ALERT

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CalChamber
CALIFORNIA CHAMBER OF COMMERCE

Proposal to Discourage Frivolous Lawsuits Moves

A California Chamber of Commerce-**sponsored** job creator bill that will discourage frivolous litigation passed an Assembly committee this week with bipartisan support.

AB 2095 (Wagner; R-Irvine) seeks to limit frivolous litigation regarding itemized wage statements for alleged technical violations that have not injured the employee by awarding attorneys fees to an employer who can prove the litigation was filed in bad faith.

Labor Code Section 226 sets forth eight categories of information that must be included in an itemized wage statement provided to the employee. The intent and purpose of this information is to notify the employee of who his/her employer is and how the wages were calculated.

Failing to include required information in the wage statement can subject the employer to litigation.

Litigation Abuse

Despite the good intentions of this section, there has been a recent trend by plaintiffs' attorneys to abuse it and file litigation for "ticky tack" violations that do not result in any harm to the employee.

A notable example of this abuse is *Elliot v. Spherion Pacific Work, LLC*, 210 WL 675574 (2010), in which an employee alleged a cause of action under Labor Code Section 226 because the employer used a truncated name on the wage statement. Specifically, the employ-

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New Liabilities on Business Pass Committee

Two California Chamber of Commerce-**opposed** "job killer" bills that impose new liabilities on businesses passed the Assembly Labor and Employment Committee this week.

- **AB 2416 (Stone; D-Scotts Valley)** creates a dangerous and unfair precedent in the wage-and-hour arena by allowing employees to file liens on an employer's real or personal property, or property where work was performed, based upon alleged-yet-unproven wage claims.
- **AB 1897 (Hernández; D-West Covina)** unfairly imposes liability on any contracting entity for the contractor's wage-and-hour violations, lack of workers' compensation coverage, and/or failure to remit employee contributions, despite the lack of any evidence that the contracting entity controlled the working conditions or wages of the contractor's employees.

Unproven Wage Liens

AB 2416 would cripple California businesses by allowing any employee, governmental agency, or anyone "authorized by the employee to act on the employee's behalf" to record super priority liens on an employer's real property or any property where an employee "performed work" for an alleged, yet unproven, wage claim.

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California-Only Labeling Requirement Moves in Senate

A California Chamber of Commerce-**opposed** "job killer" bill that increases both the cost of food production and frivolous litigation passed the Senate Judiciary Committee this week.

The bill, **SB 1381 (Evans; D-Santa Rosa)**, forces farmers and food companies to implement costly new labeling, packaging, distribution and recordkeeping for genetically engineered food products sold in California, adding significantly to the cost of food for Californians.

The bill also includes a private right of action, raising the specter of liability issues, adding to compliance costs for farmers, grocers and food manufacturers.

No Science

There is no scientific reason to label products with genetically engineered ingredients. It has been determined under federal law that there is no scientific difference between a genetically modified product and one that is not. Passage of SB 1381, however, will increase food costs for consumers without providing any further health or nutrition benefits.

More Lawsuits

The bounty hunter lawsuit provision in SB 1381 will allow trial lawyers to file predatory lawsuits against family farmers, small grocery stores, food producers and practically everyone associated with the

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Inside

Labor Law Corner

Meal Breaks Required for Exempt Employees; Penalties Don't Apply

Gary Hermann
HR Adviser

Are meal breaks required for exempt employees?

Yes, employers are required to provide meal breaks for exempt and nonexempt employees.

Rest Breaks

Section 512 of the California Labor Code provides that an employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee.

An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

The code section makes no differentiation between exempt and nonexempt employees.

Penalties

Penalties set forth in Labor Code Section 226.7 do not apply to exempt employees. Section 226.7 provides that if an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission (IWC), the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal or rest period is not provided.

There are no IWC Orders, however, that require meal or rest periods for exempt employees and therefore there is no applicable premium pay penalty for the failure to provide the meal break to an exempt employee.

Even though the premium pay penalties do not apply, employers should make every effort to comply with the requirements of Labor Code Section 512.

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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CalChamber Calendar

International Luncheon Forum:
May 6, Sacramento
Legislative Briefing and Host Breakfast:
May 20–21, Sacramento
International Forum:
May 20, Sacramento
Water Committee:
May 20, Sacramento
Fundraising Committee:
May 20, Sacramento
Environmental Regulation Committee:
May 20, Sacramento
Board of Directors:
May 21, Sacramento

Labor Law Helpline Welcomes New HR Adviser

David Leporiere

David Leporiere has joined the California Chamber of Commerce as a Labor Law Helpline HR Adviser.

Leporiere specializes in employment and labor law on behalf of businesses and business owners, and also has provided training for employers on a wide variety of employment-related topics, including discrimination, harassment, wage and hour, and leave laws and regulations.

Leporiere holds a J.D. from the University of California, Davis.

California Voters May See Ballot Measure in Fall to Improve State Fiscal Practices

At the behest of Governor Edmund G. Brown Jr., the Legislature will consider in special session his proposal to amend the state Constitution to enshrine a new requirement for a "rainy day reserve" in the state's budget.

"Adopting an effective rainy day reserve should be the state's top fiscal policy," said Allan Zaremberg, CalChamber president and CEO. "California's budget crises were caused by the Legislature spending one-time revenues for ongoing programs.

"A solid reserve requirement will remove the California budget from the fiscal roller coaster. It is crucial that the Legislature pass a consensus proposal that the Governor can support to get approval by voters in November."

Background

California has had long but not very successful experience with mandatory fiscal controls and budget reserves.

In the wake of Proposition 13, Paul Gann successfully promoted his eponymous spending limit. It made a difference exactly once, in 1987, before it was "improved" out of existence by Proposition 98 in 1988 and Proposition 111 in 1990.

Fiscal conservatives attempted to reimpose constitutional spending discipline in 1992, 2005 and 2009, each time being rejected by the public.

Only in 2004 was there consensus on a constitutional reform. Governor Arnold Schwarzenegger and the Legislature proposed to the voters a relatively weak Budget Stabilization Account, which provided virtually no protection against the budget boom and bust later that decade.

The need for consensus drove Governor Brown's latest effort. Without a new proposal, the November ballot would feature a perfectly good measure that moderates excessive spending and provides a strong rainy day reserve.

Unfortunately, this measure probably would be doomed to failure. The Legislature originally placed this measure on the 2012 ballot as part of a budget deal with Governor Schwarzenegger, but since he left office, legislative Democrats and their public union allies have been agitating to sink the measure.

They already postponed the statewide vote once, and every indication is that if this measure remains on the November ballot, the unions will likely finance a campaign to kill it.

Governor's Plan

The Governor's alternative would:

• Require deposits into the rainy day reserve when capital gains tax revenues spike above their historic share of revenues. Capital gains taxes are the most volatile state revenue source.

• Increase the size of the rainy day reserve to 10% of General Fund revenues.

• Limit withdrawals from the reserve to ensure coverage during an extended downturn.

• Allow excess revenues be used to pay down budgetary debt and long-term retirement obligations.

• Create a separate reserve to reduce volatility of cuts in school spending.

When it comes to saving money to hedge against an economic downturn, the Legislature's record has been dismal. Time and again, revenue gains from economic bubbles have been spent to create or enhance ongoing programs, even though the bubbles were certain to burst. The ensuing deficits were papered over with tax increases, cuts to critical programs, or budget gimmickry.

A rainy day reserve won't put an end to roller coaster revenues from a tax system overly dependent on a relatively few wealthy taxpayers, but it will ensure that excess gains from bountiful years will be set aside for the inevitable dry periods.

It would be a rare case of the Legislature asking the voters to help them discipline themselves.

Contact: Loren Kaye

CalChamber-Sponsored Seminars/Trade Shows

More information: ***calchamber.com/events***.

Labor Law

HR Boot Camp. CalChamber. May 1, Sacramento; June 10, Santa Clara. (800) 331-8877.

International Trade

World Trade Week Kickoff Breakfast. Los Angeles Area Chamber. May 2, Los Angeles. (213) 580-7569.

NAFTA: 20 Years Later. CalChamber. May 6, Sacramento. (916) 444-6670.

Inland Empire World Trade Conference. California Inland Empire District Export Council. May 15, Ontario. (702) 755-6290.

Saudi Health Exhibition and Conference. U.S.-Saudi Arabian Business Council. May 19–21, Saudi Arabia. (703) 962-9300.

Consular Corps Luncheon. Northern California World Trade Center. May 21, Sacramento. (916) 321-9146.

China International Trade Mission and Expo. CalAsian Chamber of Commerce. May 22–June 1, Shanghai, China. (916) 446-7883.

China International Food Exhibition 2014. MEREBO Messe Marketing. May 27–29, Guangzhou, China.

Computex Taipei 2014. Taiwan External Trade Development Council. June 3–7, Taipei, Taiwan. (408) 988-5018.

Discover Europe Conference. U.S. Commercial Service and Los Angeles Area Chamber. June 3–4, Los Angeles. (213) 894-8785.

9th Annual International Trade Outlook. Los Angeles County Economic Development Corporation. June 5, Long Beach. (213) 236-4812.

The 15th Malaysia International Food and Beverage Trade Fair. Sphere Exhibits Malaysia Sdn Berhad and Mutiara Sigma (M) Sdn Bhd. June 19–21, Kuala Lumpur, Malaysia.

New Liabilities on Business Pass Assembly Committee

From Page 1

This bill would severely disrupt commercial and personal real estate markets in this state as AB 2416 would allow a wage lien to take precedence over almost all other liens or judgments.

Concerns

CalChamber is especially concerned that AB 2416:

• **Not Just Limited to Minimum Wage Violations.** AB 2416 allows a lien to be recorded for all unpaid wages, "other compensation," and related penalties, not just minimum wage violations. The type and number of different liens that may be recorded under AB 2416 are overwhelming.

• **Holds Nonemployer Third Parties Liable for Unpaid Wages.** AB 2416 allows an employee to record a wage lien on any real property at which the employee performed work.

• **Precludes Any Financing Option for Real Property/Super-Priority Lien.** AB 2416 will also destroy commercial investments or lending in California as well as personal home loans.

• **Forces a Violation of the Mortgage Contract.** Granting super lien status, as AB 2416 proposes to do, will create a number of complications that do not exist under current law where nontax liens recorded against the residential real property are treated like judgment liens.

• **Freezes Future Financing Options.** The employer or property owner will not be able to expand or hire new employees due to the inability to secure financing to do so. In short, no lender is going to extend a loan to someone with a super lien placed on their real or personal property.

• **Violates State and Federal Constitutions.** With respect to AB 2416's creation and recordation of a super lien for the payment of unpaid wages, the measure creates a violation of the terms of the mortgage or deed of trust for any prospective mortgage contract after the bill's enactment.

• **Increases Neighborhood Blight.** AB 2416 allows the super lien to survive foreclosure.

• **Contains No Effective Statute of Limitations on Timing to Record Lien.** AB 2416 states that the employee must record the lien within 180 days after ceasing work for the employer. However, the statement that the employee must file with the county recorder's office or the Secretary of State noticeably does not require the employee to identify his/her last date of work.

• **Places No Limit on the Number of Liens Recorded.** During this time, an employee can assert whatever number of liens he/she wants, thereby constantly subjecting the property owner to endless civil litigation.

• **Forces Property Owners to Courts That Are Already Underfunded.** Under AB 2416, if a lien is improperly filed against an employer's property or third party's property, and the employee fails to withdraw the lien but does not necessarily act in bad faith or with the intent to defraud, there is no consequence. Rather, the employer or property owner must petition the court for removal of the lien before being able to fully utilize their property.

Contractor Liability

AB 1897 completely ignores long-standing common law analysis and imposes liability despite the lack of any control exerted by the third party. Even though the third party did not control the wages owed, did not control the hours the employee worked, and did not control the work environment of the employee, the third party will be held liable for all such obligations.

In testimony to the committee, the CalChamber identified problems created by AB 1897. Those problems include:

• **Expands Liability to Individual Homeowners.** AB 1897 does not just apply to entities, but also to "individuals" who contract for labor or services within the individual's "usual course of business."

• **Creates a "Liability Trap."** This means that a third party entity that is not the employee's actual employer will have an obligation to produce personnel records of an employee that includes sensitive information, such as hourly rate, Social Security numbers, birth date, and potential medical information regarding any alleged injuries.

• **Creates Significant Litigation.** Any violation of AB 1897 will trigger a potential representative action under the Labor Code Private Attorney General Act (PAGA), thereby expanding the threat of onerous litigation against any third party that utilizes contractors as a part of its usual course of business.

Committee members commented that language in the bill could be tightened to prevent the proposal from creating problems for small businesses and employers who are complying with existing labor and employment laws.

Industry-Specific Protections

For industries in which there has been documented evidence of unlawful contracting practices, the Legislature has already enacted laws to address and prevent such abuses. Specifically, for several industries, including farm labor, garment, construction, security guards, janitorial, and most recently, warehouse workers, state law holds the entity that contracts for workers in those industries liable if the contract for such labor does not include the following:

• A description of the total hours to be worked, the total wages to be paid, and the dates of payment;

• The workers' compensation policy and insurance carrier information;

• The employer tax identification number;

• The address of where the work will be performed; and

• The name, address and telephone number of the person or entity through whom the labor or services are to be provided.

AB 1897 expands liability to all industries and all individuals who contract for labor or services, despite the lack of any evidence that there is a need beyond the industries already regulated.

Key Votes

Both AB 2416 and AB 1897 passed Assembly Labor and Employment on April 23, 5-2.

Ayes: Hernández (D-West Covina), Alejo (D-Salinas), Chau (D-Monterey Park), Holden (D-Pasadena), Ridley-Thomas (D-Los Angeles).

Noes: Grove (R-Bakersfield), Gorell (R-Camarillo).

AB 2416 will be considered next by the Assembly Judiciary Committee.

AB 1897 will be considered next by the Assembly Appropriations Committee.

Staff Contact: Jennifer Barrera

Job Creator Bills Set for Hearing

No Penalty for Relying on State Agency Advice

A California Chamber of Commerce-**supported** job creator bill creating certainty for employers that they can rely on written advice from the state on how to comply with labor and employment law is scheduled to be considered by the Assembly Judiciary Committee on April 29.

The bill, **AB 2688 (Brown; D-San Bernardino)**, prevents an employer from being punished for relying on written compliance advice from the state Division of Labor Standards Enforcement (DLSE).

It prevents an employer from being financially penalized through the assessment of statutory civil and criminal penalties, fines, and interest if the employer relies in good faith on written advice from the DLSE, and a court ultimately determines the DLSE's advice was wrong.

Written Guidance

The DLSE is the state agency charged with enforcing the wage, hour, and working condition labor laws. As a part of its effort to fulfill this responsibility, the DLSE issues opinion letters on various wage, hour, and working condition topics, as well as an enforcement manual giving its interpretation and position on these issues.

Currently, employers are encouraged to refer to the DLSE's written materials for "guidance" on these topics when there is no published, on-point case available. Employers are provided with no certainty, however, that they will be shielded from liability if they comply in good faith with the DLSE's written opinions or interpretations.

AB 2688 eliminates this problem and provides businesses in California with the security to know that, if they seek out and receive written advice from the DLSE regarding how to comply with the law, they can actually rely upon that information.

Key Benefits

• AB 2688 **helps small businesses** that lack the financial resources to hire a human resources department or outside counsel for advice on how to comply with labor and employment laws and have only the DLSE for guidance.

• Although AB 2688 prevents the assessment of any penalties, fines, or interest against an employer who can prove its actions were based upon the DLSE's written guidance, the bill **still requires the employer to pay *all* wages owed** to an employee.

In fact, AB 2688 requires an employer who has asserted its good faith reliance on the DLSE as a defense to post a bond for the disputed amount of wages, thereby ensuring the employee is made whole.

• AB 2688 **doesn't protect bad actors**; it requires the employer to prove that it sought out the DLSE's written advice; provided accurate and factual information to the DLSE; conformed its conduct to comply with the DLSE's advice; and that no facts or circumstances changed between the time the advice was received to the time of the alleged act or omission.

Notably, since 1947, the federal government has provided employers who rely in good faith upon the advice, opinion letters, and guidance of the U.S. Department of Labor regarding the Fair Labor Standards Act with a complete defense against liability.

In the more than 60 years this law, the Portal-to-Portal Act, has been in effect, there have not been any reported abuses of "bad actors" manipulating the system or process in order to gain an unfair advantage.

• To avoid any concern about any potential change in administration or the Labor Commissioner's office, AB 2688 includes an **automatic sunset date** of January 1, 2021.

Action Needed

The CalChamber is urging members to contact their Assembly representatives and members of Assembly Judiciary to voice **support** for **AB 2688**.

An easy-to-edit sample letter is available at ***www.calchambervotes.com***.

Staff Contact: Jennifer Barrera

CalChamber Backs Proposition 65 Lawsuit Relief for Small Businesses

The California Chamber of Commerce is **supporting** a bill that will protect small businesses from Proposition 65 lawsuits and has labeled it a job creator.

AB 2361 (Jones; R-Santee) provides needed relief to small businesses by prohibiting a person from bringing a Proposition 65 lawsuit against a business employing fewer than 25 employees.

Proposition 65, "The Safe Drinking Water and Toxic Enforcement Act of 1986," was designed to protect California's drinking water from chemicals known to cause cancer or birth defects, and to warn members of the public about the presence of those chemicals in their environment to help them avoid exposure.

Proposition 65 requires, among other things, that private businesses with more than 10 employees post warnings, which can take the form of placards, when they knowingly expose workers or the public to listed chemicals. There are more than 770 chemicals on the list.

Shakedown Lawsuits

The law provides government enforcement and private civil enforcement. Unfortunately, due to lucrative awards of penalties and attorneys fees, a limited number of plaintiffs have engaged in shakedown lawsuits against small businesses over a lack of a sign.

These lawsuits can easily cost several thousand dollars to litigate, causing many small businesses to settle out of court whether or not they actually needed to have signage posted, or if due to a good faith mistake they failed to realize signage was necessary.

Business Protections

Last year, recognizing the impact of

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Job Creator Bills Fail to Pass Committee

Two California Chamber of Commerce-**supported** job creator bills failed to move out of the Assembly Labor and Employment Committee this week.

One bill sought to provide more scheduling flexibility to meet the needs of employees and employers; the other aimed to allow employers a right to cure errors in an itemized wage statement before being subject to litigation.

The flexible workweek schedules bill, **AB 2448 (Jones; R-Santee)**, would have allowed an employer and employee to voluntarily agree to individual flexible work schedules that accommodate both the needs of the employee and reduce overtime costs for employers.

AB 2079 (Grove; R-Bakersfield) sought to limit frivolous litigation against employers regarding unintentional errors on wage statements by allowing an employer 33 days to cure any violation before a civil action is filed.

Flexible Work Schedules

AB 2448 aimed to eliminate the burdensome alternative workweek election process and allow the employee the opportunity to request a four, 10-hour day workweek schedule that will address the needs of both the employer and the employee.

In supporting AB 2448, the CalChamber and a broad coalition of nearly 40 employer groups and local chambers of commerce pointed out that California is one of only three states that require employers to pay daily overtime after eight hours of work and weekly overtime after 40 hours of work.

Even the other two states that impose daily overtime requirements allow the employer and employee to waive the daily eight-hour overtime requirement through a written agreement. California, however, provides no such common-sense alternative.

Rather, California requires employers to navigate through a multi-step process to have employees elect an alternative workweek schedule that, once adopted, must be "regularly" scheduled.

The process is filled with potential traps for costly litigation, as one misstep may render the entire alternative workweek schedule invalid and leave the employer on the hook for claims of unpaid overtime wages.

Right to Cure Errors

AB 2079 would have helped curb frivolous litigation under the Private Attorney General Act (PAGA) by allowing an employer 33 days to cure any alleged violation. If the employer cannot cure the violation, the employee still would have been able to file a civil action and obtain any unpaid wages, penalties, and attorneys fees.

This reform provided the appropriate balance of allowing an employer to correct unintentional errors, while still protecting the employee's ability to obtain information regarding how his/her wages were calculated during the pay period.

The reduction of litigation promoted by AB 2079 would have helped employers invest more financial resources in growing their business and compensating their employees, rather than litigation costs.

Key Votes

AB 2448 and AB 2079 failed to pass Assembly Labor and Employment on April 23 on votes of 2-5:

Ayes: Grove (R-Bakersfield), Gorell (R-Camarillo).

Noes: Hernández (D-West Covina), Alejo (D-Salinas), Chau (D-Monterey Park), Holden (D-Pasadena), Ridley-Thomas (D-Los Angeles).

Staff Contact: Jennifer Barrera

CalChamber Backs Proposition 65 Lawsuit Relief for Small Businesses

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these lawsuits on businesses, the Legislature passed CalChamber-supported AB 227 (Gatto; D-Los Angeles; Chapter 581), which provides businesses with fewer than 25 employees a 14-day window to cure a Proposition 65 signage violation relating only to specific situations, including exposure to alcoholic beverages, exposure to chemicals created through food preparation at a restaurant, environmental tobacco smoke or engine exhaust in a noncommercial parking structure.

AB 2361, however, would apply more broadly than AB 227, allowing businesses with fewer than 25 employees to cure any type of signage violation.

With so many chemicals on the Proposition 65 list, including everyday products, it's easy to understand why business owners sometimes fail to realize a warning sign is required. Further, many business owners determine that signage is not warranted given the exposure levels of a particular chemical at their business establishment, but attorneys will still a make an allegation in a demand letter in order to pressure the business into handing over a small settlement or risk ruinous litigation.

AB 2361 will help eliminate the inappropriate use of litigation against these small businesses who can least afford these drive-by lawsuits, while ensuring that the public does receive Proposition 65 warnings when appropriate.

A hearing on AB 2361 is scheduled for April 29 in the Assembly Environmental Safety and Toxic Materials Committee.

Staff Contact: Anthony Samson

Legislative Briefing/Host Breakfast Registration Deadline Near: May 9

The deadline to register for the California Chamber of Commerce Legislative Briefing and Host Breakfast is approaching quickly.

The legislative briefing on May 20 will give attendees the opportunity to get the inside scoop from CalChamber President and CEO Allan Zaremberg about the politics behind major issues affecting employers' ability to stay competitive.

Also on the agenda will be a rundown on key contested legislative races for the June primary, and updates on the status of CalChamber job creators and "job killers."

Zaremberg will be the moderator as Sacramento political journalists Anthony York and John Myers offer their insights on political currents in California.

Lunch is included in registration for the briefing, set for 10:30 a.m.–1 p.m.

Host Reception/Breakfast

In the evening following the briefing is the Sacramento Host Reception, a networking opportunity for business leaders from all industries in California to discuss key issues facing the state.

The reception is a prelude to the Sacramento Host Breakfast the following morning, May 21. The Host Breakfast provides a venue at which California's top industry and government leaders can meet, socialize and discuss the contemporary issues facing businesses, the economy and government.

Traditionally, the Governor of California and the chair of the CalChamber Board of Directors speak on issues facing employers in California. Leaders from throughout the state are invited to join the discussion.

Registration

Registration for the briefing, Host Reception and Host Breakfast is $50. Space is limited. The registration deadline is May 9.

For more information or to register, visit ***www.calchamber.com/2014briefing-hostb***.

Staff Contact: Danielle Fournier

www.calchamber.com/2014briefing-hostb

Proposal to Discourage Frivolous Lawsuits Moves

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er's name on the wage statement was "Spherion Pacific Work, LLC," instead of Spherion's legal name, "Spherion Pacific Workforce, LLC."

The employee did not allege that this truncated version of the employer's name misled her, confused her, or caused her any injury. Although the court ultimately dismissed the lawsuit, the employer incurred unnecessary legal costs and attorneys fees to have the case dismissed.

Attorneys Fees

AB 2095 seeks to discourage such bad faith litigation by awarding an employer attorneys fees if the lawsuit is proven to be frivolous, unreasonable or without foundation.

Although AB 2095 will not eliminate all cases that lack merit, it will certainly dissuade the filing of some frivolous cases. Any reduction of bad faith litigation will allow employers to devote more financial resources to growing their business and growing their workforce.

Key Vote

AB 2095 passed the Assembly Labor and Employment Committee 6-1.

Ayes: Chau (D-Monterey Park), Gorell (R-Camarillo), Grove (R-Bakersfield), Hernández (D-West Covina), Holden (D-Pasadena), Ridley-Thomas (D-Los Angeles).

No: Alejo (D-Salinas).

Staff Contact: Jennifer Barrera

California-Only Labeling Requirement Moves in Senate

From Page 1

food distribution chain. This provision closely mirrors Proposition 65, which spawned numerous lawsuits that resulted mostly in settlements benefiting litigators. There is no reason to think that the same thing won't happen again under SB 1381.

Bounty hunter provisions cost the business community millions of dollars defending baseless lawsuits when those resources would be better spent on research and development, expansions and employee compensation or benefits.

California citizens already decided this issue when they voted in 2012 to reject Proposition 37, which was similar in content and intent to SB 1381. It is unconscionable that the voters' wishes are being ignored and the issue is again being raised, this time in the Legislature.

Key Vote

SB 1381 passed the Senate Judiciary Committee on April 22, 4-2:

Ayes: Jackson (D-Santa Barbara), Corbett (D-San Leandro), Lara (D-Bell Gardens), Leno (D-San Francisco).

Noes: Anderson (R-Alpine), Vidak (R-Hanford).

No vote recorded: Monning (D-Carmel).

Action Needed

SB 1381 will be considered next by the Assembly Agriculture Committee. Contact committee members and your Assembly representative and urge them to **oppose SB 1381**.

Staff Contact: Valerie Nera

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CalChamber's new mobile app is a great companion when you're on the go. That's because **HRWatchdog** spotlights important changes to federal and California employment law, as well as HR trends and other news.

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