

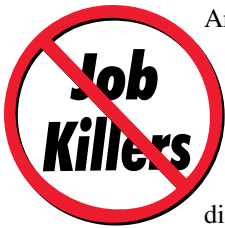
# ALERT

VOLUME 40, NUMBER 19 • JUNE 27, 2014



## Split Roll Parcel Tax Dies in Assembly Committee

*Would Have Increased Business, Consumer Costs*



An opposition effort headed by the California Chamber of Commerce has killed a legislative proposal that would have allowed school districts to create a

split roll at the local level with regard to parcel taxes.

**SB 1021 (Wolk; D-Davis)**, identified by the CalChamber as a “job killer,” sought to allow a school district to impose a parcel tax on property used for commercial purposes as opposed to residential properties.

### Unfair, Discriminatory

“The Assembly Revenue and Taxation Committee did the right thing by rejecting an unfair, discriminatory split roll bill that would have raised rents and costs for all businesses, especially small businesses,” said CalChamber President and CEO Allan Zaremberg. “The committee turned back an assault on California’s historic commitment to uniformity and fairness in property taxation.”

“Policy makers understood the flaws in this proposal and its potential to kill

jobs,” said CalChamber Policy Advocate Jennifer Barrera. “The increased costs faced by commercial property owners under SB 1021 would have been passed along to consumers or resulted in hiring reductions or cuts to benefits for workers in local communities.”

Similarly, the bill would have allowed a school district to impose a parcel tax solely on properties that exceed a certain square footage so as to only include commercial property and exclude residential property for higher tax rates.

SB 1021 sought to redefine the term “special taxes that apply uniformly” to mean special taxes that may be applied discriminatorily and unfairly.

### Layers of Taxes

Nothing in SB 1021 would have prevented the school district from imposing both a parcel tax based upon use as well as a parcel tax based upon square footage, thereby allowing a district to impose layers of taxes against commercial versus residential property.

The likelihood of a school district imposing discriminatory parcel taxes is

*See Split Roll Parcel Tax: Page 7*

## CalChamber in Court State High Court Decisions: One Victory, One Mixed



One decision issued by the California Supreme Court this week marked a victory for the business perspective on defibrillators, while the second was a partial win

affecting arbitration agreements.

The California Chamber of Commerce joined the Civil Justice Association of California (CJAC) in filing friend-of-the-court briefs in both cases.

In ***Verdugo v. Target Stores***, the state high court agreed with the **CalChamber/CJAC** argument that Target had no common law duty to have and make available an automatic external defibrillator for use in a medical emergency.

The court did say it is up to the Legislature to create such a duty if one is needed.

In ***Iskanian v. CLS Transportation***, the court agreed with the **CalChamber and CJAC** that because federal law preempts the state, a waiver of class action lawsuits in an arbitration agreement may be allowed.

But the court disagreed with CalChamber/CJAC in ruling that lawsuits under the state Private Attorneys General Act (PAGA) cannot be waived in an arbitration agreement.

*See State High Court: Page 4*

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### Inside

**Action Needed on Draft  
Heat Illness Rules: Page 3**

## Labor Law Corner

# Can Employers Prohibit E-Cigarettes in the Workplace?



**Sunny Lee**  
HR Adviser

*We are getting complaints from employees who are objecting to vapor cigarettes at work. Is there anything we can do?*

Yes, an employer has the right to adopt a policy governing its own worksite that prohibits or restricts the use of electronic cigarettes (e-cigarettes) at work in the same manner as regular cigarettes.

Labor Code Section 6404.5 applies to

California employers of five or more employees and prohibits smoking of tobacco products in the workplace. When that law went into effect on January 1, 1995, e-cigarettes were not in existence.

Until the courts, the U.S. Food and Drug Administration (FDA) and the Legislature act on regulating e-cigarettes, it is best not to tell employees that state law prohibits e-cigarettes in the workplace, but rather to develop and communicate to employees your own company policy on the use of e-cigarettes in the workplace.

### Outdoor Areas

Outdoor areas over which an employer has control—such as patios, parking lots, walkways, etc.—also may be included. If it is a public sidewalk or parking lot, however, and you do not own the property, then you would need to check to see if there is a local ordinance that restricts the use of e-cigarettes in outside areas.

California cities can enact local ordinances that ban electronic cigarettes in

parks, restaurants and other places where cigarettes are banned—so be sure you know the rule in your city.

### Pending State/Federal Action

At the state level the issue is yet to be addressed. SB 648, introduced in the state Legislature in 2013, would prohibit the use of e-cigarettes in the workplace. That bill has passed the Senate and is awaiting action in the Assembly.

Currently the FDA has not regulated e-cigarettes, but is looking into the issue.

### Health Issues

While an employee may say that he/she should not be prohibited from using e-cigarettes at work because they do not cause health issues, currently there is not enough information available to assess the health risks to persons exposed to vapor.

Further, all employers in California have the obligation to provide a safe and healthy workplace for all employees. If you have no company policy restricting smoking of e-cigarettes at work and the

*See Can Employers Prohibit: Page 3*

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## CalChamber-Sponsored Seminars/Trade Shows

More information: [calchamber.com/events](http://calchamber.com/events).

### Labor Law

HR Boot Camp. CalChamber. August 19, Santa Rosa; September 3, Anaheim. (800) 331-8877.

### Business Resources

12th Annual Conference. California Coalition on Workers' Compensation featuring CalChamber Policy Advocate Jeremy Merz. July 16–18, Anaheim. (916) 441-4111.

Olix Awards. Olix Global. September 1–2, Hollywood. (949) 679-6066.

### International Trade

Trade and Investment Opportunities in East Africa. GO-Biz and the Aga Khan Development Network. June 26, Los Angeles. (213) 580-7500.

SEMICON. Malaysia External Trade Development Corporation. July 8–10, San Francisco. (213) 892-9034.

U.S.-Japan Business Networking. Technology Advanced Metropolitan Area Association. July 9, San Francisco. (650) 652-7113.

Hong Kong Export Networking Luncheon. Los Angeles Hong Kong Trade

and Development Council. July 9, Napa. (213) 622-3194.

Streamlining Global Trade. Monterey Bay International Trade Association. July 17, Palo Alto. (831) 335-4780.

Japan-U.S. Innovation Symposium. Japan Society of Northern California. July 25, Stanford. (415) 986-4383.

Governor's Mexico Mission. CalChamber. July 27–30, Mexico City, Mexico. (916) 444-6670.

Ethiopia Business and Investment Forum. Consulate General of Ethiopia in Los Angeles. August 1, Los Angeles. (310) 616-6910.

K-TECH Silicon Valley 2014 Conference/Expo. Korea Trade-Investment Promotion Agency (KOTRA) and National IT Industry Promotion Agency (NIPA). September 24–25, Santa Clara. (408) 432-5044.

**Next Alert: July 11**



# Coalition Questioning Overly Prescriptive Draft Heat Illness Regulation Revisions



The California Chamber of Commerce and a coalition of businesses are preparing to voice their concerns on draft revisions to California's unique heat illness prevention regulations.

The group, known as the Heat Illness Prevention Coalition, is concerned that this proposal goes too far and will hurt employers, while not creating safer outdoor workplaces in California.

California adopted the first heat illness prevention regulation in the nation in 2005. To date, California remains the only state to regulate the prevention of heat illness.

## Draft Changes

The Division of Occupational Safety and Health (Cal/OSHA) submitted a draft version of proposed amendments to the heat illness prevention regulation to the Occupational Safety and Health Standards Board for rulemaking on May 28.

The draft proposal is online at [www.dir.ca.gov/dosh/doshreg/heatillprevent.html](http://www.dir.ca.gov/dosh/doshreg/heatillprevent.html).

## Public Comments

The coalition anticipates a public comment period to open August 1 and the public hearing to occur in mid-September at the Cal/OSHA Standards Board. In the meantime, it is important that employers understand the potential impact of this proposal, and how it changes the current heat illness prevention regulation, Title 8, Section 3395.

**The CalChamber is encouraging businesses to join the coalition and share their concerns regarding the proposed changes.**

In general, the coalition is concerned that the proposed changes are unnecessary, overly burdensome, and would be disruptive to employers already complying with the current requirements.

## No Evidence of Necessity

Cal/OSHA has not shown the need for such far-reaching rules nor provided any evidence of necessity to justify these

changes. It simply states in the draft "Initial Statement of Reasons" that the amendments are needed to clarify the requirements of the regulation, and to ensure that emergency medical services are provided without delay. These amendments not only fail to accomplish these objectives, but also far exceed these stated reasons.

This proposal is unprecedented in its overly prescriptive approach. This micro-managing of workplaces is in conflict with Cal/OSHA's long-standing practice to provide performance rather than prescriptive standards. The proposal is laden with traps for employers so that they can never know when they are in compliance and can always be found to have not done enough.

## Coalition Concerns

The question remains as to whether these provisions are feasible, enforceable and clear enough for compliance. Various provisions are vague, and rather than providing clarity, will leave employers wondering how to comply. Significant concerns include the following:

- **New duty** to establish a method to acclimate employees, buried in written procedures section [(g)(3)].
- **Implications** that a preventative cool down rest break taken by an employee shall be treated as a period of recovery from heat illness, rather than as a preventive measure when an employee feels the need to cool down. [Section (d)(3)]
- **Implications** that an employer must

implement unspecified methods to acclimate employees when temperatures rise. [(f)(1)(D)]

- **May force employers** to assess all employees for symptoms of heat illness during all breaks in temperatures over 80 degrees.

- **New supervisor and designated employee** (not medical personnel) duties for monitoring, observing and assessing employees for signs or symptoms of heat illness during all breaks in temperatures over 80 degrees. [(d)(4) and elsewhere]

- **Significant new exposure** to "be a supervisor, go to jail" liability.

- **Unprecedented mingling** of wage and hour requirements with health and safety requirements, greatly facilitating private attorney actions to enforce heat illness prevention requirements [(e)(6)].

- **Mandates** recovery periods exclusively for agricultural employees, setting a precedent that could spread to all industries.

## Join Coalition

**Readers who wish to join the coalition** and share their thoughts regarding the proposal, as well as join in efforts to maintain a reasonable approach to heat illness prevention in California, please email contact information, and initial thoughts to [heatillness@calchamber.com](mailto:heatillness@calchamber.com).

Individual businesses of all sizes with outdoor employees and associations are encouraged to join.

**Staff Contact: Marti Fisher**

## Can Employers Prohibit E-Cigarettes

*From Page 2*

employee feels that it is a health issue to be exposed to the vapor, then it is best to work with legal counsel to determine the most appropriate accommodation, particularly if the request is supported by a medical note or doctor's certification.

As an employer, you may restrict the use of e-cigarettes in the workplace to ensure other employees are not affected.

Although indoor break areas might be considered, this is not the best choice, as all employees should have access to a

break area that is comfortable for their use. Outdoor break areas that employers have set up in response to employees who want to smoke cigarettes at work may be a choice to consider.

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*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](http://www.hrcalifornia.com).*

## Bill to Ensure Proposition 13 Compliance Moving

### PROP 13

A former “job killer” bill that now clarifies when commercial property should be reassessed under

Proposition 13 passed a Senate policy committee this week.

The California Chamber of Commerce **supports AB 2372 (Ammiano; D-San Francisco)**, which clarifies what constitutes a “change of ownership” under Proposition 13.

#### Predictability, Fairness Critical

Proposition 13 is a critically important part of helping to maintain a positive business climate for California. The predictability and fairness help to balance the overall costs of doing business in the state.

Clarity and transparency when it comes to changes of ownership are very important.

AB 2372 provides needed direction on this issue, stating that a change of ownership triggering reassessment occurs when:

- more than 50% of ownership interests or control has been transferred to an individual or entity; or
- when 90% of the ownership interests, other than trading of stocks, have been cumulatively transferred.

Before amendments that earned CalChamber support and removal of its “job killer” status, AB 2372 targeted commercial property by redefining “change of ownership” so that such property is more frequently reassessed, which ultimately would have led to higher property taxes that would have been passed on to tenants, consumers and potentially employees.

The amendments are narrowly tailored to target actual abusive behaviors when property owners transfer fractions of ownership to various parties, which eventually add up to nearly the entire ownership changing hands.

#### Key Vote

AB 2372 passed the Senate Governance and Finance Committee on June 25, 5-2.

Ayes: Wolk (D-Davis), Beall (D-San Jose), DeSaulnier (D-Concord), Ed Hernandez (D-West Covina), Liu (D-La Cañada Flintridge).

Noes: Knight (R-Palmdale), Walters (R-Irvine).

AB 2372 will be considered next by the Senate Appropriations Committee.

**Staff Contact: Jennifer Barrera**

## State High Court Decisions: One Victory, One Mixed

From Page 1

### Defibrillator

In the *Verdugo* case, the mother and brother of Mary Ann Verdugo, who died of sudden cardiac arrest (SCA) in 2008 while shopping at a Target store in California, alleged that Target Corp. had a common law duty to have an Automatic External Defibrillator (AED) on its premises, which Target did not have when Verdugo suffered the cardiac arrest.

Although a 911 call was made promptly when Verdugo suffered the SCA, it took paramedics several minutes to reach her. By the time they arrived, Verdugo had died.

The California Legislature has enacted numerous laws governing the placement and attendant responsibilities of certain types of facilities for maintaining, testing, and training employees about the use of defibrillators.

For example, health studios are required to have AEDs available. The **CalChamber/CJAC friend-of-the-court brief** pointed out that the Legislature exempts retail stores from any requirement to have AEDs on the premises.

Specifically, California Health and Safety Code 1797.196(f) states in plain language that: “[n]othing in this section or Section 1714.21 may be construed to require a building owner or building manager to acquire and have installed an AED in any building.”

This plain language, the CalChamber and CJAC argued, clearly shows that the defendant is not under a duty to place a defibrillator on its property.

The California Supreme Court agreed that Target had no common law duty to have and make available an AED, also noting that every state appellate court decision on this question has determined that a business’s common law duty to assist patrons who become ill on the business’s premises does not impose such an obligation.

### Arbitration Agreements

In the *Iskanian* case, an employee tried to bring a class action lawsuit on behalf of himself and similarly situated employees for the employer’s alleged failure to compensate its employees for, among other things, overtime and meal and rest periods. The employee had

entered into an arbitration agreement that waived the right to class action lawsuits.

The **CalChamber and CJAC argued** that under the U.S. Supreme Court decision in *AT&T Mobility LLC v. Concepcion*, the California law (as outlined in *Gentry v. Superior Court* (2007) 42 Cal.4th 443) invalidating arbitration agreements with class waivers was preempted by the Federal Arbitration Act (FAA).

The California Supreme Court agreed.

The employee in the *Iskanian* case also tried to file a lawsuit under PAGA, which authorizes an employee to seek civil penalties on behalf of the state against his/her employer for Labor Code violations against the employee and fellow employees, with most of the proceeds of the litigation going to the state.

The California Supreme Court concluded that an arbitration agreement requiring an employee as a condition of employment to give up the right to file lawsuits under PAGA is contrary to public policy. “[T]he FAA does not preempt a state law that prohibits waiver of PAGA representative actions in an employment contract.”

**Staff Contacts: Erika Frank, Heather Wallace**

# Mid-Year Labor Law Update: July 1 Marks Minimum Wage Hike, More New Laws



Several laws that were signed last year will take effect on July 1, including the upcoming minimum wage increase. Employers should take note of the laws below and revise

existing business practices accordingly.

For CalChamber members, *HRCalifornia* will be updated on July 1 to reflect these new laws.

## Minimum Wage

On July 1, 2014, California's minimum wage increases to \$9 per hour from the existing minimum wage of \$8 per hour. This is the first increase to the state minimum wage since January 1, 2008. The minimum wage will increase a second time to \$10 per hour on January 1, 2016.

Employers should examine all pay practices that might be affected by the minimum wage increase. The minimum wage increase affects several employer practices, including:

- Overtime rates of pay;
- Exempt/nonexempt classification.

The minimum salary requirement for administrative, professional and executive exemptions increases to \$3,120 per month;

- Meal and lodging credits;
- Piece-rate pay. Employers must ensure that piece-rate employees receive the minimum wage for each hour worked;
- Draws against future commissions, which must be equal to at least the minimum wage and overtime due to the employee for each pay period (unless the employee is exempt);

- Tools and equipment. Only employees whose wages are at least two times the minimum wage can be required to provide and maintain hand tools and equipment customarily required by the trade or craft in which they work; and
- The subminimum wage rate.

## Notice Requirements

Employers will need to make certain to comply with all notice requirements that are affected by the minimum wage increase.

- First, employers must post California's official Minimum Wage Order (MW-2014) in a conspicuous location frequented by employees. The Department of Industrial Relations (DIR) updated the official notice, which now includes both the July increase and the second increase for January 1, 2016.

- Second, the DIR recently revised all 17 industry Wage Orders. The DIR amended sections 4(A) and 10(C) in orders No. 1 through No. 15, and sections 4(A) and 9(C) in order No. 16. Employers are required to post a copy of the industry Wage Order that applies to their business in a place where employees can read it easily. Use the correct industry Wage Order(s), which now bear a revision date of "07/2014."

- Third, California employers must provide each employee with written, itemized wage statements at the time wages are paid. The wage statements must reflect all applicable hourly rates in effect during the pay period (Labor Code Section 226).

## Paid Family Leave Benefits

Effective July 1, SB 770 expands Paid Family Leave (PFL) wage-replacement benefits for employees to include benefits for time taken off to care for a seriously ill grandparent, grandchild, sibling or parent-in-law.

PFL does not create the right to a leave of absence, but provides California workers with some financial compensation/wage replacement during a qualifying absence.

## Background Checks

Effective July 1, AB 218 prohibits a state or local agency from asking an applicant to disclose information regarding a criminal conviction until after the agency determines the applicant meets minimum employment qualifications. There are specified exceptions, such as when a criminal history background check is otherwise required by law for the position.

At the local level, San Francisco's Fair Chance Ordinance takes effect August 13, 2014. This ordinance limits the use of criminal history information by

San Francisco employers and also requires employers to post a new notice.

## Workers' Compensation Predesignation of Physician

Workers' compensation regulations concerning predesignation of personal physicians also take effect July 1.

According to the DIR, the final regulations change the criteria that an employee must meet to predesignate a personal physician or medical group for work-related injuries or illnesses to conform to SB 863 (which was passed in 2012).

DIR also revised the forms used for predesignating a personal physician or a personal chiropractor and the time of hire pamphlet.

## Work Sharing Plans

The California Employment Development Department (EDD) uses a special work sharing program to help companies avoid mass layoffs by sharing the available work among employees. AB 1392 changes the requirements for those work sharing plans that take effect on or after July 1, 2014.

The EDD's director still must approve plans. For more information about the work sharing program, visit EDD's work sharing webpage at [www.edd.ca.gov/Unemployment/Work\\_Sharing\\_Program.htm](http://www.edd.ca.gov/Unemployment/Work_Sharing_Program.htm).

## Best Practices

- Review your policies and practices to ensure compliance with legal updates.
- Make certain that you update your posters and pamphlets.

- CalChamber's *2014 California and Federal Employment Notices* poster includes the required minimum wage updates.

- Updated *Paid Family Leave* and *Workers' Compensation* pamphlets are available on the CalChamber store.

- Revised industry Wage Orders are available on *HRCalifornia* for both CalChamber members and nonmembers.

- Note to *Employee Handbook Creator* subscribers: an updated PFL policy with the new family member definitions will be provided.

**Staff Contact:** Gail Cecchetti Whaley

# Legislative Outlook

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

## Senate Committee Amends Environmental ‘Job Killer’



Legislation mandating consultation with Native American tribes as part of the environmental regulatory process passed a Senate committee this week.

The Senate Environmental Quality Committee reviewed and recommended a number of amendments to **AB 52 (Gatto; D-Los Angeles)** for the author’s consideration.

The California Chamber of Commerce and a coalition of business groups continue to **oppose AB 52** as a “job killer” because it increases the potential for litigation related to the California Environmental Quality Act (CEQA).

The “job killer” status of the bill will be evaluated if and when the amendments suggested by the committee appear in print.

AB 52 as currently written creates more opportunities for litigation and substantially increases project cost and delay by creating mandatory consultation requirements with Native American Tribes and by requiring lead agencies to analyze a project’s impacts to an entirely new resource area called Tribal Cultural Resources.

The CalChamber and coalition argued that AB 52 will create a disincentive to invest in land, whether to build affordable housing, schools and universities, or construct needed infrastructure such as renewal energy projects, or roads and highways.

**Staff Contact: Anthony Samson**

## Automatic Minimum Wage Increase Fails



A proposal to increase the minimum wage to \$13 an hour by 2017 and tie future increases to inflation failed to pass an Assembly policy committee this week.

Falling short of votes in the Assembly Labor and Employment Committee was **SB 935 (Leno; D-San Francisco)**.

In addition to increasing the minimum wage to \$13 by 2017, SB 935 sought to increase it thereafter according to the Consumer Price Index.

Automatically indexing the minimum wage to inflation, as SB 935 proposed, has always been troubling to the business community because it fails to take into consideration other economic factors or cumulative costs to which employers may be subjected.

Employers are already facing significant cost increases over the next several years, including higher taxes under Proposition 30, increased workers’ compensation rates, loss of the federal unemployment insurance credit, increased energy costs, and increased health care costs associated with the implementation of the Affordable Care Act. There undoubtedly would have been other costs employers would have been struggling with in 2018

when SB 935 sought to tie the minimum wage increase to inflation. These unknown costs, coupled with an unknown economy at that time or thereafter, would have created concern and uncertainty for businesses.

Moreover, placing the increase in minimum wage on auto-pilot is inappropriate when California has a full-time Legislature available and responsible for reviewing whether any adjustment in wages is proper given the state of the economy at that point.

Some committee members expressed concern about increasing the minimum wage so soon after the increase slated to go into effect on July 1.

### Key Vote

The June 25 vote in Assembly Labor and Employment was 3-1.

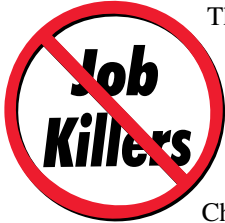
**Ayes:** R. Hernández (D-West Covina), Chau (D-Monterey Park), Ridley-Thomas (D-Los Angeles).

**Noes:** Grove (R-Bakersfield).

**Absent/abstaining/not voting:** Alejo (D-Salinas), Gorell (R-Camarillo), Holden (D-Pasadena).

**Staff Contact: Jennifer Barrera**

## Senate Committee Passes ‘Job Killer’ Bills



The Senate Judiciary Committee this week gave approval to four “job killer” proposals on party-line votes.

The California Chamber of Commerce

continues to **oppose** the bills and cite problems they will create for the state’s job creators.

### Next Step: Senate Floor

- Sent on for consideration by the full Senate was [AB 2617 \(Weber; D-San Diego\)](#) **Interference with Arbitration Agreements and Settlement Agreements.**

AB 2617 unfairly prohibits the enforcement of arbitration agreements or pre-litigation settlement agreements that require the individual to waive their right to pursue a civil action for the alleged violation of civil rights.

The CalChamber argued that AB 2617 interferes with state and federal arbitration laws and likely is preempted. Moreover, courts already provide adequate protection for arbitration agreements, which are an effective and efficient means to resolve claims.

### In Senate Appropriations

Awaiting action in the Senate Appropriations Committee are:

- [AB 2416 \(Stone; D-Scotts Valley\)](#) **Unproven Wage Liens.** The bill 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.

The CalChamber pointed out that AB 2416 will cripple California businesses by allowing any employee, governmental agency, or anyone “authorized by the employee to act on the employee’s behalf” to record liens on an employer’s real property or any property where an employee “performed work” for an alleged, yet unproven, wage claim. This bill would also severely disrupt commercial and personal real estate markets in this state.

- [AB 1522 \(Gonzalez; D-San Diego\)](#) **Paid Sick Leave:** increases employer mandates by requiring all employers, large and small, to provide all employees in California with paid sick leave. AB 1522 also threatens employers with statutory penalties, treble damages and liquidated damages for alleged violations.

In opposing AB 1522, the CalChamber notes that although many employers voluntarily offer sick leave for full-time employees, expanding that benefit to mandate paid sick leave for temporary, seasonal and part-time employees will create a huge burden on employers.

Given the cumulative costs and existing protected leaves of absences with which California employers already are struggling, California should refrain from implementing new mandates such as AB 1522. Rather, California should incentivize employers to offer these additional benefits by reducing costs in other areas—such as providing an exemption from daily overtime or a tax credit—so employers have the capacity to offer paid sick leave.

- [AB 1897 \(Hernandez; D-West Covina\)](#) **Contractor Liability.** AB 1897 unfairly imposes liability on any contracting entity for the contractor’s wage and hour violations and lack of workers’ compensation coverage, despite the lack of any evidence that the contracting entity controlled the working conditions or wages of the contractor’s employees.

The CalChamber has pointed out that the bill would unfairly hold liable the overwhelming majority of employers in California for the wage-and-hour violations of another that they could neither control nor prevent.

### Key Votes

The bills passed Senate Judiciary on June 24 on votes of 5-2:

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

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

AB 2416 also passed the Senate Labor and Industrial Relations Committee on June 25, 4-1:

Ayes: Hueso (D-Logan Heights), Leno (D-San Francisco), Padilla (D-Pacoima), Mitchell (D-Los Angeles).

Noes: **Wyland (R-Escondido).**

### Action Needed

The CalChamber is urging members to contact their legislators to ask them to oppose the “job killer” bills.

Links to easy-to-edit sample letters are available at [www.calchambervotes.com](http://www.calchambervotes.com).

**Staff Contact: Jennifer Barrera**

## Split Roll Parcel Tax Dies in Assembly Committee

From Page 1  
evidenced by the recent case of *Borikas v. Alameda Unified School District*, in which the Alameda School District’s Measure H that sought to tax residential and commercial/industrial properties differently was deemed unlawful.

Moreover, the most recent amendments to SB 1021 confirmed concerns regarding disproportionate parcel taxes. The amendments specified that a parcel tax on commercial or industry property cannot be more than two times a parcel

tax imposed on residential property.

The risk of multiple, nonuniform, targeted taxes against unpopular taxpayers was exacerbated by the provision of SB 1021 that allowed the district to treat multiple parcels the same if the parcels were contiguous or owned by the same owner(s). Under this provision, a school district could have aggregated multiple, smaller parcels owned by one owner to capture all of the properties under a square footage parcel tax.

### Key Vote

Assembly Revenue and Taxation rejected SB 1021 on a vote of 1-3:

Aye: Ting (D-San Francisco).

Noes: **Harkey (R-Dana Point); B. Gaines (Rocklin), Dahle (R-Bieber).**

Not Voting: Bocanegra (D-Pacoima), Bloom (D-Santa Monica), Gordon (D-Menlo Park), Pan (D-Sacramento), V.M. Pérez (D-Coachella),

**Staff Contact: Jennifer Barrera**

# July 1 Compliance Alert



If you aren't displaying a required employment notices poster that includes the \$9.00 state minimum wage for July 1, 2014, act now. Mandatory changes to required Workers' Compensation and Paid Family Leave pamphlets also take effect on that date.

By law, employers must post and hand out the most current employment notices, even if you only have one employee in California. Not informing employees of their rights in the workplace can result in costly lawsuits and fines.

Why wait for "or else"? Order your July 1 compliance products today. CalChamber offers **20% off—while Preferred and Executive members save an extra 20%** after their member discount—through June 30.

**PURCHASE** at [calchamber.com/july1c](http://calchamber.com/july1c) or call (800) 331-8877 with priority code JULC13.

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