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# CalChamber Stops All 29 Job Killer Bills Governor Vetoes Only Job Killer to Reach His Desk



On his final day to act on legislation, Governor Edmund G. Brown Jr. vetoed the last surviving California Chamber of Commerceopposed job killer bill.

AB 3080 (Gonzalez Fletcher; D-San Diego) would have banned arbitration agreements beneficial to employees, employers and the courts.

"We are grateful to the Governor for vetoing this bill and recognizing that, had it become law, AB 3080 would have been preempted by federal law," said Cal-Chamber President and CEO Allan Zaremberg. "The Governor's veto saved California employers from a significant amount of unnecessary litigation." In his September 30 veto message, the Governor stated: "Since this bill plainly violates federal law, I cannot sign this measure."

"We are pleased the Governor recognized the significant flaws of AB 3080," said Jennifer Barrera, CalChamber senior vice president of policy. "Employment arbitration agreements have proven to provide a beneficial forum to resolve disputes for both employers and employees for decades, and are even routinely utilized by unions in their collective bargaining agreements.

"Arbitration agreements expedite the resolution of claims in a less costly environment than sending all claims through an overburdened court system. At the end *See CalChamber Stops: Page 4* 



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#### U.S.-Canada Reach Accord on New U.S.-Mexico-Canada Agreement



On September 30, just before the midnight deadline, the U.S. and Canada came to an agreement on a

new trade pact, rebranding it the United States-Mexico-Canada Agreement (USMCA). The joint statement touts the new agreement as creating "freer," "fairer" and more "robust economic growth in our region."

The revised successor to the North American Free Trade Agreement (NAFTA) is once again officially a trilateral deal. Meeting the midnight deadline allows the countries to sign the deal with Mexico President Enrique Peña Nieto, before he leaves office on December 1.

President Donald J. Trump said he plans to sign the agreement by the end of November and then will send it to Congress. However, Congress likely won't vote on the agreement until next year, as it still has a number of procedural hurdles to clear under the Trade Promotion Authority (TPA).

In a Monday morning news conference from the Rose Garden, President Trump described the new U.S.-Mexico-Canada Trade Agreement as being the most modern, up-to-date and balanced agreement, with the most advanced protections for workers ever developed. President Trump mentioned that

See U.S.-Canada Reach Accord: Page 4

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Final Status Report on Major Bills: Pages 5–15



#### Labor Law Corner Overtime Exemption for Inside Sales Employees Not Like Others



Barbara Wilber HR Adviser

Our exempt inside sales employees make a salary plus commission. Do the salary deduction limitations for exempt employees apply to these employees?

No, the salary limitations, also called the salary basis test, apply only to administrative, executive and professional employees classified as exempt pursuant to both the Industrial Welfare Commission (IWC) orders and the California

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Email: alert@calchamber.com. Home page: www.calchamber.com. Labor Code, Section 515. The inside sales exemption is completely different.

Deciding to use an exemption requires an understanding of the specific criteria associated with that particular exemption. The subject of exemptions is difficult because explanations and references to exempt categories are commonly grouped together.

It is important to review the different exempt categories and to determine how they interact with the payment of a salary. All exemptions are not the same.

#### **Inside Sales Exemption**

The exemption covering inside sales employees exists in the IWC Orders 4 or 7, Section 3 (D) which specifically defines what sections of the order will not apply if you meet the listed criteria.

Section 3 (D) states that subsections 3 (A), (B), and (C) shall not apply to any employee whose earnings exceed oneand-one-half  $(1\frac{1}{2})$  times the minimum wage if more than half of that employee's compensation represents commissions.

This exemption is very specific and provides an exemption to the payment of overtime found in Section 3 of the orders and Labor Code Section 510.

All other sections of IWC Orders 4 and 7 are still in force and apply, such as meal and rest breaks, reporting time, timekeeping, etc. Essentially, the inside sales employee remains a nonexempt employee for all other regulations in the IWC orders.

It is OK to pay a salary to an inside sales employee, as long as you meet the payment requirements pursuant to IWC Order 4 or 7, Section 3 (D). Unlike the salary deduction limitations that apply to administrative, executive and professional exempt employees, you are free to make deductions based on absences from work.

Although the regulations do not restrict salary deductions, your particular salary agreement may. Be sure to review the agreement before making deductions.

#### **Consult Legal Counsel**

Further, meeting this exemption is complicated. Be sure to review the twoprong definition of commissions before using the exemption. In addition, paying with a salary makes compliance a little more challenging. Considering the difficulty meeting the criteria, it is wise to consult with your own counsel.

Employers that believe they qualify for the state overtime exemption will still need to verify that they meet the exemption under the federal Fair Labor Standards Act (FLSA), which has different exemption requirements and a different definition of "commissions."

For more information about the complex rules associated with the inside sales exemption, visit the HR Library at *HRCalifornia*.

Column based on questions asked by callers on the Labor Law Helpline, 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.

#### CalChamber-Sponsored Seminars/Trade Shows

More at *www.calchamber.com/events*. *Labor Law* 

- HR Boot Camp. CalChamber. October 17, San Francisco – SOLD OUT; December 7, Oakland. (800) 331-8877.
- HR Symposium. CalChamber. November 2, San Francisco. (800) 331-8877.

#### **Business Resources**

- 2018 Accessibility Codes and Standards Summit. Certified Access Specialist Institute. October 11–12, Anaheim. (866) 888-9188.
- BusinessH2O Water Innovation Summit: Best Practices from the U.S. and

Israel. U.S. Chamber of Commerce. December 10–11, Phoenix, Arizona.

#### (202) 463-5484. International Trade

Pacific Rim/E-Commerce Export Opportunities Event. California Asian Pacific Chamber. San Francisco State

See CalChamber-Sponsored: Page 4

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# Governor Vetoes CalChamber-Opposed Bills Increasing Health Care Costs



Governor Edmund G. Brown Jr. has vetoed two California Chamber of Commerce-

**opposed** health care bills that would have increased health care premiums if signed into law.

Governor Brown recently vetoed: • AB 2384 (Arambula; D-Kingsburg) sought to mandate medicationassisted treatment for opioid abuse disorders and would have eliminated all quality control and cost containment mechanisms for the treatment, all of which would have significantly increased the cost of health care. The bill is a former job killer.

• SB 399 (Portantino; D-La Cañada Flintridge) would have increased costs and undermined the ability of health care issuers to promote and manage applied behavioral analysis for children with autism by making a number of changes to how the autism services are provided.

#### AB 2384: Prohibits Tools to Control Costs, Protect Consumers

AB 2384 would have eliminated a number of mechanisms that control costs and provide consumer protections. As an example, without utilization tools, patients could shift to higher-priced treatments and away from lower-priced treatments with the higher-priced treatment not providing benefits commensurate with the costs.

Also, consumer protections are eroded with the elimination of the tools health insurers use to maintain quality. For example, AB 2384 mandates an insurer to reimburse for a drug regardless of whether it was clinically appropriate for the patient.

Employers and individuals already are facing significant increases in health insurance premiums. In fact, Covered California has announced the 2019 weighted average rate increase for individuals to be 8.7%. Over the last 5 years, Covered California's cumulative weighted average rate increase for individuals has been 42.6%. This mandate would have fallen solely on individuals, and small and medium employers because most large employers are selfinsured and not subject to this mandate.

It also would have encouraged employers that can move to self-insurance to do so as a way to avoid the mandate. The shift to self-insured employers away from insured employers leaves a smaller pool of employers over which to spread the costs of the mandate. Increasing premiums would have driven healthy risk out of the market, leaving fewer to pay for this mandate.

Finally, AB 2384 did not prevent the practice of overprescribing, but rather placed the cost burden of treating the problem solely on individuals, and small and medium employers.

In his veto message, Governor Brown wrote, "While the drugs specified in this bill are useful to treat opioid addiction, I'm not willing to eliminate requirements that may be in the best interest of patients."

#### SB 399: Revised Standards

SB 399 would have revised qualification standards for providers of behavioral health treatment for individuals with autism.

Specifically, the bill would have: 1) prohibited issuers from denying or reducing coverage for applied behavioral analysis when parents or caregivers cannot participate; 2) expanded a benefit mandate; and 3) potentially shifted costs from schools to private insurance coverage.

While well-intentioned, SB 399 would have undermined the ability of health care issuers to promote and manage the use of applied behavioral analysis for children with autism, thereby adding to the problem of rising health care costs and making it harder for Californians to access other important care.

An analysis of prior versions of the bill by the California Health Benefits Review Program (CHBRP) concluded that this mandate would result in an increase in total net annual premiums and enrollee expenses by more than \$3.7 million.

In addition, SB 399 could have shifted costs from schools to the private insurance

market. Although the bill states that health plans are not required to reimburse for services delivered by school personnel, the language left unclear whether the health plans would be required to pay for services if the services provided by the school were insufficient or if the school directed the parent to access the health plan services. Those costs would have been passed on to enrollees and purchasers.

With the significant cost pressures already facing California businesses, the uncertainty in health care policy at the federal level, the 2019 premium increase, and the cumulative increase over the last 5 years, the CalChamber argued that California should not increase costs of health care coverage for employers and enrollees.

Governor Brown wrote in his veto message, "Standards for autism providers were updated last year. I'm not inclined to revise them again."

Staff Contact: Karen Sarkissian

#### **CalChamber Positions**



#### Oppose

Proposition 6 Makes Bridges and Roads Less Safe. Proposition 8 Jeopardizes Access to Kidney Dialysis. Proposition 10 Makes California's Housing Crisis Worse.

#### Support

Proposition 1	Funds Affordable Housing for
	Veterans, Families and Seniors.
Proposition 2	Funds Stable Housing for Individuals
	with Mental Illness.
Proposition 3	Funds Clean, Reliable Water.
Proposition 4	Funds Critical Care at Children's
	Hospitals.
Proposition 5	Removes Unfair Moving Penalty for
•	Seniors, the Severely Disabled and
	Disaster Victims.



#### U.S.-Canada Reach Accord on New U.S.-Mexico-Canada Agreement

#### From Page 1

Mexico President-Elect Andrés Manuel López Obrador has worked closely on the new USMCA trade deal and that they have since established a good working relationship. President Trump also thanked Prime Minister of Canada Justin Trudeau for the work he has put into getting the deal done.

#### Updates to the Agreement

The revised NAFTA deal improves access to Canada's dairy market for U.S. farmers, giving U.S. exporters an estimated additional 3.59% market share. It also provides for stronger intellectual property provisions, and tighter rules of origin for auto production, according to two senior Trump administration officials.

The Chapter 19 dispute-settlement mechanism remains untouched, as Canada had fought for, although the investor-state dispute settlement (ISDS) will be phased out for Canada and restricted to four areas for Mexico.

Canada also agreed to raise the threshold for applying duties to cross-border purchases, which was a key demand from the United States. The new *de minimis* level will be C\$150 (\$117) for customs duties, up from C\$20.

Steel and aluminum tariffs imposed earlier this year will remain in effect and be dealt with separately. However, an agreement in the new pact increases by 800,000 the number of passenger vehicles that come across the border from Canada without being subject to a likely 25% duty.

#### **CalChamber Input**

The California Chamber of Commerce looks forward to learning more details of

the new USMCA trade deal. The Cal-Chamber urges Congress to approve the new USMCA agreement, following the objectives and procedures of the TPA.

Since 2017, the CalChamber has been communicating with the Trump administration to support the renegotiation of a modernized NAFTA. Numerous rounds of trilateral negotiations among the United States, Canada and Mexico finally resulted in agreement.

On June 12, 2017, the CalChamber originally submitted comments on "Negotiating Objectives Regarding Modernization of the North American Free Trade Agreement with Canada and Mexico" to the U.S. Trade Representative—with a copy to the California congressional delegation.

The recently agreed upon U.S.-Mexico deal was written to last for 16 years, but would allow the countries involved to revise or modernize aspects of the deal every six years.

Originally, the CalChamber has opposed the proposed five-year sunset clause, as a forced re-examination of the pact on such a short time frame would cause uncertainty for all parties.

#### **CalChamber Position**

The CalChamber understands that the original NAFTA was negotiated more than 25 years ago, and, while our economy and businesses have changed considerably over that period, NAFTA has not. We agree with the premise that the United States should seek to support higher-paying jobs in the United States and to grow the U.S. economy by improving U.S. opportunities under a new NAFTA.

#### CalChamber-Sponsored Seminars/Trade Shows

#### From Page 2

University and U.S. Commercial Service. October 12, San Francisco. (916) 446-7883.

- Business Opportunities with the Asian Development Bank. Northern California World Trade Center. October 22, Sacramento. (916) 447-9827.
- International Consulate Reception. East Bay Economic Development Alliance. October 25, Oakland. (510) 272-6746.
- China International Import Expo. China International Import Export Bureau.

November 5–10, Shanghai, China. GetGlobal 2018. GetGlobal. November 7–8, Los Angeles.

- Global SFAsia Roadshow. SFAsia. November 26–30, Seoul and Taipei.
- Global ChinaSF Roadshow. ChinaSF. December 3–7, Beijing, Chengdu and Guangzhou.
- Discover Global Markets: Indo-Pacific. U.S. Commercial Service. December 10–12, Salt Lake City, UT. (208) 364-7791.

The provisions of the NAFTA with Canada and Mexico have been beneficial for U.S. industries, agricultural enterprises, farmers, ranchers, energy companies and automakers.

The CalChamber originally actively supported the creation of the NAFTA among the United States, Canada and Mexico—now comprising 489.5 million people with combined annual trade with the United States being around \$1.139 trillion in 2017. In 2017, goods exports exceeded \$525.46 billion, while goods imports totaled nearly \$614.02 billion.

The CalChamber's longstanding support for NAFTA is based upon an assessment that it serves the employment, trading and environmental interests of California and the United States, as well as Canada and Mexico, and is beneficial to the business community and society as a whole. Since 1993, trade among the three NAFTA countries has nearly quadrupled.

Mexico and Canada are California's largest and second largest export markets. A final approval of the USMCA will benefit the California economy and jobs. **Staff Contact: Susanne T. Stirling** 

#### CalChamber Stops All 29 Job Killer Bills

From Page 1

of the day, had this bill become law, the winners would have been trial lawyers, not workers."

"With the Governor's veto of AB 3080, CalChamber has now successfully stopped every piece of job killing legislation proposed this session from becoming law," said Zaremberg.

"We know many of these job killing proposals will return next session, but legislators need to understand that California employers have reached their limit with respect to new laws and regulations that increase costs through threat of litigation and additional burdens that stop them from making future investments in our state's economy," he added.

To see the final status of the 2018 job killer bills, visit *www.calchamber.com/jobkillers*.



Status

# Final Status Report on Major Business Bills

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

The CalChamber will publish a record of legislators' votes on key bills affecting the California business climate on October 19. 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, 2019 unless otherwise stated. Urgency, tax and budgetrelated measures go into effect immediately upon being signed, so the date the bill was signed is noted.

### Subject—CalChamber Position

#### Agriculture, Food and Natural Resources

Land Use Restrictions. AB 2528 (Bloom; D-Santa Monica) Potentially limits private land use by expanding areas protected for non-endangered species. Punishes landowners who managed their lands in a way to enhance the habitat of nearby species. Oppose Unless Amended.	Vetoed
<b>Defensible Space.</b> AB 1954 (Patterson; R-Fresno) Encourages rural landowners to clear vegetation and timber within 300 feet of a habitable structure without the need for a costly Timber Harvest Plan in order to reduce the spread of wildfires. Support.	Signed— Chapter 207
<b>Timber Harvest Plans.</b> AB 2889 (Caballero; D-Salinas) Expedites the permitting process for a Timber Harvesting Plan (THP). Directs the Department of Forestry to provide guidance and assistance to THP applicants. Support.	Signed— Chapter 640

### Air Quality

Refrigerant Ban. SB 1013 (Lara; D-Bell Gardens) Imposes a costly policy for banning certain fluorinated gasses	Signed—
without transparency and without consideration of alternative methods by exempting the rulemaking process from the	Chapter 375
Administrative Procedures Act. Opposition removed June 4, 2018 due to amendments. No Position.	

#### Banking and Finance

<b>Redundant Requirements.</b> SB 818 (Beall; D-San Jose) Before amendments, reinstated onerous unfair paperwork requirements on banks dealing with foreclosures when no crisis exists and is duplicative of federal law. Opposition removed due to June 21, 2018 amendments. No Position.	
<b>Translation of Documents.</b> SB 1201 (Jackson; D-Santa Barbara) Before amendments, opened banks up to liability for misunderstood loan modification documents written in non-English languages prepared by the banks. Opposition removed due to amendments agreed to in Senate Banking and Financial Institutions Committee. No Position.	

### California Environmental Quality Act (CEQA)



Subject—CalChamber Position	Status
<b>Expedites CEQA Process.</b> AB 2341 (Mathis; R-Visalia) Simplifies the environmental review process under the California Environmental Quality Act for refurbishing, converting, repurposing, or replacing existing buildings by stating that lead agencies are not required to perform an aesthetic impacts analysis for such projects so long as they meet certain criteria. Support.	Signed— Chapter 298
<b>Promotes Housing Development.</b> AB 1804 (Berman; D-Palo Alto) Expedites infill development by expanding the existing California Environmental Quality Act exemption for infill projects to unincorporated areas already surrounded by urbanized land uses and populations. Support.	Signed— Chapter 670
<b>Reforms CEQA.</b> AB 2782 (Friedman; D-Glendale) Improves environmental review under the California Environmental Quality Act by authorizing lead agencies to more comprehensively analyze the pros and cons of a project by considering specific economic, legal, social, technological, or other benefits of, and negative impacts of denying, the proposed project. Support.	Signed— Chapter 193

### Climate Change

igned—
hapter 369
C

### Corporate Governance

	Signed— Chapter 954
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#### Crime

New Penalty. AB 1065 (Jones-Sawyer; D-South Los Angeles) Helps limit retailers' losses from thefts by	Signed—
strengthening penalties by creating a new Organized Retail Crime felony in California law. Support.	Chapter 803

# Economic Development/Local Government

<b>Stringent New Requirements on Economic Development Subsidies.</b> AB 2853 (Medina; D-Riverside) Creates onerous local agency reporting requirements both before and during the award of any economic development subsidy to a warehouse distribution center, including requirements that businesses disclose proprietary, competitive information, which will likely lead to a decline in warehouses being built in California, negatively impacting California's economy. Oppose.	Vetoed
<b>Statewide Economic Development Strategic Action Plan.</b> AB 2596 (Cooley; D-Rancho Cordova) Requires the Governor's Office of Business and Economic Development (GO-Biz) to lead the preparation of a California Economic Development Strategic Action Plan, with the goal of creating a process by which the office can identify economic challenges that confront the state. Support.	Vetoed
<b>Extended Alcohol Hours.</b> SB 905 (Wiener; D-San Francisco) Creates pilot program giving six cities the ability to extend alcohol sales to 4 a.m. after meeting certain criteria. Support.	Vetoed



Status

### Education

<b>Career Technical Education.</b> AB 1808 (Committee on Budget) Incorporates job creator policy from AB 1743, which extends and improves the Career Technical Education Incentive Grant program, which provides students with necessary training and education to prepare them for a variety of career options. Support.	Signed 6/27/18— Chapter 32
<b>Career Technical Education.</b> AB 1809 (Committee on Budget) Incorporates job creator policy from SB 1243, which establishes the California STEM (Science, Technology, Engineering and Mathematics) Pathways Grant Program, providing \$10 million for selected schools to create public-private partnerships to prepare students for high-skilled, high-demand jobs in technology, manufacturing, health care and finance. Support.	Signed 6/27/18— Chapter 33
<b>Onerous Disclosure Requirements.</b> AB 2361 (Weber; D-San Diego) Imposes onerous disclosure requirements on contractors of the University of California that will force public reporting of proprietary information as well as personal employee data, with the threat of barring the contractor from bidding on any contract for five years if the contractor makes a mistake or omission. Oppose.	Vetoed
<b>Education Accountability.</b> AB 3188 (Thurmond; D-Richmond) Encourages schools to prioritize both career and college preparation for students which will help reduce dropout rates, increase graduation rates, and better prepare students for the workforce. Support.	Vetoed

### **Elections and Fair Political Practices**

Prohibits Compensation on a Per Signature Basis. AB 1947 (Low; D-Campbell) Denies the right to address	
grievances with government through initiatives, referendums and recalls by making it a misdemeanor for a person to pay	
for signature collection on a per-signature basis for state or local initiatives, referendums or recall petitions. Oppose.	

### Energy

<b>Increased Energy Costs.</b> SB 100 (de León; D-Los Angeles) Increases the cost of energy and threatens the reliability of the grid by mandating an ambiguous zero-carbon energy by 2045 planning goal and requirements for regulatory agencies in the state. Oppose.	Signed— Chapter 312
<b>Increased Energy Cost.</b> AB 3232 (Friedman; D-Glendale) Before amendments, would have increased the cost of energy by adding an additional greenhouse gas emissions target on top of already-existing energy efficiency targets. Opposition removed due to May 29, 2018 amendments. No Position.	Signed— Chapter 373
<b>Provides Disincentives for Investment in Energy Reliability Upgrades.</b> SB 1339 (Stern; D-Canoga Park) Prohibits businesses that use diesel or gasoline backup generators for electricity generation from accessing favorable rate treatment proposed by the bill for customers who are considering investments in microgrid technology. Oppose Unless Amended.	Signed— Chapter 566
<b>Provides Energy Certainty.</b> AB 1879 (Santiago; D-Los Angeles) Provides certainty to business by allowing a natural gas supplier to provide a new natural gas connection to homes and businesses in the state. Support.	Signed 9/18/18— Chapter 481



Status

## **Environmental Regulation**

<b>Jeopardizes Existing and Future Energy Production.</b> SB 834 (Jackson; D-Santa Barbara) Takes away California's ability to produce its own resources in state lands by repealing existing authority from the California State Lands Commission to issue, renew, modify or extend a lease or conveyance for oil and natural gas production if the lease would result in an increase of production from federal waters. Oppose.	Signed— Chapter 309
<b>Jeopardizes Existing and Future Energy Production.</b> AB 1775 (Muratsuchi; D-Torrance) Takes away California's ability to produce its own resources in state lands by repealing existing authority from the California State Lands Commission to issue, renew, modify or extend a lease or conveyance for oil and natural gas production if the lease would result in an increase of production from federal waters. Oppose.	Signed— Chapter 310
<b>Undermines California Office of Spill Prevention and Response.</b> AB 2864 (Limón; D-Goleta) Before amendments, provided the California Coastal Commission with regulatory authority, rather than an advisory role, equal to that of the California Department of Fish and Wildlife Office of Spill Prevention and Response despite the Commission having no institutional experience or staff expertise to play such a role. Opposition removed due to May 25, 2018 amendments. No Position.	Signed— Chapter 311
<b>Increased Permitting Fees and Delayed Permitting.</b> SB 774 (Leyva; D-Chino) Before amendments, exposed permittees to unknown, increased fees by providing the Department of Toxic Substances Control (DTSC) a blank check to impose additional fees on permittees to implement and perform its statutory requirements when its primary sources of funding have structural deficits and created substantial uncertainty and delay of facility permitting by interjecting a new board into the organizational structure. Gutted and amended to a different subject area. Opposition and job killer status removed due to August 16, 2018 amendments. No Position/Former Job Killer 2018.	Vetoed
Acute Toxicity Study Bill. AB 2474 (Quirk; D-Hayward) A positive first step toward reducing the number of products that are treated as hazardous waste when disposed of at retail by requiring the California Department of Toxic Substances Control to evaluate whether either or both of specified tests can be adapted to be appropriate for use in identifying substances as hazardous waste or extremely hazardous waste. Support.	Vetoed
<b>Unnecessary Hazardous Waste Regulation.</b> AB 3138 (Muratsuchi; D-Torrance) Before amendments, imposed increased and unnecessary costs on stationary sources by imposing a punitive \$25,000 per day civil or administrative liability on a person or stationary source that violates either the provisions of a risk management plan or other Hazardous Materials Management provisions, even if the violation was unintentional. Opposition removed due to May 25, 2018 amendments. No Position.	Signed— Chapter 308
<b>Provides Regulatory and Cost Relief for Used Oil.</b> AB 2928 (Chen; R-Walnut) Provides a pathway for "highly controlled used oil" to be better managed in such a way that it is not treated as hazardous waste unnecessarily, reduces costs, and ensures that highly controlled used oil is recycled instead of commingled with contaminated oils and solvents. Support.	Signed— Chapter 440

## Health Care

Increases Health Care Premiums. AB 2384 (Arambula; D-Kingsburg) Before amendments, increased health care	Vetoed
premiums by mandating medication-assisted treatment for opioid use disorders and by eliminating all quality control	
and cost containment mechanisms. Job killer tag removed due to June 14, 2018 amendments, but CalChamber	
remains opposed. Oppose/Former Job Killer 2018.	
remains opposed. Oppose/Former Job Killer 2018.	



Subject—CalChamber Position	Status
<b>Increases Health Care Premiums.</b> SB 399 (Portantino; D-La Cañada Flintridge) Increases costs and undermines the ability of health care issuers to promote and manage applied behavioral analysis for children with autism by making a number of changes to how the autism services are provided. Oppose.	Vetoed
<b>Unreasonable Administrative Cost Cap.</b> AB 2499 (Arambula; D-Kingsburg) Before amendments, potential loss of access by small businesses and individuals to agents who assist in their selection of health plans and management of their coverage, jeopardized proactive fraud prevention efforts and potentially would have driven insurers out of the market by reducing the amount of the premium that can be used to support the insurer's administrative activities. Opposition removed due to June 18, 2018 amendments. No Position.	Signed— Chapter 678
<b>Increases Health Insurance Premiums.</b> AB 2193 (Maienschein; R-San Diego) Before amendments, increased health care costs by driving up health care premiums requiring insurers to develop and make available case management for enrollees who may have maternal mental health conditions. Opposition removed due to August 17, 2018 amendments. No Position.	Signed— Chapter 755
<b>Medical Loss Ratio.</b> SB 1008 (Skinner; D-Berkeley) Before amendments, perpetuated the belief that the medical loss ratio is appropriate for dental coverage and beneficial to the consumer by including it on the uniform benefit form. Opposition removed due to August 6, 2018 amendments. No Position.	Signed— Chapter 933
<b>Pharmacy Access.</b> SB 1442 (Wiener; D-San Francisco) Before amendments, threatened access to pharmacy services by requiring a pharmacist to be assisted by at least one other employee at all times regardless of unforeseen circumstances. Opposition removed due to June 21, 2018 amendments. No Position.	Signed— Chapter 569
<b>Increases Health Care Costs.</b> SB 349 (Lara; D-Bell Gardens) Before amendments, increased health care costs by setting dialysis clinic staffing ratios to the most stringent in the country and mandating transition times between patients leading to patient access issues with no clear evidence of clinical benefit to dialysis patients. Gutted and amended August 24, 2018 to a different subject area. Opposition removed. No Position.	Vetoed

# Housing and Land Use

<b>Amends Unlawful Detainer and Eviction Notice Process.</b> AB 2343 (Chiu; D-San Francisco) Before amendments, would have driven up the cost of providing rental housing in the state by tripling the amount of notice a landlord is required to provide a tenant in order to begin a lawful eviction process, extending the due date for rent to the middle of the month, and allowing a tenant who has joined a "tenant association" to stop paying rent merely by claiming landlord retaliation. Opposition removed due to June 25, 2018 amendments. No Position.	Signed— Chapter 260
<b>Imposes New Penalties for Cannabis Violations.</b> AB 2164 (Cooley; D-Rancho Cordova) Before amendments, provided authority to local governments to impose new fines and penalties on any person responsible for a continuing violation pertaining to building, plumbing, electrical or other zoning issue relating to the cultivation of cannabis with no right of appeal for the property owners, who may have no knowledge that their tenants are violating local and state laws. Opposition removed due to May 29, 2018 amendments. No Position.	Signed— Chapter 316
<b>Improves Assessment for State Housing Needs.</b> SB 828 (Wiener; D-San Francisco) Strengthens the Regional Housing Needs Assessment (RHNA) by increasing state-level oversight over local and regional housing obligations. Support.	Signed— Chapter 974
<b>Expedites Housing Construction.</b> AB 2973 (Gray; D-Merced) Expedites housing construction in certain jurisdictions by extending the expiration date of existing and unexpired tentative maps, vesting tentative maps, and parcel maps that relate to the construction of single or multifamily housing by 24 months for jurisdictions that remain economically depressed. Support.	Signed— Chapter 830



Subject—CalChamber Position	Status
<b>Promotes Fairness in Housing Construction.</b> AB 2913 (Wood; D-Healdsburg) Provides that a permit would remain valid if the work on the site authorized by that permit is commenced within 3 years after its issuance, or if the work authorized on the site by the permit is suspended or abandoned for a period of up to 3 years after the time the work is commenced. Support.	Signed— Chapter 655
<b>Spurs Housing Development.</b> AB 3194 (Daly; D-Anaheim) Encourages much-needed residential housing construction in California by closing two loopholes often used by local governments to deny extending the protections of the Housing Accountability Act. Support.	Signed— Chapter 243

# Immigration

New Labor Code Requirement Subject to Private Attorneys General Act (PAGA). AB 2732 (Gonzalez Fletcher;	Vetoed
D-San Diego) Creates new onerous requirements for employers to provide a worker bill of rights document to all	
employees, have them sign it, give them a copy of the signed document, keep the original for three years, and post	
the document. Oppose Unless Amended.	

### Industrial Safety and Health

<b>Usurps Cal/OSHA Priorities.</b> AB 2963 (Kalra; D-San Jose) Requires Cal/OSHA to treat as a serious violation a rule that does not constitute any violation of Cal/OSHA rules, and redirects Cal/OSHA resources, which will undermine existing Cal/OSHA priorities. As a result of a blood lead level of employees reported to the Department of Public Health, the bill requires a workplace inspection by Cal/OSHA within three days, as if a serious violation has been reported where none exists. Oppose.	Vetoed
<b>Expensive Public Database.</b> AB 2334 (Thurmond; D-Richmond) Before amendments, the bill sought to publicly shame employers by establishing a California-specific searchable website requiring each employer's injury and illness records to be provided for public review, that can be misconstrued and distorted in a manner that does not reflect employers' commitment to the safety of their employees while providing no advancement of worker safety. Opposition removed due to May 25, 2018 amendments. No Position.	Signed— Chapter 538

## Labor and Employment

<b>Significant Expansion of Harassment Discrimination and Retaliation Liability.</b> SB 1300 (Jackson; D-Santa Barbara) Limits the use of nondisparagement agreements and general releases and, through the codified intent language, attempts to restrict the ability to summarily adjudicate harassment claims and lower the legal standard for actionable harassment claims by providing a directive to the courts on how to they should interpret the law. These provisions will significantly increase litigation against California employers and limit their ability to invest in their workforce. Job killer status removed due to August 20, 2018 amendments, but CalChamber remains opposed. Oppose/Former Job Killer 2018.	Signed— Chapter 955
<b>Extension of Statute of Limitations.</b> AB 1870 (Reyes; D-Grand Terrace) Unnecessarily extends the statute of limitations from one year to three years for all discrimination, harassment and retaliation claims filed with the Department of Fair Employment and Housing. Oppose Unless Amended.	Vetoed



Subject—CalChamber Position	Status
Labor Contractor Joint Liability. AB 3081 (Gonzalez Fletcher; D-San Diego) Placed in the Labor Code additional, often duplicative, sexual harassment protections and training requirements, which are already protected under the Fair Employment and Housing Act (FEHA) and created burdensome leave of absence requirements for employers. As amended, the bill expands joint liability for labor contractors to all employment-related harassment claims, not just sexual harassment complaints as limited in the bill's prior version. There is no basis for a business that contracts for services being deemed statutorily liable for harassment of another's employees when there is absolutely no way in which that contractor can engage or force the labor contract company to comply with provisions of the FEHA or the Labor Code. Oppose.	Vetoed
<b>Sexual Harassment Employer/Employee Protection.</b> AB 2770 (Irwin; D-Thousand Oaks) Codifies case law to ensure victims of sexual harassment and employers are not sued for defamation by the alleged harasser when a complaint of sexual harassment is made and the employer conducts its internal investigation. This bill also provides additional protections to employers by expressly allowing employers to inform potential employers about the sexual harassment investigation and findings. Reducing the cost of frivolous litigation allows an employer to utilize these financial resources to grow its workforce. Sponsor/Job Creator 2018.	Signed— Chapter 82
<b>Lactation Accommodation.</b> SB 937 (Wiener; D-San Francisco) Significantly amends current law regarding lactation accommodations by implementing new location standards, employer policy requirements, document retention, and supplementary Labor Code penalties. Oppose Unless Amended.	Vetoed
<b>Lactation Accommodation.</b> AB 1976 (Limón; D-Goleta) Before amendments, established new mandates for employers regarding lactation accommodations even though this could create an undue hardship on employers with limited space. As amended, the bill contains a hardship exemption and clarifying language regarding what temporary spaces are appropriate as lactation accommodations. These amendments take into consideration the vast array of facilities that conduct business in California while creating a narrow exemption for employers that simply cannot provide a private location for employees to express breastmilk other than a bathroom. Support.	Signed— Chapter 940
<b>Disclosure of Personal Contact Information.</b> AB 2455 (Kalra; D-San Jose) Requires the state to turn over personal information of registered home care aides to unions for the purpose of organizing. Oppose.	Signed— Chapter 917
<b>Sexual Harassment Complaint Document Retention.</b> AB 1867 (Reyes; D-Grand Terrace) Before amendments, created a confusing mandate whereby employers with 50 or more employees must maintain internal complaint records of employee complaints alleging sexual harassment for a minimum of 5 years after the last day of employment of the complainant or any alleged harasser named in the complaint, whichever is later. Opposition removed due to June 21, 2018 amendments. No Position.	Vetoed
Janitorial Workers Training Requirements. AB 2079 (Gonzalez Fletcher; D-San Diego) Mandates additional registration, enforcement, and training requirements on employers and individuals in the janitorial business. Oppose.	Vetoed
<b>Joint Liability.</b> SB 1402 (Lara; D-Bell Gardens) Requires customers of a motor carrier service provider to be jointly and severally liable with the motor carrier for unpaid wages, unreimbursed expenses, damages and penalties, including applicable interest. Oppose.	Signed— Chapter 702
<b>Criminal Background Checks.</b> SB 1412 (Bradford; D-Gardena) Before amendments, prohibited employers in specific industries from seeking particular conviction history information of an applicant, creating a conflict with federal law requirements. Opposition removed due to August 23, 2018 amendments. No Position.	Signed— Chapter 987



Subject—CalChamber Position	Status
<b>CalWORKs Participation.</b> SB 926 (Skinner; D-Berkeley) Before amendments, allowed a participant in the CalWORKs program to refuse to comply with the program based on the participant's independent determination that the employer-provided schedule is too unpredictable. Opposition removed due to May 26, 2018 amendments. No Position.	Vetoed
<b>General Contractor Wage-and-Hour Liability.</b> AB 1565 (Thurmond; D-Richmond) Prevents general contractor liability for wage theft that the subcontractor committed if the general contractor already paid the subcontractor in full and was not involved in the wage theft. Gutted and amended May 24, 2018. No Position.	Signed 9/19/18— Chapter 528
<b>Rest Breaks, Petroleum Facilities.</b> AB 2605 (Gipson; D-Carson) Promotes public and employee safety by ensuring that petroleum facilities may require that safety-trained employees keep radios on during their rest breaks in case of an emergency. Support.	Signed 9/20/18— Chapter 584

# Legal Reform and Protection

<b>Ban on Settlement Agreements and Arbitration Agreements.</b> AB 3080 (Gonzalez Fletcher; D-San Diego) Significantly expands employment litigation and increases costs for employers and employees by banning settlement agreements for labor and employment claims as well as arbitration agreements made as a condition of employment, which is likely preempted under the Federal Arbitration Act and will only delay the resolution of claims. Banning such agreements benefits the trial attorneys, not the employer or employee. Oppose/Job Killer 2018.	Vetoed
<b>Confidentiality Provisions.</b> AB 3109 (M. Stone; D-Scotts Valley) Specifies the limitations of a non-disclosure provision in a settlement agreement for claims involving sexual harassment and assault, so that the Legislature, courts, or administrative agencies can resolve disputes or policy debates involving these issues. Support.	Signed— Chapter 949
<b>Confidentiality Provisions.</b> SB 820 (Leyva; D-Chino) Limits the ability to informally resolve civil cases that include an allegation of harassment or failure to prevent harassment, which will encourage defendants to pursue a trial on the merits of such cases to prove such claims lack merit and clear any public concerns regarding reputation, thereby increasing the burden on the trial courts. Oppose.	Signed— Chapter 953
<b>International Commercial Arbitration.</b> SB 766 (Monning; D-Carmel) Clarifies that out-of-state attorneys and attorneys from foreign jurisdictions may apply to appear and represent parties in international commercial disputes hosted in California, which will create a greater opportunity for California to host these proceedings and provide business opportunities for the state. Support.	Signed— Chapter134
<b>Economic Barrier.</b> AB 2192 (M. Stone; D-Scotts Valley) Before amendments, limited publishers' ability to recoup costs on time, effort, and money invested into peer-reviewed manuscripts that are based upon research developed through state grants by mandating such publications are free and open to the public within 6 months of completion, which would have jeopardized quality of these manuscripts and the continued investment in such manuscripts. Opposition removed due to April 5, 2018 amendments. No Position.	Signed— Chapter 296

## Other

Vetoed
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Status

# Privacy and Technology

<b>California Consumer Privacy Act of 2018.</b> AB 375 (Chau; D-Monterey Park/Hertzberg; D-Van Nuys). This bill, effective January 1, 2020, would require businesses to do the following, among many other things, upon the request of a consumer: inform the consumer as to what personal information (PI) is being collected about them and whether their PI is being sold and to whom; provide to the consumer the categories and specific pieces of PI the business has collected about that consumer; delete any PI collected from the consumer; and permit the consumer to opt-out of or to opt-in to the sale of their PI, depending on age of the consumer. This bill also creates significant class action liability for a company in the wake of a data breach, creating a private right of action for any consumer whose data has been breached to sue for significant statutory damages without any proof of injury required. Although CalChamber opposed this bill, we preferred it to the privacy ballot initiative, which was much worse and has since been pulled from the ballot due to the passage of AB 375.	Signed— Chapter 55
<b>AB 375 Technical Clean-Up Vehicle.</b> SB 1121 (Dodd; D-Napa) Originally removed the requirement of economic injury for standing to bring a claim in California against a company for a data breach, undermining the intent of voters, and drastically increasing liability for companies without providing any corresponding benefit to California consumers. Following enactment of AB 375 consumer privacy law in June, developed as an AB 375 technical clean-up vehicle. CalChamber worked with members and other affected parties to create a list of technical fixes. Job killer status removed due to August 27, 2018 amendments containing negotiated clean-up language to AB 375, including delayed enforcement of AB 375 and provisions clarifying that AB 375 private right of action applies only to additional liability for businesses after a data breach. As a result, CalChamber supports SB 1121. Support/Former Job Killer 2018.	Signed 9/23/18— Chapter 735
<b>Connected Devices.</b> AB 1906 (Irwin; D-Thousand Oaks) Beginning on January 1, 2020, requires manufacturers of connected devices to equip those devices with reasonable security features appropriate to the nature of the device. Opposition removed due to May 9, 2018 amendments. No Position.	Signed— Chapter 860
<b>Connected Devices.</b> SB 327 (Jackson; D-Santa Barbara) Before amendments, imposed onerous, duplicative and premature data security and notification mandates on manufacturers and retailers of devices that connect to the internet. Opposition removed due to January 11, 2018 amendments. No Position.	Signed— Chapter 886
<b>Third-Party Sharing by Places of Lodging and Bus Companies.</b> SB 1194 (Lara; D-Bell Gardens) Prevents private businesses from sharing guest and passenger information without a court-issued warrant, subpoena, or order except as specified. Opposition removed due to June 20, 2018 amendments that carve out third-party sharing for business purposes. No Position.	Signed— Chapter 853
<b>Online Sales.</b> AB 2511 (Chau; D-Monterey Park) Requires online retailers to take reasonable steps to verify the age of the purchaser and to refrain from delivering proscribed products to persons under 18. Opposition removed due to August 24, 2018 amendments. No Position.	Signed— Chapter 872
Automated Technology or "Bots." SB 1001 (Hertzberg; D-Van Nuys) Makes it unlawful for any person to use a bot with the intention of misleading and without disclosing that it is a bot and is not a natural person. Opposition removed due to June 21, 2018 amendments. No Position.	Signed— Chapter 892
<b>Blockchain Technology Working Group.</b> AB 2658 (Calderon; D-Whittier) Requires the Secretary of the Government Operations Agency to appoint a blockchain working group, on or before July 1, 2019, to evaluate the use of the technology. Support.	Signed— Chapter 875



Subject—CalChamber Position	Status
<b>Social Media Working Group.</b> SB 1424 (Pan; D-Sacramento) Requires the Attorney General to establish an advisory committee to study the problem of false information on internet-based social media platforms and to make recommendations. Opposition removed due to May 10, 2018 amendments. No Position.	Vetoed
<b>Unmanned Aircraft Systems (UAS).</b> SB 1355 (Hill; D-San Mateo) Prohibits use of drones above the grounds of a prison or jail. Oppose.	Signed— Chapter 333
<b>Driver License Information.</b> AB 2769 (Cooper; D-Elk Grove) Prohibits businesses from storing driver license information for more than 24 hours without prior written consent. Concerns were removed based on April 19, 2018 narrowing amendments. No Position.	Signed— Chapter 548

### **Product Regulation**

<b>Misinformed Chemical Regulation.</b> AB 2998 (Bloom; D-Santa Monica) Imposes an overly broad chemical regulatory regime by restricting the sale of any "flame retardant chemical" used in juvenile products, mattresses, or upholstered furniture, even for chemistries not yet invented or evaluated by regulatory authorities. Oppose.	Signed— Chapter 924
<b>Risks California Jobs and Limits Consumer Options.</b> SB 1249 (Galgiani; D-Stockton) Before amendments, jeopardized hundreds of thousands of California manufacturing, distribution and retail jobs by effectively banning for sale any cosmetic product whose ingredient was tested on animals for any purpose, by anyone, anywhere in the world. As many cosmetic products contain active ingredients that are required by state, federal and international law to be animal tested for purposes of demonstrating human health and safety, SB 1249 would have severely handicapped American cosmetic companies that have no control over animal testing done on shared ingredients for purposes unrelated to cosmetics. Opposition removed due to August 28, 2018 amendments. No Position.	Signed— Chapter 899
<b>Labeling.</b> AB 2632 (Santiago; D-Los Angeles) Protects consumer product and food manufacturers from lawsuits by clarifying package labeling requirements regarding the amount of product and packaging. Support.	Signed— Chapter 544
<b>Provides Ingredient Information to Salon Employees.</b> AB 2775 (Kalra; D-San Jose) Ensures that ingredient information is readily available to every salon employee and customer by requiring professional cosmetic products manufactured on or after July 1, 2020, to have a label affixed on the container that satisfies all of the labeling requirements for any other cosmetic pursuant to the federal Food, Drug, and Cosmetic Act and the federal Fair Packaging and Labeling Act. Support.	Signed— Chapter 393
<b>Clarifies Cleaning Product Right to Know Act.</b> AB 2901 (Committee on Environmental Safety and Toxic Materials) Provides greater clarity for implementation of the 2017 Cleaning Product Right to Know Act by making minor technical changes to certain terminology. Support.	Signed— Chapter 28

#### Recycling

New Recycling/Composting Requirements. SB 1335 (B. Allen; D-Santa Monica) Before amendments, forced food service facilities operating in California state agencies or facilities to stop using disposable food service ware by 2021 unless 75% or more of the packaging can be recycled or composted. Since the mandated recycle/compost rate was not achievable within the time frame allotted, the bill served as a "de facto" ban on single-use cups, take-out containers, plates, trays and bowls in all state facilities. Opposition removed due to August 24, 2018 amendments which, unlike earlier versions, are material neutral and create a stakeholder process for ongoing industry input at CalRecycle to evaluate all food service material types in order to develop a list of products acceptable for use at state facilities. No Position.



Status

### Taxation

<b>Extension of Film Tax Credits.</b> SB 871 (Committee on Budget and Fiscal Review) Extends California's current job creator tax credit for motion picture and television productions, which has a sunset date of July 1, 2020, for an additional five years, continuing the success of this tax credit, which has brought more film and television production jobs to this state and has increased business to California companies that supply productions with goods and services. Support.	Signed 6/27/18— Chapter 54
<b>Abatement of Taxes.</b> AB 2503 (Irwin; D-Thousand Oaks) Extinguishes annual taxes (and related interest and penalties) that continue to improperly accrue to businesses that no longer exist, because they failed to complete the paperwork necessary for dissolution. Support.	Signed— Chapter 679

### Telecommunications

<b>Net Neutrality.</b> SB 822 (Wiener; D-San Francisco) Preempted by federal law and opens the door to a patchwork of unworkable state regulations that will stymie innovation and potentially undermine the backbone of California's internet economy. Oppose.	Signed— Chapter 976
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### Transportation and Infrastructure

<b>Impedes Regulatory Efforts.</b> AB 87 (Ting; D-San Francisco) Before amendments, potentially impeded efforts to adopt regulations guiding autonomous vehicle testing by codifying language for regulations before the current rulemaking process is complete. Opposition removed due to August 6, 2018 amendments. No Position.	Signed— Chapter 667
<b>Streamlines Requirements.</b> SB 1080 (Roth; D-Riverside) Streamlines driver licensing requirements for active duty military and their families so they can begin earning extra income through ride-sharing without unnecessary fees and delays. Support.	Signed— Chapter 511
<b>Encourages Development.</b> AB 427 (Muratsuchi; D-Torrance) Encourages economic development by creating the California Aerospace and Aviation Commission to support the health and competitiveness of California's aerospace manufacturing sector. Support.	Vetoed

### Water Supply and Quality

Land Use. AB 2975 (Friedman; D-Glendale) Before amendments, restricted adjacent and nearby private property	Signed—
owners' use of their lands by automatically giving any federally delisted wild and scenic rivers protection under the	Chapter 221
state act, but retaining federal elements. Opposition removed due to May 29, 2018 amendments. No Position.	



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