

ALERT

CalChamber Adds Bills to 2024 Job Killer List

Housing, Digital Ads, Pricing Algorithms, Climate Tax



This week the California Chamber of Commerce added four bills to its **2024 Job Killer List**.

They are:
• **AB 2230**

(**Bennett; D-Ventura**)

Worsens Housing Crisis. Substantially shuts down the production of housing in California by blocking the inflow of crucial capital that nearly all housing production relies on. The Cartwright Act

already protects against price fixing so expanding it as contemplated by this bill is unnecessary and will have the unintended consequence of making any return on investment a crime.

• **AB 2829 (Papan; D-San Mateo)**

Tax on Digital Advertising Revenue. Implements a new tax on digital ads of 5%. In addition to increasing taxes on businesses, it is likely unconstitutional.

• **SB 1154 (Hurtado; D-Sanger)**

See CalChamber Adds: Page 6

CalChamber-Led Coalition Opposing State-Run Health Care System



A large and diverse coalition of 150 California business representatives have joined a CalChamber-led coalition in strong opposition to **AB 2200**

(**Kalra; D-San Jose**), a job killer bill that would create an expensive government bureaucracy to finance a state-run health care system.

The bill is scheduled to be heard in the Assembly Health Committee as a Special Order on Tuesday, April 23.

AB 2200 forces all Californians into a new untested state government health plan, with no ability to opt out while eliminating Medicare for California seniors and increasing taxes at least \$250 billion a year on workers, income, jobs, goods and services.

Astronomical Costs Imposed on Taxpayers

The Healthy California for All Commission recently estimated that total health care costs annually exceed \$500 billion in California. This amounts to one-seventh of the gross state product and would more than double the state's budget.

In a **letter** sent to legislators this week, the CalChamber explained that AB 2200 is woefully incomplete as it does not include any funding mechanism to account for the costs needed to implement

See CalChamber-Led: Page 7

CalChamber-Hosted Luncheon Highlights Friendship, Connections with Canada



Rana Sarkar (left), Consul General of Canada, poses questions to Bruce Heyman, former U.S. Ambassador to Canada, in a lunchtime chat at the California Chamber of Commerce on April 17. The chat highlighted the many connections between Canada and the United States, as well as Canada and California.

Inside

Focus on Canada
Connections: Page 4

Labor Law Corner

Many Steps to Consider When Hiring Out-of-State Remote Worker



Vanessa M. Greene
Employment Law
Subject Matter Expert

I run a business in California and would like to hire someone from a different state to work remotely. What, if any, additional steps should I take when hiring an out-of-state remote employee?

Understanding the legal complexities and requirements of employing workers across state lines is essential for maintaining a compliant work environment.

Below are some important considerations for hiring out-of-state employees.

State Labor Law Compliance

Labor and employment laws covering wages, overtime, sick leave and other matters often vary by state. Employers must familiarize themselves with and adhere to the labor laws of the state where the employee works.

For multi-state employees, reconciling conflicting laws between the states where the employee works can be tricky.

Although the general rule is to apply the laws of the state where the work is performed, there are exceptions, such as under the Fair Employment and Housing Act, where California law might extend to an out-of-state employee.

Engage legal counsel to help you handle these legal complexities, and to update your company's policies (for example, your employee handbook) accordingly.

New Hire Paperwork/Labor Law Postings

Proper onboarding for out-of-state employees includes completing all new hire forms and providing all notices required by the state where the work is performed.

This may include providing a new out-of-state employee with forms and notices beyond what your home state and federal law require.

Review and comply with new hire form and notice requirements, including any posting requirements, in all states where you have employees performing work.

Business-Related Considerations

• **State Registration:** Some states require business registration when your employees are working within that state. Consult with legal counsel for assistance in navigating this process.

• **Tax Implications:** When employees are working across multiple states, navigating multi-state tax withholding may be necessary. Consult your payroll provider and a tax professional to ensure compliance and proper tax handling.

• **Insurance Considerations:** Many insurance policies, such as workers' compensation and health benefits, are state-specific. Contact your insurance carrier(s) or broker to verify existing coverage limitations and secure any necessary coverage in the state where the employee works.

See Many Steps: Page 6

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CalChamber-Sponsored Seminars/Trade Shows

More information at www.calchamber.com/events.

Labor and Employment

HR Boot Camp. CalChamber. May 2–3, August 22–23, Online. (800) 331-8877.

Completing Your Workplace Violence Prevention Program. CalChamber. May 16, Online. (800) 331-8877.

Leaves of Absence. CalChamber. May 30–31, August 8–9, Online. (800) 331-8877.

International Trade

California Pavilion at Hannover Messe. Governor's Office of Business and Economic Development (GO-Biz). April 22–26, Hannover, Germany. patricia.utterback@gobiz.ca.gov.

World Trade Week Southern California. Los Angeles Area Chamber of Commerce. May 1, Long Beach. cluna@lachamber.com.

Export Documentation & Logistics Webinar Series. U.S. Department of

Commerce. May 6–9, May 14–15, May 21–23, May 28, Online.

International Forum. CalChamber. May

See CalChamber-Sponsored: Page 6

CalChamber Calendar

Capitol Summit:

May 8, Sacramento

International Forum:

May 8 Sacramento

ChamberPAC Advisory Committee:

May 8, Sacramento

Small Business Policy Council:

May 8, Sacramento

Sacramento Host Reception/Breakfast

May 8–9, Sacramento

Board of Directors:

May 9, Sacramento

Women's Leadership Council:

May 9, Sacramento

New Paper Raises Concerns with Proposal to Tax Internet Links



Proposed legislation to tax internet providers for sharing news stories will create new barriers to access information and “break the fundamental structure of the web,” according to a new paper authored by media expert Jeff Jarvis and released last week by the California Foundation for Commerce and Education (CFCE).

The *California Journalism Preservation Act: Analysis and Alternatives* is the most comprehensive analysis of the potential impact of the California Journalism Preservation Act (CJPA) — **AB 886 (Wicks; D-Oakland)**.

The legislation will also force internet platforms to pay publishers for the right and privilege of quoting news headlines and linking to their news sites and requires internet platforms to submit to arbitration to determine the level of support that would be paid to journalism providers.

Flawed Approach

“The newspaper industry is struggling and looking for a lifeline,” said Jarvis, the Leonard Tow Professor of Journalism Innovation and director of the Tow-Knight Center for Entrepreneurial Journalism at the City University of New York Craig Newmark Graduate School of Journalism (Emeritus as of August 2024). “But the proposed legislation is a fundamentally flawed and counterproductive manner in which to try to resuscitate it.”

Jarvis notes in the paper that by demanding payment for quoting and linking to content, publishers are seeking an extension of copyright and a diminishment of fair use — generally known as “ancillary copyright.”

According to Jarvis, “These so-called link taxes violate copyright law by diminishing long-held principles of fair use. They are constitutionally questionable,

impinging on the First Amendment rights of internet platforms to choose what they carry. Link laws are widely seen by internet advocates as breaking the fundamental structure of the web.”

The new paper reviews the history of the news industry, the reasons for the financial decline of newspapers, and the failed attempts by Canada, Australia, and other countries to revive the news industry through taxes on internet use.

The paper also presents options and perspectives about what the state needs

more than California-owned news outlets, particularly California’s ethnic outlets and community newspapers since the bill does not require that a news organization be based in California or serve primarily California residents.

• **The link tax would be susceptible to manipulation** by extremist propaganda outlets masquerading as news, setting up a perverse incentive to fill the web with more clickbait in order to receive more funding. Similar to the link tax efforts in other countries, AB 886

would result in greater harm to the information ecosystem and the internet.

Alternatives

The paper offers several alternative frameworks and ideas for California’s newspaper industry and recommends that the central focus of policymakers should be the best interests of communities, not just publishers.

Jarvis recommends that the state undertake an independent paper that considers how to transition the industry and encourage growth in quality news.

Some of the alternatives include the continuation of state advertising, requirements to use newspapers for public notice, tax credits for hiring journalists, public financing of media, and news sharing resources.

Jarvis is a nationally recognized expert on new business models for the news industry. His experience includes his tenure on a digital advisory board for Digital First Media and working for the Hearst Corporation at the old *San Francisco Examiner* and the Tribune Company, former owner of the *Los Angeles Times*.

The paper was commissioned by the California Foundation for Commerce and Education, a 501(c)(3) think tank affiliated with the California Chamber of Commerce.

The report can be found [here](#).
Contact: Loren Kaye



to support the information ecosphere and the alternatives that are available to set a long-term course for the news media.

Other Findings

In addition to the questionable legal foundation of the link tax, the paper found:

• **Links do not harm but actually benefit publishers.** According to Jarvis, “When search engines link to news sites and when readers, journalists, and publishers post links to articles on social media, the platforms are not stealing content, as publishers and their lobbyists contend... The platforms are instead sending readers to articles on publishers’ sites; they are giving publishers free promotion. What happens once a reader arrives at a publisher’s site is up to the publisher.”

• **The CJPA would primarily benefit national and international media far**

CalChamber-Hosted Luncheon Highlights Friendship, Connections with Canada



California Resources Agency Secretary Wade Crowfoot praises the strong California-Canada relationship.



Listening to the conversation about the longstanding partnership between Canada and the United States are (from left) CalChamber President and CEO Jennifer Barrera, California Resources Agency Secretary Wade Crowfoot and Board of Equalization (District 3) member Tony Vazquez.



Canada's close and longstanding partnership with the United States was the focus of a California Chamber of

Commerce luncheon forum this week featuring Canada Consul General Rana Sarkar and former U.S. Ambassador to Canada Bruce Heyman.

The April 17 forum, *Partnering for Prosperity*, included opening and closing remarks by CalChamber President and CEO Jennifer Barrera, and brief comments by California Resources Agency Secretary Wade Crowfoot. In attendance were members of the California Legislature, and CalChamber Board member Margaret Wong, president and CEO of McWong International, Inc.

Wade Crowfoot

After an introduction by Barrera, Crowfoot thanked Canada for their partnership and engagement with California.

"There is so much we've learned as Californians from Canada in my world, whether it's wildfire resilience, or environmental conservation, or even finding a new pathway with the first peoples or Native American communities. I'm really thankful for the engagement," he said.

Trade Relationship

Following Crowfoot's remarks, Consul General Sarkar spoke about Canada's economic ties with the U.S. and California, highlighting the fact that Canada is the United States' top export market, with more than \$1 trillion worth of bilateral trade. Canada also is California's biggest importer of agricultural products and is second only to Mexico for two-way trade with the state.

In many ways, Canada also is a close ally, working in solidarity with the United States in good times and bad times, Consul General Sarkar said. For example, during the COVID-19 pandemic, trade between the two nations carried on, even during lockdowns, which helped businesses stay afloat and kept the economy moving forward.

Tariffs, Trade Concerns

After his opening remarks, Consul General Sarkar was joined by former Ambassador Heyman for a deeper conversation on U.S.-Canada ties.

The former ambassador recounted some of the ways Canada lent support to the U.S. during his tenure as ambassador, including providing speedy aid during natural disasters, backing the U.S. during the war in Afghanistan, and helping to promote democratic principles around the world.

He stressed that while Canada is not always the United States' No. 1 trading partner — as that spot alternates with Mexico and China — Canada is still the nation's "best export partner."

"They're there for us in our times of need. They're our best friends. We're family," Ambassador Heyman said.

Canada, the United States and California all mutually benefit from their trade partnerships with each other. Proposals floated by some politicians to establish tariffs on Canadian goods would have disastrous consequences for businesses on both side of the border, Ambassador Heyman warned.

That is why it is incumbent on all to continue to make the case for trade, Consul General Sarkar stressed.

"It will take all hands on deck in this effort," he said.

U.S.-Mexico-Canada Agreement

Consul General Sarkar and Ambassador Heyman also discussed the U.S.-Mexico-Canada Agreement (USMCA), which comes up for renewal in 2026. Both voiced concern on how the renewal might be handled and whether there could be a push to renegotiate some provisions, depending on who wins the election for U.S. president.

Staff Contact: Susanne T. Stirling

Norway & California Sign Agreements to Further Climate Collaboration



His Royal Highness Crown Prince Haakon of Norway visited Cali-

fornia and on April 16 oversaw the signing of two climate change agreements with Governor Gavin Newsom.

A new Memorandum of Understanding (MOU) advances climate collaboration. The MOU outlines four years of cooperation between California and Norway on clean energy, zero-emission transportation and ports, carbon removal and climate-smart agriculture. The text of the MOU can be found [here](#).

The two delegations also signed a joint statement highlighting the new areas of climate collaboration, existing work on economic development and continued partnership on criminal justice and prison reform. The text of the joint statement can be found [here](#).

CalChamber Attended

Representing the California Chamber of Commerce at the signing was Susanne Stirling, CalChamber vice president for international affairs.

Dee Dee Myers, senior advisor and director of the Governor's Office of Business and Economic Development (GO-Biz) welcomed the approximately 50 dignitaries to the Larkspur Ferry Terminal — home to one of the world's first clean hydrogen fuel cell passenger ferries.

Speaking next, Jan Christian Vestre, Norway's Minister of Trade, said: "Norway's excellent relations with the U.S., and with California, go way back. But today we are taking it a step further, teaming up to accelerate the pace of the green transition. This MOU will formalize our cooperation in several areas where we share the same goals, where our policies and ambitions for net-zero solutions overlap and where our industries and expertise — our opportunities and needs — complement each other."

Governor Newsom said: "From

Oakland to Oslo, we've seen the worsening impacts of the climate crisis firsthand. But we also know that these challenges bring a once-in-a-generation opportunity to transform our economies to work for everyone. That's why California and Norway — world leaders on climate action — are joining forces to tackle the crisis of our time together."



Governor Gavin Newsom and Norway Minister of Trade Jan Christian Vestre conclude their signing of a joint statement on the new Norway-California memorandum of understanding. Behind them at right is His Royal Highness Crown Prince Haakon of Norway. At left is David Hochschild, chair of the California Energy Commission.

Also signing the MOUs was David Hochschild, chair of the California Energy Commission. Liane Randolph, chair of the California Air Resources Board, also attended.

The Norwegian side included the Norwegian Consul General to San Francisco, Mrs. Gry Rabe Henriksen. On the previous day, April 15, Innovation Norway, in collaboration with the Norwegian Ministry of Foreign Affairs and Norwegian Energy Partners (Team Norway) held a Business Festival to promote economic ties between Norway and California.

Trade Statistics

Norway is located in Northern Europe and is a part of the Scandinavian Peninsula. The majority of the country shares a border with Sweden on the east and its northernmost region is bordered by Finland. With a population of more than 5.4 million, covering 323,802 square kilometers, Norway is one of the most sparsely populated countries in Europe.

Norway has one of the most financially healthy economies in the world, in part due to its status as one of the world's largest exporters of crude oil and natural gas. Other major industries, such as shipping, shipbuilding, fishing and fish farming, information technology, pulp and paper products, and light metals processing have prospered as well. Incomes are also more evenly distributed, making every person a consumer. Unemployment rates and interest rates are low.

Norway has close ties to the United States. The overall economic and trade relationship is strong, and Norway's import climate is generally open and receptive to U.S. products and investments.

Top U.S. exports include oil and gas, transportation equipment, chemicals, petroleum and coal products, and computer and electrical products.

Imports from Norway to the United States include petroleum and coal products, primary metals, chemicals, and fish and other marine products.

In 2023, California exported \$206 million to Norway. Top exports included: computer and electrical products, transportation equipment, beverages, tobacco products, and agricultural products.

Likewise, Norway exported nearly \$551 million to California. Top exports from Norway to California included: livestock and livestock products, chemicals, and fish and other marine products.

Norway and California are both west coast economies with beautiful coastlines. Approximately 400,000 individuals of Norwegian descent live in California.

The University of California at Berkeley has strong ties with Norway via the Peder Sather Center for Advanced Study. Peder Sather (1810–1886) was a prominent Norwegian-born American banker who is best known for his legacy to UC Berkeley. His widow donated funding in his memory for two of the school's most famous landmarks, Sather Gate and Sather Tower (more commonly known as the Campanile). The Norwegian Consulate in San Francisco opened in 1906.

Staff Contact: Susanne T. Stirling

CalChamber Adds Bills to 2024 Job Killer List

From Page 1

California Preventing Algorithmic Collusion Act of 2024. Prohibits a person from using or distributing pricing algorithms that use, incorporate, or were trained on “nonpublic competitor data” which is wholly unnecessary given that collusion is already illegal under existing law. Worse yet, the bill actually creates substantial confusion and uncertainty for businesses as to what is a lawful pricing algorithm as opposed to price fixing due to vague and overbroad standards, imposes onerous reporting requirements, and grants the Attorney General (AG) authority to request these reports detailing a business’s use of pricing algorithms for any reason and without any regard to

whether the business is alleged to have behaved anticompetitively or harmed consumers. The bill also allows the AG to share the report with a third party to decipher the information reported. When combined with the aggressive liability provisions and the inevitable costs imposed on all but the smallest of businesses, the bill invariably will have a sweeping, chilling effect on price competition among businesses across all industries.

- **SB 1497 (Menjivar; D-Los Angeles) Polluters Pay Climate Cost Recovery Act of 2024.** Imposes an ill-defined tax on a broad set of entities that will increase costs for goods and services in California.

Two Bills Pass Assembly Committee

Job killer bills AB 2374 and AB 2499 passed the Assembly Judiciary Committee on April 16.

- **AB 2374 (Haney; D-San Francisco)** imposes new statutory joint liability on business of any size that contracts for janitorial services if a contractor violates the Displaced Janitor Opportunity Act and places new mandates on those businesses that should be assigned to the contractor.

- **AB 2499 (Schiavo; D-Chatsworth)** significantly expands uncapped leave related to crimes and lowers threshold of applicability to employers with just five employees.

Many Steps to Consider When Hiring Out-of-State Remote Worker

From Page 2

Additional Considerations for Remote Work

- **Job Expectations:** Make sure you have a detailed job description and remote work policy that set clear expectations around work hours and remote availability.

- **Information Technology (IT) and Security:** Ensure remote employees have secure and efficient access to company networks (for example, through VPNs or

other remote access solutions) to protect sensitive information and maintain productivity.

- **Expense Reimbursement:** Define which expenses you will reimburse (for example, home office supplies, personal cell phone use, etc.) and the process by which you want employees to submit their reimbursement information. Confirm you understand and comply with state-specific legal requirements regarding reimbursement for your employee.

As you can see, there are a number of

considerations that come into play when hiring an out-of-state remote employee. As discussed above, it’s best to consult legal counsel in the areas with which you are unfamiliar.

Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred members and above. 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

From Page 2

8, Sacramento. intlevents@calchamber.com.

WCF Americas Summit. International Chamber of Commerce (ICC) World Chambers Federation. May 8–10, Bogotá, Colombia.

U.S.-Cuba Agriculture Business Conference. U.S. Agriculture Coalition for Cuba. May 12–16, Havana, Cuba. (773) 814-2493.

Annual Export Conference. National Association of District Export Councils. May 13–14, Washington, D.C.

Trade Winds – Europe. GO-Biz and U.S. Commercial Service. May 13–15, Istanbul, Turkey. Optional: May 9–10, Denmark or Romania; May 16–17, Poland or Italy. [Register interest. patricia.utterback@gobiz.ca.gov](mailto:patricia.utterback@gobiz.ca.gov).

Indo-Pacific Business Forum. U.S. Trade and Development Agency and

Government of the Philippines. May 20, Livestream and Manila, Philippines. (703) 875-4357.

EXIM 2024 Annual Conference. Export-Import Bank of the United States. June 6–7, Washington, D.C. registrar@cmpinc.net.

Farnborough International Air Show: California Pavilion. GO-Biz. July 18–22, Farnborough, United Kingdom. patricia.utterback@gobiz.ca.gov.



CalChamber-Led Coalition Opposing State-Run Health Care System

From Page 1

a state-run health care system (CalCare). Considering that the state's General Fund cannot come anywhere close to covering CalCare's cost, even in surplus years, taxpaying Californians would be required to make up the shortfall, especially during California's current deficit.

Prior single-payer fiscal analyses estimated that the system would cost more than \$400 billion annually. In 2008, the Legislative Analyst's Office (LAO) analyzed the cost of a single-payer system in California and concluded that more than \$210 billion would be needed in the first year to sustain such a system and would increase up to \$250 billion in subsequent years.

Even with a 12% payroll tax paid both by employers and employees under that measure, the report predicted a net shortfall of \$42 billion in its first full year of implementation and even higher thereafter. Just to cover the shortfall, a 16% tax on employers and employees was estimated by the LAO, resulting in a multibillion-dollar-tax increase on Californians.

The kinds of tax increases needed to finance AB 2200 have a detrimental impact on California businesses and certainly discourage companies from

growing or relocating here, the CalChamber warned in its letter.

Impacts on Physicians

AB 2200 would create a governing board that would set reimbursement rates for providers. If physicians took issue with those government-imposed rates, or if CalCare paid providers below the market average in other states, doctors may be left with little choice but to practice elsewhere.

Canada's health care system includes government-set payment rates and Canadian physicians earn less than their American counterparts. However, CalCare is not a nationalized plan; it's local. Thus, California physicians could choose to practice in another state with traditional payment models if they found the choice to be beneficial, the CalChamber pointed out.

Additionally, the CalCare model would have a negative impact on the physician-patient experience. Government health care is typically operated like an HMO (health maintenance organization). Patients must see their assigned primary care physician so they can delegate care, place referrals, or order testing and procedures.

Californians are covered by a variety

of health plans, Medicare, or Medi-Cal and the market helps ease this provider-access issue.

However, CalCare would contribute to increased demand for a limited supply of physicians and facilities. Britain's National Health Service is a government-run health system and the country experiences overcrowded hospitals, long waiting lists for procedures and quality of care issues. A single-payer system would undoubtedly experience the same bureaucratic outcome under AB 2200, the CalChamber said.

State-Run Health Care Rejected Before

California voters have twice rejected a government-run health care system at the ballot box — in 1994 and 2004. Additionally, CalChamber polling found that voters overwhelmingly preferred to keep their current health insurance over switching to a single-payer approach.

Voters strongly support subsidies for people who cannot afford their own health care and for those who have pre-existing health conditions, but were not ready to embrace government-run health care.

Staff Contact: Preston Young



TWO HALF-DAY HR BOOT CAMP VIRTUAL SEMINAR

New to HR? Let's start with the basics.

CalChamber's comprehensive **HR Boot Camp** covers key employment topics, including hiring and paying employees, providing meal and rest breaks, and more. Our compliance experts will explain workplace requirements to help you keep in step with California's employment laws.

Preferred Members and higher receive their 20% member discount.

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