Chamber-Led Coalition Releases ‘Job Killer’ List
32 Bills Will Hurt California’s Strong Economy

The Coalition for California Jobs (CCJ), a California Chamber-led coalition of employer groups focused on stimulating job creation in California, this week released its annual list of “job killer” bills, highlighting the negative impact these legislative proposals will have on California’s economy.

“Since Arnold Schwarzenegger has been Governor, virtually no ‘job killer’ legislation has been enacted into law, and there has been a corresponding trend of economic growth, increased state revenues and job gains,” said Chamber President Allan Zaremberg. “These ‘job killers’ would reverse that trend.”

Bills Increase Business Costs
The 32 bills on the “job killer” list include proposals that increase business expenses in a variety of ways, such as creating costly workplace mandates, imposing barriers to economic development and unnecessary regulatory burdens, making frivolous lawsuits more likely or boosting fuel prices, taxes and fees.

The Chamber and CCJ release a list of “job killer” bills each year to bring
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Chamber Names Moira Topp as New Legislative Advocate

Moira Topp, a deputy legislative secretary for Governor Arnold Schwarzenegger, will be joining the California Chamber of Commerce on June 26 as a legislative advocate.

“Moira Topp’s extensive experience in handling state public policy in both the legislative and executive branches of government will be a strong asset to the California Chamber and our members,” said Chamber President Allan Zaremberg. “Balancing job climate and environmental concerns are among the most challenging issues facing policymakers today; Moira has the political know-how to develop sound public policy and turn it into reality.”

Topp will lobby on environmental and transportation issues for the Chamber.

Extensive Experience
As a deputy legislative secretary for the Governor, Topp developed policy and advised the Governor on workers’ compensation, business, transportation, labor and taxation issues.

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California Chamber President Allan Zaremberg details the negative impact of a “job killer” bill following the Coalition for California Jobs press conference.

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**Labor Law Corner**

**Employer Bears Ultimate Responsibility for Timecard Information**

**Employer Legally Responsible**

Employers generally give employees responsibility for punching in and out each day or manually completing a timecard. The legal responsibility for recording all hours worked, however, lies with the employer.

This means that even if an employee fails to turn in a timecard, or if the hours she/he reports are wrong, the employee still must be paid on the regularly scheduled payday.

If an employee fails to turn in a timecard, or if the hours she/he reports are wrong, the employer must pay for all regularly scheduled straight-time hours and any scheduled overtime the employee worked in the pay period, unless the employer can show the employee did not work all scheduled hours.

Payment for unscheduled overtime hours may be delayed until the next pay period (Labor Code Section 204; Division of Labor Standards Enforcement Opinion Letter 1988.05.05).

If the employer does not maintain accurate time records, the state Labor Commissioner will accept “the employee’s credible testimony or other credible evidence” of hours worked. The employer then has the often-difficult burden of proving those hours were not actually worked.

**Timecard Data Requirements**

Under California law, timecards must show:

- the total number of hours worked each day;
- the time each employee came in for the day and the time she/he left; and
- the times an employee began and ended each meal period, unless all employees take a meal period at the same time, such as when a manufacturing line is shut down for lunch.

Timecards do not need to show rest periods, nor is there any legal requirement that employees sign their timecards.

If an employee reports hours on a timecard that she/he did not work, the employer may make corrections to the timecard and pay only for hours actually worked.

Again, if challenged, the burden of proving what hours were in fact worked lies with the employer.

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**Seminars/Trade Shows**

For more information on the seminars listed below, visit [www.calchamber.com/events](http://www.calchamber.com/events).

**Labor Law**


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Visit [www.calchamber.com](http://www.calchamber.com) for the latest business legislative news plus products and services to help you do business in California.
2006 ‘Job Killer’ Bills Will Hurt Economic, Job Growth in California

Following is the 2006 list of the “job killer” proposals under consideration in the California Legislature. The 32 proposals will have a negative impact on California’s strong economy and the competitiveness of employers here.

The current location of each bill appears in italics after the bill description.

For ongoing updates on the status of these bills, visit www.calchamber.com/jobkillers.

Costly Workplace Mandates

- **AB 1835 (Lieber; D-Mountain View)/SB 1162 (Cedillo; D-Los Angeles)**
  Automatic Minimum Wage Increases — Increases the cost of doing business without regard to the state’s economy by increasing the minimum wage with annual automatic increases. **AB 1835: Senate Appropriations; SB 1162: Assembly Labor and Employment.**

- **AB 1884 (Chu; D-Monterey Park)**
  Unemployment Insurance Compensation Benefits — Increases the cost of doing business in California by forcing California employers to subsidize a strike against their own company by providing unemployment insurance benefits to workers unemployed due to a strike. **Senate Labor and Industrial Relations.**

- **AB 2209 (Pavley; D-Agoura Hills)**
  Unemployment Insurance Benefit Expansion — Increases the cost of doing business by forcing California employers to subsidize a strike against their own company by requiring an employer to pay locked out workers a monetary penalty equal to level of unemployment insurance benefits workers might have received during a trade dispute if any business misconduct is alleged. **Senate Labor and Industrial Relations.**

- **SB 300 (Kuehl; D-Santa Monica)**
  Leave Law Abuse — Opens California's leave law to potential abuse by removing controls that require that the employee actually provides the care, among other provisions. **Assembly Appropriations.**

- **SB 840 (Kuehl; D-Santa Monica)**
  Government-Run Health Care — Imposes a government-run health care system on all Californians. **Assembly Rules.**

- **SB 1414 (Migden; D-San Francisco)**
  Health Care Tax — Imposes a tax on employers with over 10,000 employees to spend the equivalent of 8 percent of their total payroll on health insurance or pay the equivalent amount to the state. **Assembly Health.**

Economic Development Barriers

- **AB 32 (Núñez; D-Los Angeles/Pavley; D-Agoura Hills)**
  Halts Economic Growth — Increases costs for California businesses, makes them less competitive and discourages economic growth with little or no proven environmental benefit by adopting an arbitrary cap on carbon emissions. **Senate Environmental Quality.**

- **AB 1101 (Oropeza; D-Long Beach)**
  Ports: Regulatory Complexity — Hampers operations at ports, rail yards and airports by shifting regulatory authority over emissions from state to local entities, creating a patchwork of potentially inconsistent regulations statewide, creating conflicts with federal law. **Senate Environmental Quality.**

- **AB 1528 (Jones; D-Sacramento)**
  Halts Economic Growth — Halts much-needed housing in undeveloped areas by shifting flood liability from state government to local government, resulting in local governments refusing to issue development permits. **Senate Rules.**

- **AB 1899 (Wolk; D-Davis)**
  Halts Economic Growth — Prohibits development in the Central Valley by requiring the creation of a 200-year flood standard that is currently impossible to achieve. **Senate Judiciary.**

- **AB 2202 (Saldaña; D-San Diego)**
  Limits Technology — Limits the availability of thousands of consumer electronic devices in California by prohibiting the sale of those devices if they contain certain heavy metals. **Senate Environmental Quality.**

- **AB 2641 (Coto; D-San Jose)**
  Economic Growth — Halts development indefinitely by requiring open-ended consultation and ultimate land use decision by an advocacy commission for Native Americans. **Senate Judiciary.**

- **SB 44 (Kehoe; D-San Diego)**
  Affordable Housing Development Impediment — Slows the development process by adding yet another element to be included within general plans and increases opportunities for “anti-growth” litigation. **Assembly Inactive File.**

- **SB 646 (Kuehl; D-Santa Monica)**
  Water Discharge Fee — Jeopardizes jobs and agriculture and timber industry revenues by imposing mandatory annual fees for water discharge waivers with no accountability requirements. **Assembly Inactive File.**

- **SB 764 (Lowenthal; D-Long Beach)**
  Ports: Goods Movement Cost Increase — Increases the costs of goods movement and drives business and jobs from California ports by requiring the City of Los Angeles and the City of Long Beach to prohibit any growth at their respective ports unless that growth can be accomplished with no net negative impact on air quality. **Assembly Appropriations.**

- **SB 1368 (Perata; D-Oakland)**
  Increases the Cost of Electricity — Limits the available power sources to meet California’s energy demands while substantially increasing the price of electricity to consumers and businesses by establishing an unattainable greenhouse gas emission performance standard. **Assembly Utilities and Commerce.**

- **SB 1523 (Alarcón; D-San Fernando Valley)**
  Risk Management Impediment — Stifles economic development by adding an economic impact report prior to the superstore retailer approval process. **Assembly Local Government.**

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2006 ‘Job Killer’ Bills Will Hurt Economic, Job Growth in California

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Expensive, Unnecessary Regulatory Burdens

● **SB 1205 (Escutia; D-Northwalk)** Punitive Regulation — Makes California unattractive to business by raising maximum fines for emission violations, creating a new category of violators with no due process for the determination of who is a violator while ignoring that there is no demonstrated connection between penalties and emission rates. Assembly Natural Resources.

● **SB 1252 (Florez; D-Shafter)** Resource Regulation — Penalizes businesses that are in the process of implementing the latest air standards by imposing an additional civil penalty. Assembly Natural Resources.

● **SB 1379 (Perata; D-Oakland)** Biomonitoring — Makes California unfriendly to business by establishing a biomonitoring program that could generally lead to the elimination or reduction of use of certain chemicals that have not been scientifically proven harmful, based on mere detection. Assembly Environmental Safety and Toxic Materials.

Fuel Price Increases

● **AB 1012 (Nation; D-San Rafael)** Fuel Mandate — May harm California’s transportation fuels market by mandating the sale of scarce alternative fuels such as ethanol and biodiesel. Senate Environmental Quality.

● **SB 1675 (Kehoe; D-San Diego)** Increases Gas Prices — Creates market volatility, ignores current operational limitations and supply availability by mandating the use of biodiesel in fuels. Assembly Transportation.

Increases Frivolous Lawsuits

● **AB 581 (Klehs; D-Castro Valley)** New Reason to Sue — Makes California less desirable as a place to locate or expand a business by opening new avenues to sue employers by establishing a broad private right of action that permits joint labor management committees to sue any employer for certain Labor Code violations that may have occurred up to four years previously, among other provisions. Senate Appropriations.

● **SB 109 (Ortiz; D-Sacramento)** Excessive Litigation — Increases litigation costs and potential lawsuits by allowing for both civil and criminal penalties for minor air quality violations. Assembly Floor.

● **SB 1489 (Ducheny; D-San Diego)** Government Agency Potential Harassment of Employers — Invites unlimited “fishing expeditions” by the Attorney General under numerous statutes, including the Unruh Civil Rights Act and environmental laws, by making defendant companies pay all the investigation and lawsuit costs, including attorneys’ fees, if the Attorney General “prevails.” The term “prevail” could include settlements, changes in operation by a defendant or even a minuscule monetary award to the plaintiff. Assembly Judiciary.

Tax and Fee Increases

● **AB 1177 (Chan; D-Oakland)** Tax Increase — Increases the tax burden on small business by increasing personal income tax rate to 10 and 11 percent and the alternative tax rate. Senate Revenue and Taxation.

● **AB 1766 (Dymally; D-Compton)/SB 1008 (Ducheny; D-San Diego/Machado; D-Linden)** Tax Increase — Reduces the state’s only remaining economic development tax credit by making it harder for business to qualify for the credit and making it harder for banks to lend to these businesses. AB 1766: Senate Floor; SB 1008 Assembly Revenue and Taxation.

● **AB 2442 (Klehs; D-Castro Valley)** Gas Tax Increase — Drives up fuel prices for businesses and consumers by imposing a 2 percent tax on oil companies’ net income in excess of $10 million to fund a reduction in the gasoline sales tax. Assembly Floor.

● **AB 2829 (Ridley-Thomas; D-Los Angeles)** Tax Increase — Increases taxes on multinational companies that do business in California but are incorporated overseas. Assembly Floor.

● **SB 760 (Lowenthal; D-Long Beach) ** Ports: Goods Movement Cost Increase — Increases the cost of goods movement in California by assessing a $30 fee per twenty-foot equivalent unit on containers processed through the Los Angeles and Long Beach ports. Assembly Appropriations.

California Chamber Names Moira Topp as New Legislative Advocate

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Before her work for Governor Schwarzenegger, Topp served as Senator Charles Poochigian’s senior consultant on economic, budget, environmental and natural resources issues. She came to the Senate post from the Assembly Republican fiscal office, where she was a senior consultant. Prior to taking the Assembly position, she served as Governor Pete Wilson’s assistant secretary for legislation in the California Trade and Commerce Agency.

In the earlier years of the Wilson administration, she served as a legislative assistant in the agency, followed by work as a consultant to the Assembly Majority fiscal office.

Topp graduated from the University of California at Davis with bachelor’s degrees in political science and economics.

Staff Contact: Jeanne Cain

See status of ‘job killer’ bills at calchamber.com/jobkillers
Adaptability, Personal Touch Help Ghilotti Bros. Family Business Thrive

California Chamber of Commerce member Ghilotti Bros., Inc., has survived and thrived in a dynamic industry. A Chamber member since 2002, this third-generation-owned company based in San Rafael recently celebrated its 90th anniversary.

Founded by Italian immigrant and stonemason James Ghilotti, the company has metamorphosed from its horse-drawn sled, hand-hewn masonry beginnings to become one of the most successful and long-lived general engineering contracting firms in the Bay Area.

Pride in Work Equals Success

Ghilotti Bros. has worked hard to become a respected name in construction. “It all starts with doing quality work and standing by it,” says company President Mike Ghilotti, the third generation Ghilotti to hold that position. “We try to do it right the first time. We do our own quality control and make sure the finished product is as good as it can be.”

Personal attention and committed workers also go a long way. “Our employees are good-natured, well-rounded people, making the customers’ experiences rewarding. People feel they have a company that knows how to do the job right and will stand by it,” Ghilotti says.

Family Air Inspires Longevity

Ghilotti Bros. has stood the test of time, and many of its employees also can make that claim: some have been with the business for more than 50 years. The company not only fosters loyalty in its staff; it also inspires potential employees to seek it out.

Catrina Mann, Ghilotti Bros.’ administrative manager, says many people the company has hired recently “have always wanted to work here. . .The owners treat employees like part of the family. Because of what they put into the employees, the employees are inspired to give back 110 percent.”

Ghilotti echoes that sentiment, crediting employee loyalty to the company’s philosophy of treating its workers fairly and leading by example. “If employees feel the owners are out there fighting the battle and putting in as much effort as they are,” says Ghilotti, “they tend to work a lot harder.”

At the forefront of this lead-by-example philosophy is Ghilotti’s father, Mario, who, after more than 60 years with the business, still checks the bids and inspects numerous job sites each day. Ghilotti’s mother, Eva, also has maintained her involvement with the business, often getting to the office before 6 a.m.

Not Grandfather’s Business

Although the foundations have remained constant, the details of the business have changed over time. Mike Ghilotti runs the construction portion of the company and his brother, Dante, runs the equipment portion to allow a more concentrated focus on the needs of each resource.

“Construction is not the business my grandfather or the brothers [Ghilotti’s father and uncles] used to run,” Ghilotti observes. “Now it’s about paperwork and work plans. Once you get the chance to build something, you feel quite empowered because it’s taken so long to get there.”

Most important to thriving in the long-term, insists Ghilotti, is never succumbing to complacency. “A company needs to know how to roll with changes and challenges that present themselves,” he says.

Chamber Membership

Chamber membership is one way Ghilotti Bros. stays on top of those changes. According to Mann, “The Chamber has been a great resource, not only in products, but also in publications. I read them every week, as do others in the office. They are a resource, not only for the personnel side, but also the political side of things, telling us what bills we want to watch for and how will they affect the business.”

Doing Business in California

The biggest challenges to doing business in California, according to Ghilotti, are staying on top of the ever-changing marketplace and finding qualified personnel who want and can afford to work in Northern California construction.

Ghilotti Bros. established itself early on as a public works company, focusing on large-scale projects, such as highway construction and reconstruction, landfill development, utility replacement and site development.

In the late 1990s, however, public works dollars dried up, and the business had to focus more on private sector projects. “That has changed in less than six months,” says Ghilotti. “It has turned full circle, and funding that has passed in local regions has created a firestorm for the industry.”

Caltrans, which had to shelve a large
Legislative Outlook

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

Chamber Opposes Proposal Limiting Land Use, Halting Economic Growth

A California Chamber of Commerce-opposed “job killer” bill that limits land use and could bring building projects to a halt for an undisclosed period passed the Senate Natural Resources Committee this week.

AB 2641 (Coto; D-San Jose) halts development indefinitely by requiring open-ended consultation and ultimate land use decision by an advocacy commission for Native Americans.

AB 2641 places into law a vague and open-ended new term, “Native American burial ground,” which easily can be interpreted to go well beyond the discovery of actual human remains to include associated grave goods, such as beads, crystals, arrowheads and the like.

AB 2641 turns existing law on its head by redefining and placing the burden of mandated “consultation” on the landowner or project sponsor and by denying the landowner the right to refuse recommended actions and to relocate remains.

Key Vote
AB 2641 passed Senate Natural Resources on a 5-2 vote:
- Ayes: Kuehl (D-Santa Monica), Kehoe (D-San Diego), Lowenthal (D-Long Beach), Machado (D-Linden), Migden (D-San Francisco).
- Noes: Margett (R-Arcadia), Aanesstad (R-Grass Valley).

Action Needed
AB 2641 goes next to the Senate Judiciary Committee. Urge members of Senate Judiciary to oppose this “job killer.”

Staff Contact: Valerie Nera

Cal/OSHA Adopts New Heat Illness Regulations

The Cal/OSHA Standards Board has adopted new heat illness regulations incorporating some commonsense suggestions from the California Chamber of Commerce.

The new heat illness regulation applies to all employees who work outdoors in conditions that might induce heat stress — including farm laborers and all types of construction workers. The new regulation is a “permanent” version of the emergency rules adopted in August 2005 and is timed to take effect when the emergency regulations expire in August 2006, if it is approved by the Office of Administrative Law (OAL).

In general, the new standards require:
- provision of water: All employers with outdoor workers must ensure that each employee has access to at least 4 cups of drinking water per hour for the duration of the work shift;
- provision of shade: Employers must provide shade to workers in need of a preventative recovery period; and
- new mandatory training for employees and supervisors on how to recognize and prevent heat illness.

Chamber Advocacy
The Chamber actively participated in the entire standard development process as well as during the emergency regulation adoption process last year to ensure that any new standards provided enough information to the regulated community so that employers know how to comply.

Chamber-recommended changes incorporated in the new regulations include:
- plumed potable water may be used as an employee water source;
- misters and other cooling technology may be used in place of a shade structure (except in the agriculture industry) if employers can show that the misters are as effective as shade;
- employers may train employees about the signs and dangers of heat illness as a part of their existing Injury and Illness Prevention Program; and
- the title section of the new regulations identifies that the standards apply only to outdoor workers.

Cal/OSHA staff offered to address some of the Chamber’s other concerns — such as the new regulation’s failure to require a supervisor be notified before a worker leaves the work area for a “recovery break” — as the division moves to develop new educational materials for employers and employees about the new regulations.

Review Process
OAL has 30 days to review the new rules for necessity; authority; clarity; consistency; reference; non-duplication; and to assess their impact on California business, particularly small businesses. Upon concluding its review, OAL will set the effective date for the new rules.


Staff Contact: Julianne Broyles
Chamber-Led Coalition Releases ‘Job Killer’ List

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attention to legislation that will stifle economic and job growth in California. The Chamber and CCJ will follow the bills throughout the rest of the legislative session and work to educate legislators about the damage these bills will cause.

CCJ member Jack Stewart, president of the California Manufacturers & Technology Association, pointed out that the full slate of “job killer” bills “will create more indecision for manufacturers looking to invest in California or elsewhere. These bills directly target California’s economic development by putting up barriers that will make state businesses less competitive and drive up costs for consumers.”

More Frivolous Lawsuits

Highlighting the impact of the bills that will increase frivolous lawsuits, CCJ member John Sullivan, president of the Civil Justice Association of California, commented, “These lawsuits make California a less desirable place to locate or expand a business by opening new avenues to sue employers, which in turn increase litigation costs and encourage harmful ‘fishing expeditions’ to the detriment of California’s economy.”

Discourage Investment

“Each year brings a new list of ‘job killers,’ forcing businesses to remind the Legislature of the invaluable role employers play in driving California’s economy,” said Rex Hime, president of the California Business Properties Association. “Legislators should be focused on reducing regulatory burdens and barriers that slow needed investment in housing and infrastructure so California’s economy can continue to perform and provide jobs and services. Instead, we face a staggering stack of burdensome and unnecessary bills that will stifle investment and job growth and decrease revenue to state coffers that fund other vital programs.”

Higher Tax Burden

Larry McCarthy, president of the California Taxpayers’ Association, noted that workers and consumers will be hurt by “job killer” bills that will significantly increase the tax burden on California employers. “For example, there are bills that will reduce the state’s only remaining economic development credit by making it harder for businesses to qualify for the credit and making it harder for banks to lend to these businesses,” McCarthy said. “We will work very hard to ensure that all of these ‘job killers’ fail to become law.”

The full list of “job killer” bills begins on Page 3. To follow the status of the “job killer” bills, visit www.calchamber.com/jobkillers.

Staff Contact: Vince Sollitto

Adaptability, Personal Touch Help Family Business Thrive

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number of projects because of lack of funding, now has an abundance of contracts out for bid as well, according to Ghilotti. The marketplace abruptly has become “bigger than anything I’ve seen in the last 22 years,” he says.

Personnel present another challenge. The cost of living in Northern California, combined with the difficulties of persuading young people to enter the construction trade as field employees, make for a dearth of workers.

The perks of living in California help that struggle, however. “The geography and terrain are good for the work we do and just for living life,” says Ghilotti. “Not only does California lead the way for diverse geography and recreational activities, but the state is somewhat recession-proof, the last to slow down and the first to start back up. That’s good for recruiting.”

Innovative Environment

One of Ghilotti Bros.’ priorities is investing in innovative construction machinery. “With Dante on the equipment side,” says Ghilotti, “we constantly try to make sure we have state-of-the-art technology and equipment to stay ahead of the game.”

In his role, Dante Ghilotti is carrying on a long tradition: the company consistently has been a trendsetter in the region, the first to purchase no fewer than 13 cutting-edge (and often environmentally friendly) types of machinery. Its substantial fleet gives the company the adaptability to accept a greater variety of challenging projects.

California’s regulatory climate also has encouraged Ghilotti Bros. to innovate: “The constraints and responsibilities of living in California force innovations and responsiveness to the environment in which we live and work,” says Ghilotti.

“We are one of the first companies in the state to invest in a self-contained mobile crushing unit that goes to individual job sites, takes broken concrete and asphalt and makes base rock to put into new roads,” he says. “Before, we would excavate and load and haul the debris to the landfill,” contributing not only to landfill overloading, but also to wear-and-tear on local roadways. “Now we leave the material onsite and crush and reuse it.”

The one big improvement that could be made for his industry, according to Ghilotti, is getting drivers to overcome their impatience and to slow down in construction zones. While infrastructure construction is an impediment to the public’s immediate mobility, “We don’t want to inconvenience people, but at the same time, rebuilding needs to move forward,” Ghilotti asserts.

“Otherwise,” says Ghilotti, “I think California is probably the greatest place to live and work.”

That outlook, undoubtedly, will set the company up for many more years in business. “We are building off what each generation has accomplished,” Ghilotti says. “The 90th anniversary further solidifies the goal of continuing through new and challenging times and becoming one of the best-in-class.”
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Attend the Paying California Employees — Top 10 Mistakes live web seminar and learn the most frequent mistakes (and how to avoid them) employers make involving violations of federal and/or California state laws when paying exempt and non-exempt employees. If mishandled, those mistakes can result in expensive lawsuits and backpay settlements. Here are some of the key points that will be discussed:

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