

ALERT

Water Conveyance Project: Public Review Process Opens



The public review process has begun on the latest proposal to modernize

the state's water distribution system with a project to convey water through the Sacramento-San Joaquin Delta.

The Delta is central to the aging water distribution system that provides water for more than two-thirds of Californians.

The current system was built more than 60 years ago to deliver water from the Sierra Nevada through the Delta to homes, farms and businesses throughout the state.

The existing Delta infrastructure is

vulnerable due to the ongoing degradation of natural habitats, the threat of catastrophe if Delta levees collapse from an earthquake and increasing water salinity from rising sea levels.

Modernized System

Options covered in the draft environmental impact report (EIR) for the [Delta Conveyance Project](#) include Governor Gavin Newsom's proposal for a single pipeline water conveyance project.

According to the state Department of Water Resources (DWR), if the project had been operational during the big storms in October and December 2021, DWR could have captured and moved about 236,000 acre-feet of water —

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Federal Inflation Reduction Bill: Review of Impact on California



Given its size and economic diversity, California will both enjoy and

suffer some major effects of the Inflation Reduction Act — approved Saturday by the U.S. Senate and headed for approval by the U.S. House of Representatives and President Joe Biden.

Budget experts estimate that over 10 years the bill would spend about \$260 billion, but it would also raise taxes by \$326 billion in the same period. According to the Wharton School, the bill would have almost no effect on gross domestic product (GDP), and would

slightly increase inflation for the next two years but then lead to lower prices.

Touted as the most important and far-reaching federal legislation ever to address climate change, the measure would provide tens of billions of dollars in tax credits, grants, and programs to mitigate greenhouse gas emissions.

Spending in California

Much of the spending in California either supplements similar state programs, or would offset some costs of mandates implemented by California legislation or regulation:

- Extend a consumer tax credit of up to \$7,500 for the purchase of new electric vehicles, and offer for the first

See Federal: Page 6

BizFile Online Offers Centralized Resource for Businesses



CalChamber President and CEO Jennifer Barrera joined California Secretary of

State Shirley N. Weber, Ph.D. and other officials at a hybrid news conference on August 4 to highlight the BizFile Online portal providing online secure services for California businesses.

Located at <https://bizfileonline.sos.ca.gov/>, the web center pulls together in one location links to the many services businesses new and old need to conduct operations in California, including filing required statements or lien notices, searching business records or trademarks, and ordering forms.

Barrera commented that the BizFile platform provides a centralized resource that enables businesses to start off on the right foot, to be successful and to continue to be successful.

Secretary of State Weber reported that in the four months since the “soft launch” of the BizFile Online portal in April, they have seen an adoption rate of more than 80%. Moreover, business filings submitted online have less than a 1% rejection rate, versus a 31% rejection rate for paper filings.

A partial list of tasks that can be accomplished via the BizFile Online portal includes the following. First-

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Labor Law Corner

Layoffs Involve Some Strict Rules with a Bit of Employer Discretion



Dana Leisinger
HR Adviser

Due to a number of reasons, we are going to have to lay off a few employees. I have heard that there are certain rules to layoffs. What are those rules?

First, both California and federal law require advance notice of mass layoffs. These rules are strict, but again — this is in the event of a “mass” layoff, not the question posed above.

Second, if the company is unionized, the terms of the Collective Bargaining Agreement (CBA) apply, so any rules regulating layoffs in the CBA must be followed.

Next, some employees may have employment contracts that offer protections. Some employees have written employment agreements that guarantee continued employment for a certain period. If there is such a clause, it must be honored.

No Discrimination

Additionally, employers must not discriminate in layoffs. Even though employment in California is “at will,” meaning employees can quit or be fired for any reason as long as it’s not an illegal reason, employers must take care not to discriminate when choosing which employees will be subject to a layoff.

If all employees chosen are in a particular protected category, the employer should rethink their reasons for the layoff.

Nevertheless, employers have a certain amount of discretion in deciding whom to lay off. A common misconception is that there is a requirement of “last hired is first fired.” Certainly, employers can follow that policy, but this is not the law.

Layoffs can be a time for parting with poor performers, employees with chronic absenteeism that is not protected, employees with poor attitude, or simply individuals who aren’t working out.

No Promises

Whatever reason an employer uses to lay off staff, it is important not to make promises of re-employment down the road. Even if the employer does want to rehire an individual, things can change, and most companies don’t want to be boxed in to rehiring someone.

Last, laying off employees can be tricky, and employers may find it beneficial to consult an employment law professional before making the layoff decisions.

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.

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CalChamber-Sponsored Seminars/Trade Shows

More at www.calchamber.com/events.

Labor and Employment

Leaves of Absence: Making Sense of It All Virtual Seminar. CalChamber. August 25–26, September 29–30, Online. (800) 331-8877.

HR Boot Camp Virtual Seminar. CalChamber. September 8–9, Online. (800) 331-8877.

Best Practices for Compliant Paid Time Off Policies. CalChamber. September 15, Online. (800) 331-8877.

Virtual HR Symposium. CalChamber. November 3–4. (800) 331-8877.

International Trade

2022 Taiwan Trade Shows. Taiwan External Trade Development Council. Through October 30, Online and In-Person. +886-2-2725-5200.

Japan Infrastructure Investment Forum. Ministry of Land, Infrastructure, Transport and Tourism, U.S. Department of Transportation, California State Transportation Agency. August 23, San Francisco. (415) 780-6064.

Exporting 101: Pathways to Developing International Markets. California

Centers for International Trade Development. August 24, November 9, February 22, 2023, Online. (559) 243-7280.

ANDICOM 2022. AmCham Colombia. August 31–September 2, Cartagena, Colombia. (601) 587-7828.

Concrete Show South East Asia 2022. MEREBO GmbH Messe International.

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CalChamber Calendar

Water Committee:

September 8, Laguna Niguel
ChamberPAC Advisory Committee:
September 8, Laguna Niguel

Board of Directors:

September 8–9, Laguna Niguel

International Trade Breakfast:

September 9, Laguna Niguel
ChamberPAC Legislative Roundtable:

September 9, Laguna Niguel

Public Affairs Conference:

November 29–30, Laguna Niguel

The Workplace

Latest Issues Employers Are Asking About on Labor Law Helpline



In **Episode 157** of The Workplace podcast, CalChamber employment law expert Matthew Roberts and CalChamber HR Adviser

Ellen Savage discuss the issues employers are asking about most often on the CalChamber Labor Law Helpline, including: the new California Department of Public Health definition of “close contact” regarding COVID-19 isolation protocols; webcam usage concerns; remote work-related expenses; retention bonuses; and more.

‘Close Contact’ Definition

COVID-19 remains a hot topic of discussion and one of the most frequently asked questions has to do with the revised definition of “close contact,” Roberts says.

The California Division of Occupational Safety and Health (Cal/OSHA) recently updated its [COVID-19 Frequently Asked Questions](#) to reflect changes that the California Department of Public Health (CDPH) made to its definition of “close contact,” Savage explains.

In June, CDPH changed its previous definition, and now “close contact” is someone who shares the same airspace (such as a home, clinic, waiting room, airplane) for a cumulative total of 15 minutes or more over a 24-hour period during an infected person’s infectious period. Cal/OSHA’s FAQ stated that the “airspace” will have to be analyzed on a case-by-case basis.

When considering the “airspace,” employers should consider the proximity

employees had with one another, and how long they were together. If two employees were on opposite sides of a big warehouse all day, they are probably not a close contact. But if they sat together in the break room during their lunch, and chatted about last night’s episode of Ted Lasso, then they are probably close contacts, Savage says.

Another factor to consider, Roberts adds, is how ventilated a room is, because obviously, the more ventilated and the larger the space is, the less likely someone would be considered a close contact.

Roberts recommends that an employer contact legal counsel if they can’t decide whether employees have been in “close contact.”

Remote Work: Webcam Concerns

The COVID-19 pandemic has changed the nature of work and many employees are spending some or all of their time working remotely now, Roberts says. One interesting issue that has come up is whether employers can require workers to be on a webcam throughout the course of the day.

Although there are plenty of privacy issues going on with remote work, when it comes to webcams, employers are looking at some serious privacy issues that probably go way beyond what we’re used to in the workplace, Savage says.

In California, privacy rules are stronger than in much of the country. One question that has to be considered is whether the webcam will be used on a work-issued laptop/device or used on an employee-owned device.

“Obviously, I have a much greater expectation of privacy on my own

computer than on the company laptop. My computer’s got my private emails and texts, my banking information, probably medical records of some sort, that I have a reasonable expectation of privacy in,” Savage says.

Another question to consider is whether an employee will be notified that they are being monitored. Savage points out that employers must consider that many remote employees are working in private spaces, such as their bedrooms, and if the employer is secretly filming everything that the employee does on their work laptop while in their bedroom, then it’s a lawsuit waiting to happen.

Remote Work Expenses

California law is clear about what are necessary expenses versus what expenses an employee has simply because they prefer to work at home in their bunny slippers, Savage says. If an employer requires an employee to work from home, then the employer will likely need to pay for some reasonable expenses, such as internet, phone, and other types of necessary equipment and technology.

Expenses such as toilet paper, heating and air conditioning, and others must be evaluated to consider what is truly necessary and whether the employee is working from home because it’s what they prefer or if they are being required to work remotely.

Retention Bonuses, Salary Increases

An issue employers are still concerned with is workforce retention, Roberts says. In particular, employers have been asking about retention bonuses or substantial

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CalChamber Member Feedback

“CalChamber’s strategic thinking and leadership drive policy outcomes beyond what we could achieve alone.”

Julie Kregger King
Greater Northern California Operations Leader
Antea Group

CalChamber Offers Free 2022 Midyear Employment Law White Paper



As we move into the latter half of 2022, California employment law continues to move

along — and employers should make sure they're complying with the new regulations, court rulings, local ordinances and other employment law developments that have occurred thus far in 2022.

Luckily, one of CalChamber's employment law experts has highlighted

the significant updates and changes in our free *2022 Midyear Employment Law Update* white paper, which includes information on:

- **All COVID-19-related developments**, such as the 2022 COVID-19 Supplemental Paid Sick Leave benefit and the **third readoption** of the California Division of Occupational Safety and Health (Cal/OSHA) COVID-19 Emergency Temporary Standards, including several updated key definitions;
- **Local ordinance updates**, including local minimum wage rate increases,

several of which removed their different minimum wage rates based on employer size, and amendments to San Francisco's Family Friendly Workplace ordinance;

- **Questions** the Ninth Circuit Court of Appeals asked the California Supreme Court about whether third-party business entities acting as an agent of the employer can be held directly liable for Fair Employment and Housing Act (FEHA) violations or if California employers bear the ultimate responsibility; and

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Latest Issues Employers Are Asking About on Labor Law Helpline

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salary increases to get employees to stay with the company.

There are many issues that employers will need to consider, such as equal pay and discrimination, but there also are wage and hour concerns, Savage says.

For example, retention bonuses and hiring bonuses are considered nondiscretionary bonuses. So, the employer will need to calculate the bonus amount back into the employee's regular rate of pay. Assuming the employee is nonexempt, the employer will have to calculate that amount into the employee's overtime for whatever period that bonus is deemed to cover, and that amount also will need to be calculated into meal and rest penalties, sick pay and COVID-19 sick pay.

In addition to these wage and hour components, which are very real and are a very real trap for employers, the employer will also need to justify providing compensation to one employee within a class and not to others, Roberts points out. Giving one employee a retention bonus could create a pay disparity with another employee who doesn't receive that retention bonus and is doing the same or substantially similar work as the first employee.

Roberts explains that pay disparities may exist, but the employer will need to be able to justify it with some bona fide factor, a legitimate business reason for which that pay disparity exists and that is not based upon sex, gender or race.

Hiring Minors

In California, all minors need to have a work permit year-round, even if it's

during summer break and the minor is out of school, Savage explains. If the person is 18 years old or has graduated from high school, then a permit is not needed. Minors are allowed to work only for a limited number of hours per day, depending on how old the minor is.

She further explains that per federal law, no one under 14 can work except in extremely limited circumstances, such as working on their parents' farm, making Christmas wreaths, occasional babysitting or lawnmowing.

A [free online booklet](#) from the Labor Commissioner is available, containing comprehensive information on child labor laws; school attendance; wage, hour and age requirements; restrictions; employer requirements and work permits.

Real Workplace Situations

HR professionals also call the Helpline with unique real-life scenarios.

Recently, an employer called because they were accommodating the domestic violence issues an employee was going through and they were providing additional security at work and giving her time off to get temporary restraining orders, Savage says. The employer called the Helpline because the employee shipped a gun to herself to the company mailbox.

The employer had a very clear policy in their employee handbook that no guns or other weapons were allowed in the workplace. Because being a victim of domestic violence is not enough to override these rules, the employer could discipline and even terminate the employee for violating such an important safety rule.

Another employer called the Helpline

because an employee was terminated but failed to return her boss' property. The employee had been tasked with taking her boss' dress shirts (which allegedly were worth about \$1,600) to the dry cleaners, but when she got fired, she never gave the shirts back. The HR director called to ask whether the cost of the shirts could be deducted from the employee's final paycheck, Savage says.

All the employee would have to do in this case, Savage says, is tell the Labor Commissioner that her final check was withheld and that she didn't steal her boss' shirts; then the employer would be on the hook for all kinds of penalties.

The best practice here is, unless you are certain that you've got ground to stand on for deductions from final pay, just don't do it, Roberts warns.

"It's never worth it," he says.

Another issue that has been asked frequently on the Helpline concerns restroom usage and gender identity.

In California, Savage explains, employees are allowed to use the restroom that aligns with their gender identity.

"We cannot say to employees, 'Well, since you're transitioning, or since you're transgender, you've got to use this little single-stall restroom over here, rather than the main bathroom.' It's just not an option," she says.

These rules, however, don't change health and safety rules, Roberts adds. If someone is using a bathroom, regardless of their gender identity, and they're creating a health or safety issue within the restroom, then it's something that can be regulated and can be discussed with the employee.

Foreign Direct Investment in State, U.S. Rebounding After Dropping During COVID



International economies continued to be beset by the detrimental effects of the

COVID-19 pandemic last year, reducing the amount of foreign direct investment in the United States.

This led to California losing nearly 500 foreign-owned enterprises (FOE) and the more than 73,000 workers these firms employed, according to a [recent report](#) by the Governor's Office of Business and Economic Development (GO-Biz), World Trade Center Los Angeles (WTCLA) and the Center for International Business Education (CIBE) of Loyola Marymount University.

Despite these losses, the report signals there are encouraging signs of recovery. After reaching alarming highs in 2020, unemployment rates in the United States began their return to pre-pandemic rates and vaccinations allowed industries and businesses to reopen their doors with lowered fears of infection.

Foreign direct investment (FDI) saw

a strong rebound, rising 77% year-over-year to \$1.65 trillion in 2021 across the globe, according to United Nations Conference on Trade and Development (UNCTAD). FDI in the United States increased by 114% to \$323 billion.

Although these are encouraging signs, the report points out that there still is a great deal of uncertainty surrounding international trade and investment. The war between Russia and Ukraine could have wide-ranging effects across Eurasian continents and beyond. Labor and supply chain bottlenecks, inflationary pressures and rising energy prices also are persistent challenges.

FDI in California

California remains an attractive location for foreign direct investment from around the world, with an estimated 17,966 foreign-owned firms operating in California in 2021. These firms employ an estimated 630,159 residents, who earned approximately \$64.1 billion in wages last year.

Japan remains the foremost investor in California, with 3,523 firms employing 105,053 residents and paying nearly \$11

billion in wages. The United Kingdom remains in the second spot, with France, Canada and Germany making up the rest of the top five.

Southern California's 10-county region is the primary location for the state's foreign direct investment, with 10,934 FOEs and 405,465 Californians employed by these firms.

The 15 counties of the Bay Area contribute 5,680 establishments and nearly 190,000 employees, with the remaining 1,352 FOEs and 35,000 workers residing in Greater California.

When comparing industries, retail trade supports the largest number of FOEs in California at 4,285; manufacturing, wholesale trade, and professional and business services all have close to 3,000 firms located in the state. The manufacturing industry remains the top employer by far, with just fewer than 235,000 Californians working in manufacturing FOEs, earning a cumulative \$25.7 billion in wages.

To access the *Foreign Direct Investment in California, 2022* report, [click here](#).

CalChamber Offers Free 2022 Midyear Employment Law White Paper

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• **Key court cases** related to meal and rest breaks, whistleblower retaliation and corporate board membership.

You'll also learn about several employer arbitration-related developments, including amendments to the Federal Arbitration Act and the high-pro-

file U.S. Supreme Court *Viking River Cruises* decision, to name just a few.

CalChamber members can [download](#) the white paper from the HR Library. Nonmembers can download it [here](#).

Other white papers are available as well. At CalChamber, we're all about helping California businesses do busi-

ness. We provide expert guidance and advocacy for California employers so businesses like yours can comply with frequently changing labor laws and thrive in a heavily regulated environment. Not a member yet? See how CalChamber [can help you](#).

CalChamber-Sponsored Seminars/Trade Shows

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September 14-17, Jakarta, Indonesia. 49-40-399 99 05-15.

British Politics After Boris Johnson. Institute of European Studies, University of California, Berkeley. September 19, UC Berkeley Campus and Online. (510) 643-4558.

Discover Global Markets: The Blue Economy: A New Age in Ocean Tech-

nology, Sustainability and Logistics.

U.S. Commercial Service. September 20-22, Providence, Rhode Island.

Arabian Adventures with the Los Altos Chamber of Commerce. October 4-11, Dubai and Abu Dhabi. (866) 978-2997.

Beijing International Life and Health Industry Expo. Ministry of Commerce, World Federation of Chinese Medicine

Societies, Chinese Research Hospital Association, China Chamber of International Commerce. November 25, Online. +86 15801079798.

U.S. EXIM Bank 2022 Annual Conference. Export-Import Bank of the United States. December 13, Washington D.C. (800) 565-3946.

Water Conveyance Project: Public Review Process Opens

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enough for about 2.5 million people or nearly 850,000 households for a year — into the San Luis Reservoir.

“If approved after completion of the environmental review process, the project will also help California manage through periods of severe drought like the one the state is experiencing now,” DWR said in a news release.

New Delta water transmission infrastructure was one of [four essential projects](#) the California Chamber of Commerce and a coalition of Water Conveyance said the state should develop to ensure ongoing, reliable new water sources to serve urban and agricultural uses.

Project Benefits

Supporters say the single pipeline conveyance system will:

- **Protect water security** for two-thirds of the state. Without action, water supplies through the state’s main distribution infrastructure will become increasingly unreliable.

- **Improve the reliability and security of the state’s water system** by modernizing aging infrastructure using the most innovative technologies and engineering practices.

- **Prepare for the impacts of climate change** by improving the state’s ability to capture, move and store water to account for extreme swings in drought and flood, and protect against salinity caused by sea-level rise.

- **Serve as a critical component** of a comprehensive water portfolio for state and local water managers.

More Information

To help interested parties understand and navigate the draft EIR, DWR has prepared informational resources and tools. Items include explainer videos, fact sheets, brochures, flyers and more. The materials are available on the Delta Conveyance Project website at www.deltaconveyanceproject.com.

Timeline

The 90-day comment period on the draft project EIR will end on October 27. DWR will respond to “substantive comments” in the final EIR and projects that the EIR will be finalized in fall 2023.

Staff Contact: Brenda Bass



Photo by California Department of Water Resources

Drone aerial view shows Bethany Dams and Reservoir, located on the California Aqueduct at the south end of the Delta. One proposed path for the single pipeline conveyance would end at Bethany Reservoir.

- **Protect water supplies from the effects of climate change, sea level rise and earthquakes** by delivering water through a modern water pipeline rather than solely through today’s deteriorating level system.

BizFile Online Offers Centralized Resource for Businesses

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time users are advised to sign up for an account to gain access to certain tasks. A detailed PDF help file with illustrations is available.

- **Business Entities:** Free search for a corporation, limited liability company and limited partnerships of record with the California Secretary of State with free PDF copies of more than 17 million business entity documents. Users who have created an account and are logged in also can register a business, file a statement of information, reserve a business entity (BE) name, request a BE certificate of status or a BE certified copy.

- **Liens:** Free search of the Secretary of State Uniform Commercial Code (UCC) data base for abstracts of lien notices filed. A user who has created an account and is logged in can file a lien/lien amendment or request a certified lien search.

- **Information and Resources:** New



CalChamber President and CEO Jennifer Barrera is seated at left for the in-person segment of the BizFile news conference.

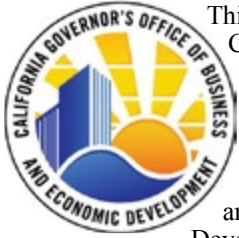
business checklist, verify business entity and lien certificates. A user account gives a person access to their own business and UCC records, plus business entity and UCC bulk orders.

- **Trademarks and Special Filings:** Register a trademark, modify a regis-

tered trademark, search for a California trademark, verify trademark certificates, search for an immigration consultant or a successor-in-interest.

A video of the news conference is available at <https://www.facebook.com/CaliforniaSOS/videos>.

\$85 Million in Tax Credits Available for California Businesses



This year's California Competes Tax Credit (CCTC) application period is underway and the Governor's Office of Business and Economic Development (GO-Biz)

has up to \$85 million in tax credits available to award businesses that want to locate in California or stay and grow in the state.

The tax credit program has a total of \$304,727,233 in tax credits allocated for the 2022–2023 fiscal year, which will be split among three separate application periods. This year, applications may be submitted between:

- July 25, 2022 to August 15, 2022: \$85 million available;

- January 3, 2023 to January 23, 2023: \$120 million available; and
- March 6, 2023 to March 20, 2023: \$99.7 million plus any remaining unallocated amounts.

About the Credit

Businesses of any size and in any industry are eligible to apply for this tax credit. There is no fee to apply. To apply, visit <https://business.ca.gov/california-competes-tax-credit/>.

Applicants will be evaluated based on 12 factors, including:

- Number of jobs created or retained;
- Amount of investment;
- Overall economic benefit to the state;
- Opportunities for future growth and expansion.

An application guide, Frequently

Asked Questions (FAQs), program regulations, and a downloadable version of the webinar presentation are available [here](#).

Informative Webinar Available

Before each application period, GO-Biz hosts online webinars about the CCTC program. Each webinar consists of a 45-minute presentation, followed by a question-and-answer session. Each presentation includes the following:

- Overview of the program.
- Program goals and evaluation criteria.
- Step-by-step instructions through the application process.

A recording of the July 2022 webinar is available on the [GO-Biz YouTube channel](#).

'Road to Zero' to Feature Hydrogen's Role in Bay Area Energy Transition



The role hydrogen will play in the San Francisco Bay Area's energy transition

will be the focus of Richmond's Road to Zero Day on August 25.

The event will bring together energy transition experts, regional businesses, government representatives and community leaders.

Interested parties are asked to [register](#) for the day-long event that will showcase cutting-edge alternative fuel technologies such as hydrogen, renewable fuels and more.

Road to Zero welcomes industry partners, government leaders and the Richmond community to join in the journey toward a lower carbon future for the Bay Area, California and beyond.

Road to Zero Day is hosted by Chevron, California Fuel Cell Partnership, the City of Richmond

Mayor's Office and other partners.

The event agenda will enable attendees to:

- See the latest technologies from fuel cell and hydrogen innovators, including concept vehicles.
- Hear updates from energy transition leaders on California's latest initiatives.
- Enjoy food from local vendors.

For more details and to register, [visit the event page](#).

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Governor Signs 3 CalChamber-Supported Bills



SUPPORT

programs; one will expand science, technology, engineering and math (STEM) academies to underrepresented pupils; and the last bill will help reduce waste and increase recycling.

Signed Legislation

- **AB 1854 (Boerner Horvath; D-Encinitas)** extends availability of work-share programs to allow employers the option of taking advantage of the program when attempting to reduce workforce while minimizing salary loss for employees.

The bill repeals the sunset for the Employment Development Department (EDD) Work Sharing online application. The COVID-19 pandemic showed the importance of facilitating such a program in economic hard times, as it helps allow access to unemployment benefits for those who otherwise would either face reduced hours but no unemployment or lose their jobs entirely.

- **AB 1923 (Mathis; R-Visalia)** re-prioritizes existing STEM grant funding to prioritize education for pupils that are

Governor Gavin Newsom recently signed three California Chamber of Commerce-supported bills: one will extend the availability of workshare

underrepresented in STEM, including rural populations, economically disadvantaged populations, as well as other populations.

STEM education is good for both workers and for California's economy. California's rapidly growing technology sector will need more workers in the coming decades than our present pipeline produces. Without increases to STEM education, Californians will miss out on these high-quality jobs and California's economy will be slowed by the lack of available qualified candidates. Existing law recognizes this reality, and the state has attempted to improve STEM education through a variety of means over the past decade.

The CalChamber views AB 1923 as a solution that improves equity concerns across California, and simultaneously will help ensure that California's economy can continue to grow based on the skills of California's youth.

- **AB 2101 (Flora; R-Ripon)** adds whole orchard recycling projects (WOR) to the list of eligible Carbon Capture Sequestration Registry projects that are eligible to seek funding from state agencies or private entities.

WOR is a practice that includes the chipping of woody perennial crops at the end of their agronomic lifecycle and then using those wood chips in the soil of the fields where trees previously stood, allowing for the prior trees to be recycled

into future crops. Models have predicted a range of 4.24 metric tons of carbon dioxide (CO₂) sequestration per hectare for 14 tons of dry wood chips per acre in prune crops with a life cycle of 10–15 years, and 8.16 tons for 30 tons of wood chips from almond crops with an estimated life cycle of 25 years.

This allows for crops to secure CO₂ from reentering the Earth's atmosphere, stabilizing carbon, which mitigates negative climate impacts. Carbon sequestered by WOR projects is not currently recognized as being eligible for the efforts undertaken to offset carbon emissions in California. The cost of WOR is incredibly high relative to other practices, such as surface mulch and bioenergy production as orchard disposal practices. While WOR is a beneficial practice for the sake of sequestering CO₂ and helping California reduce greenhouse gases (GHGs), it is one of the more costly measures crop owners can take. These up-front costs can range from \$125 to \$810 an acre.

The CalChamber supports AB 2101 because it will pave the path for WOR projects to be eligible to receive the credits necessary to ensure it is a viable model for sequestering carbon while avoiding burdensome costs. AB 2101 will ensure that WOR projects are acknowledged for their carbon sequestration, and their importance in helping the state reach its GHG reduction goals.

Taxpayers' Bill of Rights Public Hearing Scheduled for August 30



On August 30, the State Board of Equalization (BOE) will hold an annual

public hearing on property taxes and the Alcoholic Beverage Tax to listen to public suggestions, comments and concerns.

The hearing will provide an opportunity for taxpayers, county assessors and other local agency representatives to provide comments on items discussed in the most recent **Taxpayers' Rights Advocate's Annual Report**, as well as present ideas, concerns, and input on the quality of agency service related to the BOE's administration of its programs.

According to the annual report, in the 2020–21 fiscal year, 72% of property tax cases were in the valuation category, which includes topics such as changes in ownership, decline in value or value reductions, appraisal methodology, exclusions, exemptions, assessment appeals, new construction, general property tax information and definitions, and actual enrollment of values. The remaining cases were in the administrative category, which includes topics such as creating and mailing tax bills, refunds, and penalties.

At the hearing, attendees also will have the opportunity to comment or present ideas on legislation for the Alcoholic Beverage Tax.

Hearing Information

The 2022 Taxpayers' Bill of Rights Hearing will be held on **Tuesday, August 30, 2022 at 10 a.m.**

Taxpayers and stakeholders have the option to participate in person, by phone, or submit written comments in advance:

- In person location: 450 N Street, Auditorium, Sacramento, CA 95814.
- By phone: 1-877-336-4440, access code 4192718#
- To submit comments in advance, click [here](#).

For more information about this hearing, visit <https://www.boe.ca.gov/meetings/heartra.htm>.

Federal Inflation Reduction Bill: Review of Impact on California

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time a credit of \$4,000 for used electric vehicles, for low- and middle-income purchasers. California has a parallel state credit/rebate program for electric vehicle purchases that was enhanced in this year's state budget.

- Provide tax credits for companies that build new sources of emissions-free electricity, such as wind turbines, solar panels, battery storage, geothermal plants or advanced nuclear reactors. The credits would extend for at least a decade, improving certainty compared with the previous short-term clean energy credits.

- Expand tax credits for companies that capture and bury carbon dioxide from natural gas power plants or other industrial facilities, and provide tax breaks to keep existing nuclear plants running.

- Rebates and consumer tax credits for retrofitting homes with and buying new energy-efficient and electric appliances.

- Billions in subsidies for clean energy manufacturing in the United States, including production tax credits

for solar panels, wind turbines, batteries and critical minerals processing, along with billions in investment tax credits to build manufacturing facilities that make electric vehicles and renewable energy technologies. California has long been uncompetitive for these types of manufacturing facilities, but this level of federal investment could motivate some focused attention on these opportunities.

- California is the largest and most diverse state for agricultural production, so will likely benefit from an additional \$20 billion for programs to cut emissions that come from cows and other livestock, as well as from agricultural soil and rice production.

Senators also added funding to provide relief to farmers that use less water from the stricken Colorado River.

The bill also expands health care subsidies available under the Affordable Care Act, limits total out-of-pocket spending on prescription drugs, and requires the federal government to directly negotiate the price of prescription drugs under Medicare. Many argue

this will ultimately take the form of price controls on these products.

Funding

The measure will be financed by a new 15% corporate minimum tax and a new tax on company stock buybacks.

According to the U.S. Chamber of Commerce, enacting the proposed Corporate Book Minimum Tax would be the antithesis of sound tax policy and administration. Its introduction would be neither simple nor administrable and would pose a competitive disadvantage to U.S.-headquartered businesses while increasing the incidence of unrelieved double taxation. It would also have a detrimental effect on the quality of financial reporting.

The U.S. Chamber added that the excise tax on stock buybacks would only distort the efficient movement of capital to where it can be put to best use and diminish the value of Americans' retirement savings.

Contact: Loren Kaye



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