections for union representation among farm employees, stripping them of their right to decide free of intimidation on that crucial subject by creating a new, completely unsupervised process called a mediated election.

- **SB 840 (Kuehl; D-Santa Monica) Government-Run Health Care.** Would have created a new government-run, multibillion-dollar socialized health care system financed from a yet-to-be-specified tax increase.

- **SB 1115 (Migden; D-San Francisco) Workers' Compensation Reform Roll Back.** Would have increased workers' compensation costs and rolled

back the workers' compensation reforms from 2004 by making apportionment very difficult to prove.

- **SB 1717 (Perata; D-Oakland) Workers' Compensation Reform Roll Back.** Would have increased workers' compensation costs and rolled back the workers' compensation reforms from 2004 by arbitrarily doubling permanent disability benefits and altering the 15 percent bump up/down provision in current law.

Economic Development Barriers

- **AB 2447 (Jones; D-Sacramento) Construction Job Loss.** Would have severely limited residential and commercial development in certain areas of California.

- **SB 974 (Lowenthal; D-Long Beach) Tax on Freight Movement.** Would have increased the cost of shipping goods and made California less competitive by imposing an unconstitutional per-container tax in the ports of Long Beach, Los Angeles and Oakland.

Shared Concerns

The Governor signed **SB 375 (Steinberg; D-Sacramento)**, a CalChamber-identified job killer dealing with growth, transportation and an attempted reduction of greenhouse gas emissions.

The Governor agreed with the CalChamber's concerns about implementation of this bill. In his signature message, the Governor said that he expects the author to work with the administration, the sponsors and stakeholders to ensure that clean-up legislation addresses those issues in the next session.

CalChamber Public Affairs Council to Look at New Political Era



Dick Morris

Political consultant Dick Morris, credited with guiding former President Bill Clinton's successful re-election campaign in 1996, will be a guest speaker at the November retreat of the California Chamber of

Commerce Public Affairs Council.

The retreat, scheduled for November 12-14 at the Lodge at Torrey Pines in La Jolla, will focus on "The New Political Era."

Retreat sessions will include an overview of the 2008 election; the impact of issue advocacy media; panel discussions on the impact of the media on the presidential campaign and an inside look at the 2008 election; reception with legislators; a look at state policies in the

2008-09 legislative session and what's expected in 2010; and a look at the 2010 elections.

California Attorney General Jerry Brown has been invited to speak.

For registration and more information about the Public Affairs Council retreat, visit the calendar of events at www.calchamber.com. Registration fees increase after October 17.

Staff Contact: Rob Lapsley

Legislation to Fight Counterfeiting Signed

The California Chamber of Commerce has successfully spearheaded an effort to strengthen California's anti-counterfeiting laws.

CalChamber-sponsored **AB 1394 (Krekorian; D-Burbank)**, has been signed by Governor Arnold Schwarzenegger and will take effect on January 1, 2009.

The bill improves protections of trademark owner rights and consumer health and safety by strengthening California laws against trafficking of fake products such as auto parts, prescription drugs and children's toys.

Clarifies Law

AB 1394 clarifies the anti-counterfeiting statute by enacting clarifications recently adopted at the federal level.

California's anti-counterfeiting statute, Penal Code Section 350, currently prohibits the manufacture, sale and



possession for sale of counterfeit products. Unlike federal law, however, state law is unclear on whether separate fake components, for example, fake computers and the fake brand name labels that are to be affixed to them, are illegal counterfeit goods unless already assembled.

AB 1394 clarifies the law by expressly providing the unassembled components are illegal goods. In addition, AB 1394 clarifies that illegal counterfeit goods must be forfeited, as is the case under federal law.

Impact

The problem of counterfeiting has far-reaching negative consequences, having an impact on numerous California industries. Counterfeit or fake products, such as auto parts and prescription drugs, pose serious health or safety risks to consumers.

Counterfeiting and piracy also drain the California economy of \$34 billion per year in revenues. In 2005 in Los Angeles County alone, they resulted in 106,000 lost jobs, \$5.2 billion in lost business revenue and \$483 million in lost state and local government tax revenue.

The CalChamber believes this law will help prevent significant revenue losses sustained by California businesses, the state and local governments because of counterfeiting.

Staff Contact: Kyla Christoffersen

Governor Signs Landmark Disability Access Reform

From Page 1

unanimous support by both houses of the Legislature before being sent to the Governor.

Goals of Legislation

SB 1608 is designed to address two important goals:

- promoting and increasing compliance with state and federal civil rights laws providing for equal access for individuals with disabilities in public accommodations; and
- reducing unwarranted, unnecessary litigation that does not advance the goals of disability access.

Reform Provisions

SB 1608 arrives at a solution through a combination of the following key reform provisions:

- Clarifications in the law to help reduce unwarranted damages and attorneys' fees.
- A new disability commission which will be tasked with evaluating and providing recommendations on further disability issues having an impact on the disability community and business.

- Improved continuing education in disability access laws for building inspectors and architects.
- Incentivizing building owners to use state-certified access specialists to ensure compliance.
- A new court procedure to encourage early resolution of disability access lawsuits.

One of the important reforms in SB 1608 is a provision clarifying that plaintiffs may recover damages only for a violation they personally encountered or that deterred access on a particular occasion, rather than for alleged violations that may exist at a place of business but did not cause a denial of access.

In addition, SB 1608 clarifies that a court can consider reasonable written settlement offers made and rejected in determining the amount of reasonable attorneys fees to be awarded at the end of a case, which is aimed at reducing unnecessary protraction of litigation by either party.

Addresses Long-Term Problem

The CalChamber has worked

diligently for a number of years toward reform of the disability access laws because of the significant, ongoing state harm inflicted upon businesses by a small but widely destructive, atypical group of plaintiffs and lawyers using the disability laws and court system to seek monetary profits rather than access. Too many California businesses have closed their doors for good.

Businesses have both a vested interest and responsibility to comply with disability access laws. At the same time, California's laws should facilitate and acknowledge the efforts of businesses that desire to comply and take steps accordingly. The CalChamber believes SB 1608 strikes a fair and reasonable balance.

The CalChamber commends the authors and their staff for their leadership in achieving a legislative proposal that is responsive to and respectful of the interests of the business community and the disability community. SB 1608 is an important benchmark for the state, not only as an advancement of disability access with less litigation, but also as a meaningful collaborative and bipartisan reform.

Staff Contact: Kyla Christoffersen

Analysis

Business Tax Bill Higher in State Budget Plan



California businesses and investors will be paying \$5.8 billion more in taxes in 2008–09 and \$1.6 billion more in 2009–10, due to the newly adopted state budget.

Following is a brief analysis of key tax provisions in the budget agreement. The Legislature finessed a “tax increase” by accelerating and borrowing substantial revenues (interest-free) from California businesses for a minimum of the next two tax years. Some offsetting reforms were adopted, but many companies investing in jobs and operations in California—or attempting to emerge from losses in the economic downturn—will suffer higher tax bills.

The California Chamber of Commerce recommends that businesses consult with your tax professionals on how the new tax requirements affect your own business.

Penalty for Reasonable Disputes

An 11th-hour addition to the budget package (added after the Governor threatened to veto an acceleration of personal income tax withholding), is a new, permanent and unprecedented 20 percent penalty on what is being characterized as “underpayments” of taxes of \$1 million or more that exist after May 2009. Estimated to raise \$1.5 billion in 2009, the penalty would be applied to tax years beginning January 1, 2003. The penalty is in addition to existing penalties.

Analysis: The penalty will apply when the taxpayer reports less than the Franchise Tax Board (FTB) thinks the taxpayer owes. FTB will have wide latitude and discretion to impose the penalty because, unlike most existing state and federal penalties, the new penalty has no “reasonable cause” exception, making it applicable to even reasonable tax payer behavior. Due to the complexity of the tax laws, companies may have a series of reasonable disputes with the state over tax issues totaling \$1 million or more, which normally

get resolved over time. Similar to a problematic penalty scheme in a tax “amnesty” program the state conducted in 2005, this new penalty provision will force companies to overpay their taxes by May 2009 to include amounts reasonably in dispute, in order to ensure they incur no 20 percent penalty if the dispute is decided against them. If the dispute is decided in the company’s favor, it will eventually receive a refund, but in the meantime, the state has received an interest-free loan.

The only instances in which the penalty does not apply is if the underpayment is due to a change in law or reliance on advice by the FTB.

Tax Credits Limit

The budget agreement placed a two-year limit on the ability of businesses to use most business tax credits, capping those credits at one-half of the taxpayer’s tax liability (an estimated \$900 million increase). Effective January 2010, tax credits may be shared among a related group of affiliate or subsidiary companies, unitary utilization.

Analysis: This tax credit limitation affects California’s only remaining statewide investment incentive tax credits, for tax years January 1, 2008 to January 1, 2010, including the research and development, enterprise zone and manufacturing equipment credits. The limitation in effect increases taxes for companies currently relying upon these credits. The research and development credit has played a major role in keeping California on the leading edge of innovation, and the enterprise zone program has served as an important tool for economically distressed localities to retain and attract jobs and manufacturing operations. Credits that could have been used during the two-year limitation period are permitted to be carried over, but the lost time-value to companies is permanent.

Small businesses with net incomes of less than \$500,000 are exempt from the tax credit limitation.

The clarification in the law permitting companies to elect unitary utilization will help those needing the flexibility to allocate earned tax credits within their family of companies. FTB must report to

the Legislature before June 30, 2013, the usage and effects of unitary utilization.

Net Operating Loss

The budget agreement suspended for two years a business’ ability to deduct net operating losses (NOL). After the two-year suspension period, treatment of losses would fully conform to federal law as to how such losses may be carried back and carried over. (Suspension estimated to raise \$1.1 billion in first year; \$600 million in second.)

Analysis: The suspension for the 2008 and 2009 tax years affects both personal and corporate income taxes. The NOL deduction gives businesses more flexibility to manage losses by allowing them to offset or deduct one tax year’s losses from another tax year’s profits. The purpose is to resolve an inequity in our tax structure—which comes from businesses experiencing losses or profits according to timeframes or cycles over time that differ from the arbitrary and rigid government tax filing deadlines. The two-year suspension may cause marginally profitable businesses greater difficulty in emerging from losses, due to greater tax liability and reduced cash flow.

Small businesses with net income of less than \$500,000 are exempted from the NOL suspension.

The conformity with federal law to allow two-year carryback is phased in beginning January 1, 2011 and the 20-year carryover applies to losses incurred after January 1, 2008. Current California law provides for no carryback and only a 10-year carryover. Carryback and expanded carryover will provide added flexibility for companies that use the NOL deduction.

Accelerated Tax Payments

Beginning January 1, 2009, personal income tax and corporate tax filers must pay more of their estimated taxes earlier in the year (an estimated \$2.3 billion increase).

Analysis: Tax payments increase for all individual and corporate filers in the fourth and sixth months of the tax year from 25 percent to 30 percent. In the ninth and 12th months of the tax year, the tax

See Business: Page 19

Study Finds High-Speed Rail Proposal Will Add to State Deficit, Lose Money

The high-speed rail project for California is unlikely to be completed as currently planned and is likely to represent “an expensive and continuing drain on the state’s tax resources,” according to a report just released by the Reason Foundation.

California Chamber of Commerce-opposed Proposition 1A on the November ballot seeks to authorize the sale of \$9.95 billion in bonds to continue planning and begin building the high-speed rail system.

The Reason Foundation report examined the proposal to build a California high-speed rail (HSR) system between the San Francisco Bay Area and Sacramento to Los Angeles and San Diego via the San Joaquin Valley.

\$58 Million on Planning to Date

The report notes that the California High-Speed Rail Authority (CHSRA), which is responsible for the project, has spent \$58 million in state funding during the last 10 years to plan a system of “bullet trains.”

The general plan, as outlined by the

report, is to build a 700- to 800-mile system with an initial state general obligation bond of \$9 billion and a similar amount in grant funding from the federal government. The balance of what the report concludes has now become “at least a \$54.3 billion system” would be provided by private equity investors and commercial bond purchasers.

The Reason Foundation report projects the final cost of the system is likely to be between \$65.2 billion and \$81.4 billion.

The CHSRA, according to the report, anticipates that operating profits will pay for operating expenses, profits to private investors, debt service to commercial bond holders and sufficient revenues to build segments beyond Phase I (downtown San Francisco to Los Angeles and Anaheim). This would include a line from Los Angeles through the Inland Empire to San Diego, a line connecting Sacramento to the system in the San Joaquin Valley, a line through Altamont Pass and an East Bay line from San Jose to Oakland.

‘Highly Risky’ Project

The Reason Foundation report concludes, however, that the CHSRA’s plans “have little or no potential to be implemented in their current form and that the project is highly risky for state taxpayers and private investors.”

The report notes that CHSRA plans as currently proposed are likely to have very little relationship to what eventually would be built due to:

- “questionable” ridership projections and cost assumptions. The CHSRA is projecting higher passenger use of the California system than is found on the Japanese and French high-speed rail networks, and more than ridership projections from the Federal Railroad Administration and University of California Transportation Center at Berkeley;

- “overly optimistic projections of ridership diversion from other modes of transport”;

- “insufficient attention to potential speed restrictions and safety issues”; and

- “discounting of potential community or political opposition.”

Further, the report found that the system’s environmental benefits have been “grossly exaggerated, especially with respect to reduction of greenhouse gas emissions that have been associated with climate change.”

Financing Plan Issues

Pointing out that the public funding is expected to attract private investment, the report comments that the CHSRA “lacks a comprehensive financing plan.”

The proposed state bonds would be insufficient to fund Phase I of the project or the rest of the system, the report concludes. Moreover, “Little appears firm about potential matching funds from federal and local governments and from potential investors.”

The ultimate result of the project shortcomings, the report concludes, “could mean investors in the project will see no financial returns and the HSR system as proposed could require significant subsidies from California taxpayers in perpetuity.”

Political Action Workshop Helps Chambers



Photo by Steve Snyder

Tom Hiltachk, managing partner, Bell, McAndrews & Hiltachk, LLP, explains legal issues and requirements associated with a political action committee (PAC) at a September 19 workshop conducted by the CalChamber in cooperation with the Ventura Chamber. The day-long session aimed to help chambers improve the effectiveness of their PACs.

Overview of November Ballot Measures

Following are brief summaries of the measures that will appear on the November ballot and reasons for the California Chamber of Commerce positions.

The CalChamber encourages employers to share this information with their employees. Businesses are within their rights to do so—just

remember: **NO PAYCHECK STUFFERS**, no coercion, no rewarding or punishing employees (or threatening to do so) for their political activities or beliefs.

For more guidelines on political communications to employees, see the brochure at www.calchamber.com/guidelines. Note the distinction between *internal* communications (to employees,

stockholders and their families) and communications to *external* audiences (such as non-stockholder retirees, outside vendors, customers and passersby).

For more information on the ballot measures, see the link listed below or visit the website of the secretary of state at www.sos.ca.gov.

Proposition 1A



Proposition 1A: Safe, Reliable High-Speed Passenger Train Bond Act.

Authorizes the state to sell \$9.95 billion in general obligation bonds to continue planning and partially fund construction of a high-speed rail system in California, and to make capital improvements to state and local rail services.

Placed on Ballot by:
AB 3034 (Galgiani; D-Stockton)

Reason for Position:

California will need to invest at least \$50 billion to complete a statewide high-speed rail system. There are other projects that mitigate congestion that should be a higher priority.

For more information:
www.hjta.org/prop1a.

CalChamber Positions on November Ballot Propositions

Ballot Number	Subject	CalChamber Position
Proposition 1A	High-speed rail bond	Oppose
Proposition 2	Treatment of farm animals	Oppose
Proposition 3	Children’s hospital bond	Support
Proposition 4	Parental notification on abortion	No Position
Proposition 5	Rehabilitation of non-violent offenders	Oppose
Proposition 6	Public safety spending/criminal penalties	No Position
Proposition 7	Renewable energy generation	Oppose
Proposition 8	Gay marriage	No Position
Proposition 9	Victims’ rights	No Position
Proposition 10	Alternative energy bonds	Oppose
Proposition 11	Redistricting reform	Support
Proposition 12	Veterans’ home loan bond	Support

Proposition 2



Proposition 2: Standards for Confining Farm Animals. Initiative Statute.

Requires that certain farm animals be allowed, for the majority of every day, to fully extend their limbs or wings, lie down, stand up and turn around. Limited exceptions apply. Provides misdemeanor penalties.

Placed on Ballot by: Petition Signatures

Reason for Position:

California imposes more restrictions on agriculture and agricultural practices

than any other state. These restrictions increase costs to consumers and reduce competitiveness of California's farmers and ranchers. This measure would severely damage commercial egg production in California, result in the loss of thousands of jobs, hurt school lunch programs and businesses like grocery stores and restaurants, and compromise food safety.

For more information:

www.safecaliforniafood.org.

Proposition 3



Proposition 3: Children's Hospital Bond Act. Grant Program. Initiative Statute.

Authorizes \$980 million in general obligation bonds for construction, expansion, remodeling, renovation, furnishing and equipping of eligible children's hospitals.

Placed on Ballot by: Petition Signatures

Reason for Position:

Expanding and improving children's hospitals is an important health care priority. Without continued investments

in medical equipment and facilities, California's health care system will not be prepared to meet the needs of our expanding population. The children served by these hospitals are in need of specialized services and the hospitals that treat them do so without regard to a family's ability to pay. This measure will expand capacity and bring hope to critically ill children and their families.

For more information:

www.imaginewithus.org.

Proposition 4

No Position

Not considered by the CalChamber Board of Directors because the subject is not a business issue.

Proposition 4: Waiting Period and Parental Notification Before Termination of Minor's Pregnancy. Initiative Constitutional Amendment.

Changes California Constitution, prohibiting abortion for unemancipated minor until 48 hours after physician

notifies minor's parent, legal guardian, or, in limited cases, substitute adult relative. Provides an exception for medical emergency or parental waiver.

Placed on Ballot by: Petition Signatures

Proposition 5



Proposition 5: Nonviolent Drug Offenses. Sentencing, Parole and Rehabilitation. Initiative Statute.

Allocates \$460 million annually to improve and expand treatment programs. Limits court authority to incarcerate offenders who commit certain drug crimes, break drug treatment rules or violate parole.

Placed on Ballot by: Petition Signatures

Reason for Position:

This measure would reduce penalties for crimes against business and would limit the ability of judges to hold parole violators accountable. Property and white collar crimes are costly for businesses and consumers.

For more information:

www.noonproposition5.com.

Proposition 6

No Position

Proposition 6: Police and Law Enforcement Funding, Criminal Penalties and Laws. Initiative Statute. Requires minimum of \$965 million of state funding each year for police

and local law enforcement. Makes approximately 30 revisions to California criminal law.

Placed on Ballot by: Petition Signatures

Proposition 7



Proposition 7: Renewable Energy Generation. Initiative Statute. Requires government-owned utilities to generate 20 percent of their electricity from renewable energy by 2010, a standard that currently applies to private electrical corporations. Raises requirement for all utilities to 40 percent by 2020 and 50 percent by 2025.

Reason for Position: The CalChamber Board of Directors voted to oppose this measure due to its potential to substantially drive up energy prices in the state.

For more information:
www.noprop7.com.

Placed on Ballot by: Petition Signatures

Proposition 8

No Position

Not considered by the CalChamber Board of Directors because the subject is not a business issue.

Proposition 8: Eliminates Right of Same-Sex Couples to Marry. Initiative Constitutional Amendment. Changes California Constitution to eliminate the right of same-sex couples

to marry. Provides that only marriage between a man and a woman is valid or recognized in California.

Placed on Ballot by: Petition Signatures

Proposition 9

No Position

Not considered by the CalChamber Board of Directors because the subject is not a business issue.

Proposition 9: Criminal Justice System. Victims' Rights. Parole. Initiative Constitutional Amendment and Statute.

Requires notification to victim and opportunity for input during phases of

criminal justice process, including bail, pleas, sentencing and parole. Establishes victim safety as consideration for bail or parole.

Placed on Ballot by: Petition Signatures



Political Communications to Employees

As the election approaches, the California Chamber of Commerce is reminding 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 CalChamber 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 CalChamber website at www.calchamber.com/guidelines.

Proposition 10



Proposition 10: Alternative Fuel Vehicles and Renewable Energy Bonds. Initiative Statute.

Authorizes \$5 billion in bonds paid from state's General Fund to help consumers and others purchase certain vehicles, and to fund research in renewable energy and alternative fuel vehicles.

Placed on Ballot by: Petition Signatures

Reason for Position:

The reduction of greenhouse gases is

a priority for our state; however, this measure is not the most cost-effective way to achieve reductions. Proposition 10 does not allow all technologies to compete for taxpayer dollars. The CalChamber has long advocated for sound, cost-effective energy policies that are market-driven and technology- or fuel-neutral. Unfortunately, this measure does not meet that test.

For more information:

www.noonproposition10.org.

Proposition 11



Proposition 11: Redistricting. Initiative Constitutional Amendment and Statute.

Changes authority for establishing state office boundaries from elected representatives to commission. Establishes multi-level process to select commissioners from registered voter pool. Commission comprised of Democrats, Republicans and representatives of neither party.

Placed on Ballot by: Petition Signatures

Reason for Position:

The CalChamber has long believed that fair redistricting is key to meaningful political reform. The California Voters First Initiative will allow the citizens of California — rather than the Legislature — to create legislative districts that will require elected officials be accountable to the voters.

For more information:

www.yesprop11.org.

Proposition 12



Proposition 12: Veterans' Bond Act of 2008.

Authorizes a bond issue of \$900 million to provide farm and home aid for California veterans.

Placed on Ballot by: SB 1572 (Wyland; R-Del Mar)

Reason for Position:

California's business community supports

our brave men and women in uniform. This initiative would make today's wartime veterans eligible for the CalVet loan program, enabling more of them to purchase homes at low interest rates. The program is self-liquidating and does not have an impact on overall bond indebtedness for the state.

For more information:

www.cdva.ca.gov.

Ballot Information • Voter Registration

Register by October 20 to vote in November 4 Election

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Final Status Report on Major Business Bills

The following list summarizes the final status of top priority bills for the California Chamber of Commerce that were sent to the Governor this year.

At the federal level, the free trade

agreements were still pending in Congress and therefore are not listed below.

On October 10, the CalChamber will publish 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.

Bills signed by the Governor will become law on January 1, 2009.

Status of bills as of September 30, 2008.

Subject and Bill — CalChamber Position	Status
Agriculture and Natural Resources	
Construction Job Loss. AB 2447 (Jones; D-Sacramento) severely limits residential and commercial development to a degree that it could virtually shut down any suburban development in certain areas of California by prohibiting the approval of development in fire-risk areas without a mitigating finding by the city or county. Oppose/ Job Killer .	Vetoed
Agricultural Operations: California Endangered Species Act Take. SB 1436 (Ducheny; D-San Diego) provides an incentive for California farmers and ranchers to run their operations in a wildlife-friendly manner by extending to 2011 agriculture's accidental take exemption for an endangered species during normal and customary agricultural practices. Support.	Signed - Chapter 82
Infrastructure Planning. SB 1557 (Wiggins; D-Santa Rosa) adversely affects major infrastructure and housing projects and complicates the state's planning priorities for orderly infrastructure development by adding the requirement to limit greenhouse gas emissions before regulations are in place and reduce vehicle miles traveled without consideration of how the reduction relates to rural and urban connectivity. Oppose.	Vetoed
Pest Eradication Advanced Planning. AB 2763 (Laird; D-Santa Cruz) better prepares state for inevitable infestations of invasive species by requiring Department of Food and Agriculture to develop and maintain a list of invasive species that may enter state and require eradication or control. Support.	Signed - Chapter 573
Banking/Finance	
Foreclosure Procedures. SB 1137 (Perata; D-Oakland), before amendments, created an ill-conceived, one-size-fits-all approach to altering the foreclosure process that included substantial compliance challenges and significant new legal exposure for California lenders. After amendments, addresses several key issues that have been identified as most problematic concerning the foreclosure process and represents a compromise between industry, consumers and the author. Neutral.	Signed - Chapter 69
Unclaimed Property. SB 1319 (Machado; D-Linden) imposes new compliance burdens, increases exposure/amount of civil penalties assessed against property holders under Unclaimed Property Law. Oppose.	Vetoed
Mortgage Rate Information. AB 529 (Torrico; D-Newark) imposes new disclosure requirements on mortgage lenders that are likely to cause consumer confusion rather than the intended assistance by requiring mortgage lenders to provide information to borrowers in a way that exceeds existing federal standards and with information that only estimates future loan payments. Oppose.	Vetoed

<p>Mortgage Lending Reporting. AB 69 (Lieu; D-Torrance), before amendments, imposed problematic and duplicative reporting requirements on state-chartered financial institutions that service mortgage loans. With amendments, essentially codifies the existing practice of the Corporations Commissioner collecting reports on residential mortgage loan servicing activities from state-licensed lenders, servicers and brokers. Neutral.</p>	<p>Signed - Chapter 277</p>
<p>Mortgage Debt Forgiveness. SB 1055 (Machado; D-Linden) helps borrowers in a short sale of their home by excluding the forgiven debt from the borrower's taxable income. Would apply only to debt forgiven in 2007 and 2008 and would help provide conformity to federal income tax laws. Support.</p>	<p>Signed - Chapter 282</p>
<p>California Financial Literacy Initiative. AB 2123 (Lieu; D-Torrance) promotes a healthier economy by establishing the California Financial Literacy Initiative, whose goal would be to better educate Californians on the subject of proper financial management. Support.</p>	<p>Vetoed</p>
<p>Mortgage Loan Limits. AJR 45 (Coto; D-San Jose) encourages Congress and the President to permanently raise the federal conforming loan limit to \$729,750 in order to better reflect California's high home prices and to stimulate the economy. Support.</p>	<p>Signed - Chapter 81</p>
<p>Real Estate Law Violations. SB 1737 (Machado; D-Linden) helps to address the mortgage market situation by making it easier for the Department of Real Estate to discipline violators of the Real Estate Law, and also helps to remove conflicts of interest in real estate transactions. Support.</p>	<p>Signed - Chapter 286</p>
<h2 style="color: red;">Climate Change</h2>	
<p>Restrictive Fuel Standard. SB 1240 (Kehoe; D-San Diego), before amendments, interfered with the development of a competitive alternative fuels market and threatened job creation in California by creating a costly Low Carbon Fuel Standard that conflicts with the existing standard created by Governor's Executive Order S-7-04. No Position/Former Job Killer.</p>	<p>Vetoed</p>
<p>New Fuel Mandate. SB 140 (Kehoe; D-San Diego), before amendments, disadvantaged California businesses and increased fuel prices by creating fuel mandate that picks winner in alternative fuels market, preventing research/development of additional viable options that may be cheaper, more efficient. Gutted/amended to deal with different subject. No Position/Former Job Killer.</p>	<p>Signed - Chapter 513</p>
<h2 style="color: red;">Crime</h2>	
<p>Scrap Metal Dealers. SB 691 (R. Calderon; D-Montebello) deters theft of valuable metals used by utilities, construction sites and agricultural operations by imposing new identification requirements on sellers and buyers of scrap metals. Support.</p>	<p>Signed - Chapter 730</p>
<p>Scrap Metal Dealers. AB 844 (Berryhill; R-Modesto) deters theft of valuable metals used by utilities, construction sites and agricultural operations by imposing new identification requirements on sellers and buyers of scrap metals. Support.</p>	<p>Signed - Chapter 731</p>
<p>Rural Crime Prevention. AB 186 (Maze; R-Visalia) deters rural crime by extending the sunset provision for the Central Valley Rural Crime Task Force and prevention programs. Support.</p>	<p>Signed - Chapter 755</p>
<h2 style="color: red;">Education</h2>	
<p>Work-Based Learning. AB 2078 (Fuentes; D-Sylmar) eliminates barriers to work-based learning programs by allowing school districts to purchase liability insurance for work-based learning programs. Support.</p>	<p>Vetoed</p>

<p>Higher Education. SB 325 (Scott; D-Pasadena) promotes accountability and performance-based measures in higher education by requiring a new accountability framework. Support.</p>	<p>Vetoed</p>
<p>Supplemental Instruction. SB 1442 (Wiggins; D-Santa Rosa) provides flexibility to schools by allowing them to use supplemental instruction funds for project-based learning. Support.</p>	<p>Vetoed</p>
<p>Graduation/Job Placement Rates. SB 823 (Perata; D-Oakland) exposes private corporations to tremendous liability by requiring onerous disclosures of vague graduation and job placement rate details. Oppose.</p>	<p>Vetoed</p>
<h2 style="color: red;">Energy</h2>	
<p>New Government Program. SB 1762 (Perata; D-Oakland) would increase costs to California rate payers by creating, under the University of California, the Climate Change Research and Workforce Development Institute to research and create workforce training projects throughout the state to address greenhouse gas and climate change mitigation. Oppose.</p>	<p>Vetoed</p>
<h2 style="color: red;">Environmental Regulation</h2>	
<p>Tax on Freight Movement. SB 974 (Lowenthal; D-Long Beach) increases the cost of shipping goods and makes California less competitive by imposing an illegal per-container tax in the ports of Long Beach, Los Angeles and Oakland. Oppose/Job Killer.</p>	<p>Vetoed</p>
<p>Plastic Packaging Ban. SB 899 (Simitian; D-Palo Alto), before amendments, would have pushed jobs out of California and increased costs for industries that use plastic packaging by banning the manufacturing and distribution of specified plastic packaging in California. As amended, now requires the establishment of a program to reduce and recover derelict fishing gear. No Position/Former Job Killer.</p>	<p>Vetoed</p>
<p>Consumer Products Content Reporting. SB 509 (Simitian; D-Palo Alto) now contains carve-outs to AB 1879 (Feuer; D-Los Angeles) for various types of products. Tied to AB 1879 to complete the green chemistry legislative package. Amended to remove CalChamber opposition. Neutral.</p>	<p>Signed - Chapter 560</p>
<p>Chemical Regulation. AB 1879 (Feuer; D-Los Angeles) gives Department of Toxic Substances Control broad authority to implement the California Green Chemistry Initiative. The program will allow DTSC to regulate the use of “chemicals of concern” in some consumer products. No Position.</p>	<p>Signed - Chapter 559</p>
<p>Chemical List. SB 973 (Simitian; D-Palo Alto), before amendments, would have raised threat of new regulatory actions by requiring state to adopt list of “chemicals of concern” based on Canadian list identified for elimination with no assessment of the effects on California. No Position.</p>	<p>Vetoed</p>
<p>Oil Spill Prevention and Response Fund Diversion. AB 2547 (Leno; D-San Francisco) increases the cost of oil by increasing the cost of spill prevention and response programs by diverting funds for grant research programs and requiring increased dedicated response resources that are not necessary for effective response time, containment and cleanup of oil spills. Oppose.</p>	<p>Vetoed</p>
<p>Packaging Content. AB 3025 (Lieber; D-San Jose), before amendments, would have banned the polystyrene loosefill packaging that is commonly referred to as “packaging peanuts” without regard to the existence of practical alternatives. As amended, requires polystyrene loosefill packaging to contain a specified amount of recycled materials. No Position.</p>	<p>Signed - Chapter 471</p>
<p>Product Recalls. AB 1860 (Huffman; D-San Rafael) creates new state-mandated program to inform consumers about unsafe products by implementing new recall procedures. No Position.</p>	<p>Signed - Chapter 569</p>
<p>Fee Increase. AB 2032 (Hancock; D-Berkeley) increases the cost of shipping goods by increasing the cap on fees per barrel of oil to increase the level of funding for the Oil Spill Response Trust Fund. Oppose.</p>	<p>Vetoed</p>

<p>Emission Reduction Offsets. SB 1662 (Cox; R-Fair Oaks) creates flexibility for businesses by expanding current law to allow offsets for emissions of air pollutants by a stationary source to occur outside of their own air basin. The bill would also allow the offsets to occur in the Sacramento Metro federal non-attainment area. Support.</p>	<p>Signed - Chapter 725</p>
<p>Certification. SB 1334 (R. Calderon; D-Montebello) requires manufacturers to complete a certification process to show that pipes contain no lead. No Position.</p>	<p>Signed - Chapter 580</p>
<h2 style="color: red;">Health</h2>	
<p>Government-Run Health Care. SB 840 (Kuehl; D-Santa Monica) creates a new government-run, multibillion-dollar socialized health care system financed from a yet-to-be-specified tax increase. Oppose/Job Killer.</p>	<p>Vetoed</p>
<p>Reduced Medical Services. SB 1440 (Kuehl; D-Santa Monica) imposes an arbitrary medical cost ratio of 85 percent on health care service plans and health insurers, leading potentially to less service to plan subscribers rather than more and eliminating low-cost products. Oppose.</p>	<p>Vetoed</p>
<p>Autism-Related Services. SB 1563 (Perata; D-Oakland) proposes a workgroup to review health care coverage issues in the delivery of autism-related services. CalChamber opposes unless the bill is amended to expand the scope of services and to include members of the business community as participants in the workgroup because the group market will be impacted by any changes in coverage. Oppose Unless Amended.</p>	<p>Vetoed</p>
<p>Increased Costs: Mandated Expanded Mental Health Coverage. AB 1887 (Beall; D-San Jose) increases health care premiums by mandating that health plans and insurers provide parity coverage for all of the over 400 mental disorders identified in the latest <i>Diagnostic and Statistical Manual of Mental Disorders</i>. Oppose.</p>	<p>Vetoed</p>
<p>Increased Costs: Mandated Acupuncture Benefit Coverage. AB 54 (Dymally; D-Compton) increases health care premiums by requiring health plans to provide coverage for acupuncture. Oppose.</p>	<p>Vetoed</p>
<p>Increased Costs: Mandated Durable Medical Equipment Coverage. SB 1198 (Kuehl; D-Santa Monica) increases health care premiums by requiring health plans to provide coverage for durable medical equipment. Oppose.</p>	<p>Vetoed</p>
<p>Increased Costs: Mandated Maternity Services Benefit Coverage. AB 1962 (De La Torre; D-South Gate) increases health care premiums by mandating that all health plans provide maternity coverage. Oppose.</p>	<p>Vetoed</p>
<p>Increased Costs: Mandated Hearing Aids Benefit Coverage. AB 368 (Carter; D-Rialto) increases health care premiums by requiring health plans to offer coverage for hearing aids. Oppose.</p>	<p>Vetoed</p>
<p>Increased Costs: Mandated HIV Testing Benefit Coverage. AB 1894 (Krekorian; D-Burbank) increases health care premiums by requiring health plans to cover testing for AIDS and HIV regardless of whether the testing is related to a primary diagnosis. Oppose.</p>	<p>Signed - Chapter 631</p>
<p>Increased Costs: Mandated Cleft Palates Benefit Coverage. SB 1634 (Steinberg; D-Sacramento) increases health care premiums by requiring health plans to provide coverage for orthodontics for cleft palates. Oppose.</p>	<p>Vetoed</p>

Housing and Land Use

Limits Transportation Capacity. SB 375 (Steinberg; D-Sacramento) thwarts the intent of voters who approved broad-based transportation bonds and limits increased transportation capacity in certain areas of the state by prioritizing transportation projects in areas identified as a preferred area for growth. Oppose/**Job Killer**.

Signed - Chapter 728

Building Cost Increases. AB 2939 (Hancock; D-Berkeley) increases costs to developers by encouraging adoption of building standards written by private entities whose process is not open to public input or scrutiny consideration. Oppose.

Vetoed

Subdivision Maps. SB 1185 (Lowenthal; D-Long Beach) relieves developers of increased entitlement costs by extending time expired tentative map may be applicable from 12 to 24 months. Support.

Signed - Chapter 124

Industrial Safety and Health

Bypasses Open Rulemaking. AB 1183 (Lieber; D-San Jose) requires the Occupational Safety and Health Standards Board to adopt permissible exposure levels as determined by the Office of Environmental Health Hazards Assessment, with few exceptions, trumping the effective and participatory rulemaking process now in place. Oppose.

Signed - Chapter 758

Insurance

Vehicle Repair Task Force. SB 1167 (Wiggins; D-Santa Rosa), before amendments, inappropriately limited informed consumer choice by restricting information that insurers can provide to policyholders in regards to their auto repair options. After amendments, requires Insurance Commissioner to convene task force to review the issues arising from the implementation of existing anti-steering laws related to auto repairs and report its findings in writing to Legislature by December 31, 2009. Neutral.

Vetoed

Labor and Employment

Increased Agricultural Costs. AB 2386 (Núñez; D-Los Angeles) hurts the competitiveness of California agricultural producers by artificially increasing labor costs for California producers who must compete in a global market with lower-than-average operating costs. Eliminates the requirement for secret-ballot elections for union representation among farm employees, stripping them of their right to decide free of intimidation on that crucial subject by creating a new, completely unsupervised process called a mediated election. Oppose/**Job Killer**.

Vetoed

Employee Safety Risk. AB 2279 (Leno; D-San Francisco) hurts employee safety and employers' right to maintain drug-free workplace policies and exposes employers to potential litigation by prohibiting employers from refusing to hire applicants or fire current workers who use medical marijuana. Oppose/**Job Killer**.

Vetoed

Independent Contractors. SB 1583 (Corbett; D-San Leandro) establishes new penalties and liability for independent contractor misclassification, rather than the much-needed clarification for who is and who is not an independent contractor, by creating joint and several liability penalizing advisors who work with businesses on the complex task of determining worker status. Oppose.

Vetoed

Credit Reports. AB 2918 (Lieber; D-San Jose) unduly restricts the ability of businesses to use all legally available information in employment decisions, including consumer credit reports. Oppose.

Vetoed

Handicaps Employment Decisions. AB 3063 (Committee on Labor and Employment) prohibits employers from asking applicants to disclose certain prior criminal convictions which could legitimately impact an employer's hiring decisions. Oppose.

Vetoed

<p>Temporary Employees: Wages. SB 940 (Yee; D-San Francisco), before amendments, would have exposed employers to joint and several liability for workers' compensation with temporary staffing agencies while proposing to resolve terminal pay timing for employees of temporary staffing agencies. Amended to remove this objectionable provision. No Position.</p>	<p>Signed - Chapter 169</p>
<p>Unemployment Insurance Increase. SB 1661 (Kuehl; D-Santa Monica) increases cost of doing business by creating new eligibility requirement for employees to receive unemployment insurance (UI) benefits financed by all employers' increased contributions to the UI Trust Fund. Oppose.</p>	<p>Vetoed</p>
<p>Expanded Employer Liability. AB 2075 (Fuentes; D-Sylmar) expands employer liability in meal period litigation by adding to what is included within the prohibition of an execution of a release by an employee for wages due and hours worked. Oppose.</p>	<p>Signed - Chapter 224</p>
<p>Legal Reform and Protection</p>	
<p>Advancing Disability Access. SB 1608 (Corbett; D-San Leandro) Comprehensive reform that increases public access for individuals with disabilities while reducing unwarranted litigation, including by encouraging use of state-certified disability access specialists and establishing court procedure for early judicial review of lawsuit claims. Support/Job Creator.</p>	<p>Signed - Chapter 549</p>
<p>Increased Employer Liability Exposure. AB 437 (Jones; D-Sacramento) could result in significant new liability exposure for employers by stating that the Legislature rejects, for purposes of <i>any</i> California statutes of limitation, a recent U.S. Supreme Court decision that provided clear limits on statutes of limitation for lawsuits relating to employer decisions. Oppose/Job Killer.</p>	<p>Vetoed</p>
<p>Incentive to Sue. SB 1113 (Migden; D-San Francisco) expands reward to plaintiffs for costs of litigation stemming from private attorney general actions while providing no cost recovery for those who must defend themselves against such actions, even if those actions are found to be baseless. Oppose/Job Killer.</p>	<p>Vetoed</p>
<p>Trademark Protections. AB 1394 (Krekorian; D-Burbank) improves protections of trademark owner rights and consumer health and safety by strengthening California laws against trafficking of fake products such as auto parts, prescription drugs and children's toys. Sponsor/Co-Sponsor/Job Creator.</p>	<p>Signed - Chapter 431</p>
<p>Attorney's Fees. AB 2379 (Evans; D-Santa Rosa), before amendments that removed opposition, could have exposed companies' proprietary or sensitive personnel information by undermining the right to appeal an order to unseal records. No Position.</p>	<p>Vetoed</p>
<p>Corporate Director's Duties. AB 2944 (Leno; D-San Francisco) confuses the duty of care standard and creates liability exposure for directors by unnecessarily singling out certain factors to be listed in statute such as the environment and employees and instructing directors that they "may" consider them in determining the best interests of the corporation and its shareholders. Oppose.</p>	<p>Vetoed</p>
<p>Consumer Rebates. SB 1257 (Machado; D-Linden) increases cost of doing business by creating unnecessary new regulations for processing of manufacturer rebates, but as amended on 6/9/08, removes the unworkable and overly burdensome provisions. No Position.</p>	<p>Vetoed</p>
<p>Arbitration Restrictions. AB 2947 (Eng; D-Monterey Park) undermines right to contract for arbitration by creating new restrictions on arbitration agreements in long-term care facility contracts. Oppose.</p>	<p>Vetoed</p>

Other	
<p>Nutritional Information. SB 1420 (Padilla; D-Pacoima), before amendments, mandated that nutritional information be provided by restaurants to customers in a prescribed fashion and without necessary safeguards. After amendments, requires chain restaurants to provide caloric information on menus and menu boards by 2011. Provides much-needed uniformity for affected businesses by including explicit statewide pre-emption language and necessary legal protections. Neutral.</p>	Signed - Chapter 600
<p>Sweepstakes. SB 1400 (Simitian; D-Palo Alto), before amendments, would have significantly reduced the ability of businesses, non-profits and charitable organizations to operate sweepstakes in California. After amendments, gives added protections to sweepstakes consumers through increased disclosures and representation restrictions. Neutral.</p>	Signed - Chapter 749
<p>Environmental Quality Defendants. SB 68 (Kuehl; D-Santa Monica), before amendments, would have disadvantaged business by changing how the California Environmental Quality Act (CEQA) names defendants in lawsuits and barred legitimate parties from participating in the action. After amendments, clarifies who must be named in CEQA judicial reviews. Neutral.</p>	Vetoed
Political Affairs	
<p>Public Financing of Secretary of State Campaigns. AB 583 (Hancock; D-Berkeley) inappropriately taxes lobbyists and lobbyist employers to publicly finance the political campaigns of candidates running for the Secretary of State. Oppose.</p>	Signed - Chapter 735
Privacy and Confidentiality	
<p>New Business Liability. AB 1656 (Jones; D-Sacramento) imposes onerous and unneeded data management requirements on business and creates new financial liabilities for small and medium-sized businesses accepting credit and debit cards. Oppose.</p>	Vetoed
<p>Breach Notification Expansion. SB 364 (Simitian; D-Palo Alto) helps hackers circumvent security programs by requiring businesses to give too much information in security breach notices. Oppose.</p>	Vetoed
<p>Consumer Credit Reports: Security Freezes. AB 372 (Salas; D-Chula Vista), before amendments, imposed new unwarranted additional penalties on businesses for recordkeeping violations. Amended to reduce consumer fees for credit freezes and requires requests for freezes to be sent via mail and implemented within three business days of receipt. Neutral.</p>	Signed - Chapter 151
<p>Identification Documents. SB 31 (Simitian; D-Palo Alto) imposes jail time and a monetary penalty for any person or entity that intentionally tries to read remotely through radio frequency identification (RFID) a person's identification document without his or her knowledge. Support.</p>	Signed - Chapter 746
Taxation	
<p>Cigarette Tax. SCA 13 (Torlakson; D-Antioch), before amendments, created a new excessive tax on cigarette distribution. Amended to deal with a different subject. No Position.</p>	Signed - Chapter 144
<p>Local Sales Tax Rebates. AB 697 (Hancock; D-Berkeley), before amendments that removed CalChamber opposition, significantly undermined an economic development tool relied upon by many localities by eliminating their ability to offer local sales tax rebates. No Position.</p>	Vetoed
<p>Property Tax: Refunds. AB 2411 (Caballero; D-Salinas) improves administration of property tax overpayments, while maintaining taxpayer notification rights and protections. Support.</p>	Signed - Chapter 329

<h2>Telecommunications</h2>	
Emergency Telephone Users. SB 1040 (Kehoe; D-San Diego) provides clarity and removes liability exposure for telephone companies regarding collection of the 911 surcharge on Voice Over Internet Protocol service. Support.	Signed - Chapter 17
<h2>Water Supply and Quality</h2>	
Construction Jobs Loss. AB 2046 (Jones; D-Sacramento), before amendments, would have halted construction of housing, cost construction jobs and provided a disincentive to clean up groundwater by inappropriately denying use of some groundwater resources as a stable water supply. As amended, requires water agencies to specify remediation and financial plans for groundwater that will be used as a water supply in the future. Neutral/ Former Job Killer.	Vetoed
Water Quality: Enforcement. AB 1946 (Nava; D-Santa Barbara) promotes inconsistent enforcement of water quality regulations, hindering business' compliance. Allows city or county attorneys to file cases that are handled by a single unit in the Attorney General's office. Oppose.	Vetoed
Delta Emergency Preparedness. SB 27 (Simitian; D-Palo Alto), before amendments, imposed additional layers of government bureaucracies over land use decisions in the Delta. As amended, deals with stockpiling emergency supplies for levee failures. Neutral.	Signed - Chapter 608
<h2>Workers' Compensation</h2>	
Workers' Compensation Reform Roll Back. SB 1717 (Perata; D-Oakland) increases workers' compensation costs and rolls back the workers' compensation reforms from 2004 by arbitrarily doubling permanent disability benefits and altering the 15 percent bump up/down provision in current law. Oppose/ Job Killer.	Vetoed
Workers' Compensation Reform Roll Back. SB 1115 (Migden; D-San Francisco) increases workers' compensation costs and rolls back the workers' compensation reforms from 2004 by making apportionment very difficult to prove. Oppose/ Job Killer.	Vetoed
Medical Treatment Utilization Reviews. AB 2969 (Lieber; D-San Jose) increases the cost of utilization review services and makes it harder for employers to apply objective medical treatment guidelines and control costs. Oppose.	Vetoed
Predesignation of Physician. SB 1338 (Migden; D-San Francisco) increases medical costs in workers' compensation insurance by undermining medical provider networks, which were established to ensure that injured employees received appropriate medical care. Oppose.	Vetoed
Internet Web Sites. AB 507 (De La Torre; D-South Gate) creates a website through the Workers' Compensation Insurance Rating Bureau that would provide coverage information for employers in California that are insured for workers' compensation insurance. No Position.	Vetoed
Public Employees: Leaves of Absence. AB 419 (Lieber; D-San Jose) increases workers' compensation costs by expanding the number of public safety workers who are eligible for expanded benefits and preferential treatment in California's workers' compensation law. Oppose.	Vetoed
Cancer Presumption. SB 1271 (Cedillo; D-Los Angeles) extends cancer presumption of compensability to employees of private companies that operate publicly owned fire departments. No Position.	Signed - Chapter 747

CalChamber President Urges Californians to Support Prop. 11 Redistricting Reform



Allan Zarembeg

California Chamber of Commerce President Allan Zarembeg and other members of the Yes on Proposition 11 campaign called on California voters to support

Proposition 11 during a news conference on September 23.

“Right now we have the politicians selecting their voters,” said Zarembeg. “We need to change that. Proposition 11 will allow the voters to select their elected representatives.”

Zarembeg is among the co-chairs for the Yes on Proposition 11 campaign.

The CalChamber has long believed that fair redistricting is the key to meaningful political reform.

Proposition 11 will allow the citizens of California, rather than the Legislature, to create competitive legislative districts, thereby helping elected officials be more accountable to voters.

Improving Redistricting System

Proposition 11 will create a 14-member independent citizens commission to redraw state legislative district lines based on strict non-partisan rules.

Unlike the current process, Proposition 11 will ensure that the redistricting process is open and transparent and will respect existing city and county boundaries and communities. It will exclude individuals with obvious conflicts of interest, including elected officials and their staff, from serving on the commission.

The commission will include five Republicans, five Democrats and four members not associated with either party.

Citizen Commission

Beginning January 2010 and every 10 years thereafter, the California State Auditor will initiate an application process open to registered voters in a manner that “promotes a diverse and

qualified applicant process.” This could mean advertising in newspapers or in other publications in communities, professions, etc.

From this group of applicants, persons with conflicts of interest will be removed by the auditor, and a three-person auditor panel will pick 60 finalists—20 Democrats, 20 Republicans and 20 others. This group is submitted to legislative leadership, which can strike eight from each group of 20. The auditor will then choose eight commissioners from the groups and the eight commissioners will choose the final six for a total of 14.

Potential commission members could include university professors, CPAs, physicians, nurses, engineers, community advocates, teachers and more. There also are provisions in the initiative requiring the commission to represent the state’s significant diversity, including ethnic and regional considerations.

Criteria for Drawing Districts

Proposition 11 is designed to respect communities of interest. Current district boundaries, designed to protect incumbent legislators, include some districts that cut up counties, cities and communities.

Proposition 11 requires that districts comply with the federal Voting Rights Act and ensure that “the geographic integrity of any city, county,

Financial Markets

From Page 1
in California. CalChamber members provide one-quarter of the private sector jobs in California and include firms of all sizes and companies from every industry within the state.

“The financial well-being of all our members and all Californians hinges on a resolution to the financial crisis. We urge you to act immediately. Once the current crisis is settled, all interested parties can work together on a comprehensive, longer-term reform of the financial market structure and related regulations,” Zarembeg concluded.

neighborhood or community of interest shall be respected.”

In addition, Proposition 11 calls for an open hearing process to permit public participation in the redistricting public review process.

Supporters

Proposition 11 is supported by a bipartisan coalition of consumer, senior, public interest, taxpayer, community and business groups and leaders.

Key proponents of Proposition 11 are California Common Cause, the American Association of Retired Persons and the League of Women Voters of California—all of which worked for two years to draft the initiative. Governor Schwarzenegger announced his support for the initiative after it was written.

More Information

More information is available at the campaign website at www.yesprop11.org.

Business Tax Bill

From Page 5
rate decreases from 25 percent to 20 percent.

Individual filers of quarterly estimates with gross income the previous year of more than \$1 million will see their safe harbor eliminated. This will affect small businesses, many of which file under personal income tax laws.

Limited Liability Companies

Limited liability companies (LLC) must pay their annual fees during the first six months of the current tax year (an estimated \$360 million increase).

A 10 percent penalty will be assessed for underpaying the accelerated fee.

Previously, a current year’s LLC fee was due in the following tax year. The new fee deadline will result in a double payment in the early part of 2009—both the prior year’s LLC fee and the current year’s. This may be especially hard on small companies that have limited cash flow.

Staff Contact: Kyla Christoffersen



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