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Action Needed to Keep Bills on Legislative Suspense File

In recent weeks, fiscal committees in both houses of the Legislature have sent California Chamber of Commerceopposed proposals to the suspense file pending a review of their fiscal impacts.

That pause in a bill's advance through the legislative process is only temporary, however. By the end of next week, the fiscal committees will act on the bills on the suspense file and potentially move them along for a vote by the entire Senate or Assembly.

The CalChamber is encouraging members to contact their legislators, members of the appropriations committees in both houses and legislative leaders to express **opposition** to the following bills.

Labor and Employment

• AB 10 Alejo (D-Salinas) Automatic Minimum Wage Increase. This "job killer" unfairly imposes an automatic \$2 increase in the minimum wage over the next five years, that will continue to increase costs on employers of all sizes, regardless of other economic factors or costs that California employers are struggling with to sustain their business. On Senate Appropriations Committee Suspense File.

● SB 404 (Jackson; D-Santa Barbara) Expansion of Discrimination Litigation. This "job killer" makes it virtually impossible for employers to manage their employees and exposes them to a higher risk of litigation by expanding the Fair Employment and Housing Act to include a protected classification for any person who is, perceived to be, or associated with an individual who provides medical or supervisory care to a listed family member. On Assembly Appropriations Committee Suspense File.

● AB 241 (Ammiano; D-San Francisco) Domestic Work Employees.

Discourages individuals from retaining the services of domestic work employees by requiring individuals and families who hire "domestic work employees" to comply with onerous wage-and-hour mandates that even sophisticated businesses in California struggle to satisfy. *On Senate Appropriations Suspense File.*

Health

• AB 889 (Frazier; D-Oakley)
Increased Health Insurance Premiums.
Reduces health plan flexibility in benefit management, increases health care costs and premiums and reduces employers' choice of benefit packages to offer their employees by limiting step-therapy

See Action Needed: Page 7

Passing New Local Taxes Easier If Pending Proposals Become Law

Two "job killer" proposals to amend the California Constitution to make it easier for local governments to impose new local taxes will be considered by a Senate

policy committee on August 27.

The California Chamber of Commerce opposes SCA 4 (Liu; D-La Cañada Flintridge) and SCA 8 (Corbett; D-San Leandro), which lower the vote requirement for tax increases and will likely lead to taxes specifically targeting employers.

Both proposals add complexity and uncertainty to the current tax structure and pressure to increase taxes on commercial, industrial and residential property owners for local transportation projects by giving local government new authority to enact special taxes, including parcel taxes, by lowering the vote threshold from two-thirds to 55%.

Blanket Authority

The CalChamber's primary concern with SCA 4 and SCA 8 is that they provide blanket authority to the local government to impose nearly any type of "special tax" with a reduced voter threshold of only 55%.

There are few parameters or restrictions under which a "special tax" may be imposed, other than the revenue must be

See Passing New Local Taxes: Page 7

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CalChamber Webinar on Health Exchange: Page 3



More information on page 5.



Labor Law Corner

Alternative Workweek: Make-Up Time Request Should Come in Writing

Same Workweek



Gary Hermann HR Adviser

Is make-up time available for employees working an alternative workweek?

Yes! If an employer approves a written request of an employee to make up work time that is or would be lost as a result of a personal obligation of the employee, make-up time is available for an employee working an alternative workweek.

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Email: alert@calchamber.com. Home page: www.calchamber.com. The hours of that make-up work time, if performed in the same workweek in which the work time was lost, may not be counted toward computing the total number of hours worked in a day for purposes of the overtime requirements specified in Labor Code Section 510 or 511, except for hours in excess of 11 hours of work in one day or 40 hours in one workweek.

An employee shall provide a signed written request for each occasion that the employee asks to make up work time pursuant to this section (Labor Code Section 513).

An employer is prohibited from encouraging or otherwise soliciting an employee to request the employer's approval to take personal time off and make up the work hours within the same week pursuant to this section.

Other Work Schedules

Labor Code Section 513 is not limited

to any kind of employee work schedule.

Employers should remember, however, that in using make-up time for employees on an alternative workweek, the employee cannot work more than 11 hours in a day or 40 hours in the workweek

Employers also should note that Section 3(B)(1) of the Industrial Welfare Commission (IWC) orders also contains language that allows an employer, at the request of an employee, to substitute one day of work for another day of the same length in the shift provided by the alternative workweek agreement on an occasional basis to meet the personal needs of the employee without the payment of overtime.

The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

CalChamber-Sponsored Seminars/Trade Shows

More information: *calchamber.com/events*. *Labor Law*

HR Boot Camp: Toughest Challenges. CalChamber. September 11, San Diego. (800) 331-8877.

Put It in Writing: Employee Handbooks Webinar. CalChamber. September 19. (800) 331-8877.

California Rules for Pay/Scheduling Nonexempt Webinar. CalChamber. October 17. (800) 331-8877.

Business Resources

California HR Conference. Professionals in Human Resources Association. August 26–28, Anaheim. (310) 416-1210.

Affordable Care Act: Covered California Health Insurance Exchange Webinar. CalChamber. September 5. (800) 331-8877.

International Trade

Go Global Webinars. U.S. Department of Commerce. August 27: Documentation and Shipping; September 10 and September 24: Understanding Export Regulations; October 8: Avoiding and Solving Problems. http://go.usa.gov/T37A.

America's Cup: San Francisco 2013. America's Cup. September 7–22, San Francisco.

China International Auto Parts Expo 2013. Consulate General of People's Republic of China, San Francisco. September 13–15, Beijing, China. (415) 852-5972.

See CalChamber-Sponsored: Page 4





Next Alert: September 20





CalChamber Webinar to Explain State Health Insurance Exchange



California's new health insurance exchange, Covered California, will be the subject of the next California Chamber of Commerce webinar explainfederal Patient

Protection and Affordable Care Act (ACA).

The 90-minute webinar, free to CalChamber members, is scheduled for Thursday, September 5 beginning at 10 a.m. PT.

In a CalChamber-moderated session. special guest presenter Chris Patton, a representative of Covered California, will explain what small businesses (1-50

employees) need to know about the state's new insurance marketplace, including:

- Who's eligible and what's required;
- Available tax credits;
- Range of health plans offered;
- Decision on whether and when to participate:
- Who handles plan payments and other administration:
- Employer interaction with the exchange.

October 1 Notice

The ACA requires employers to provide a notice of health coverage options to employees on or before October 1, 2013.

Californians without access to affordable health insurance through their employer can purchase health coverage through Covered California. Enrollment

begins this October for coverage starting January 1, 2014.

Covered California is designed to help individuals and small businesses compare health plans, get answers, find out if they qualify for federal tax credits, and enroll in a plan that meets their needs and budget.

Webinar Recordings

Previous webinars in the CalChamber series on the ACA have included an overview of the act's employer requirements, tax and accounting considerations, and strategies for employee benefits compliance. Webinar recordings are available at no charge for CalChamber members and \$99 for nonmembers.

Registration and more information is available at www.calchamber.com/ acawebinars.

HRCalifornia Offers Information on Affordable Care Act

A special section at HRCalifornia.com compiles links to relevant forms, webinar recordings (free to CalChamber members) and government sources of information on the federal Patient Protection and Affordable Care Act (ACA).

The U.S. Department of Labor (DOL) has created two model notices—one for employers that do not offer a health plan

and another for employers that do offer a health plan to some or all employees.

Employers are required to provide the notices to current employees on or before October 1, 2013. Each new hire must be provided the notices within 14 days of the employee beginning work, starting

The model notices (OMB No.

1210-0149) inform the employee of the existence of the new health insurance marketplace (in California, that's Covered California), a description of services, how to contact the marketplace and other required information.

The model notices are available at HRCalifornia.com.

CalChamber Calendar

Water Committee: September 12, La Jolla CalChamber Fundraising Committee: September 12, La Jolla Board of Directors: September 12–13, La Jolla International Trade Breakfast: September 13, La Jolla 2013 PAC Workshop: September 27, Burbank Fall Public Affairs Conference October 17-18, Laguna Niguel

CalChamber Member Feedback



"When CalChamber engages in a state or federal issue, they, like no other group, can take an industry-specific concern and immediately turn it into a business climate issue."

LARREE M. RENDA EXECUTIVE VICE PRESIDENT, CHIEF STRATEGIST AND ADMINISTRATIVE OFFICER SAFEWAY, INC., PLEASANTON 2010 CALCHAMBER CHAIR



Political Action: Prep Work Begins Now for 2014 State/Local Elections

New regulations from the Fair Political Practices Commission (FPPC) are among the factors to consider as employers and local chambers of commerce prepare for the 2014 state and local elections.

To help with that groundwork, the California Chamber of Commerce will be holding a political action committee (PAC) training workshop on September 27.

The day-long workshop at Woodbury University in Burbank will focus on key strategies for business success in state and local elections. Topics to be covered in addition to the new FPPC rules include candidate assessments and endorsements, and PAC management.

Agenda

On the agenda:

• A discussion of legal issues and requirements associated with a PAC led by



attorneys Brian Hildreth, partner, Bell, McAndrews & Hiltachk, LLP, and Bradley Hertz, partner, The Sutton Law Firm.

- How to interact with the California FPPC, featuring Lynda Cassady, chief of the FPPC Technical Assistance Division.
- Keynote presentations by legislators: Assemblyman Raul Bocanegra (D-Pacoima), Assemblyman Jeff Gorell (R-Camarillo), and Senator Alex Padilla (D-Pacoima).

• How to recruit, train and endorse candidates.

Registration

Online registration is available at www.regonline.com/calchamber2013pacworkshop.

For more information, contact CalChamber Grassroots Coordinator Cathy Mesch at (916) 930-1295 or *cathy. mesch@calchamber.com*.

CalChamber-Sponsored Seminars/Trade Shows

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U.S.-Saudi Business Opportunities Forum. Committee for International Trade, Saudi-U.S. Trade Group, U.S.-Saudi Arabian Business Council. September 16–18, Los Angeles.

Guy Fox Maritime Industry Salute Dinner. International Seafarers Center of Long Beach-Los Angeles. September 18, Aboard RMS Queen Mary. (310) 816-6510.

California Asian Business Summit. Asian Business Association of San Diego and California Asian Pacific Chamber of Commerce. September 19–20, San Diego. (858) 277-2822.

Russian Innovation Week Conference. RUSNANO, RVC, Skolkovo Foundation. September 19–20, Santa Clara. (916) 500-8772.

Trade Mission to Myanmar. California Centers for International Trade Development (CITD). September 19–26, Myanmar. (951) 571-6458. Start Your Own Import/Export Business. Northern California CITD. September 21, Sacramento. (916) 929-9200.

The Americas Business Forum. Los Angeles Area Chamber. September 25–26, Los Angeles. (213) 580-7570.

International Trade Finance: Methods of Payment. CITD. September 26, Sacramento. (916) 563-3200.

Expo Pakistan. Trade Development Authority of Pakistan. September 26–29, Karachi, Pakistan.

Advanced Management of an Import/ Export Business. Northern California CITD. September 28, Sacramento. (916) 929-9200.

Trade Mission to Japan. California Asian Pacific Chamber of Commerce. September 29–October 9, Tokyo, Maebashi, Kyoto. (916) 446-7883.

Global Entrepreneurship Summit 2013. Ministry of Finance, Malaysia. October 11–12, Kuala Lumpur, Malaysia. California Trade and Investment Delegation to China. Bay Area Council. October 13–20. (415) 946-8734.

Trade Expo Indonesia 2013. Indonesia Ministry of Trade. October 16–20. Jakarta Fairground, Kemayoran, Indonesia.

SelectUSA 2013 Investment Summit. U.S. Department of Commerce, International Trade Administration, and SelectUSA. October 31–November 1, Washington, D.C. (202) 482-6800.

U.S.-Spain Council Annual Forum. U.S. Senator Robert Menendez and U.S.-Spain Council. November 15–17, Santa Barbara. (202) 455-4902.

Latina Style Business Series. Latina *Style*Magazine. November 21, Universal
City.

Interwine China 2013. MEREBO Messe Marketing. November 28–30, Guangzhou, China.

StartmeupHK. InvestHK. December 4–7, Hong Kong.





Stellar Lineup of Legislators, Party Officials to Headline Public Affairs Conference

A new political era in California began on January 1 due to several CalChamberbacked voter-enacted reforms.

Did this new era bring new opportunities? Or was it more of the same? It certainly brought new faces—40 freshman legislators walked up the Capitol's steps on to the red or green carpet.

Come hear from these newly minted legislators at CalChamber's Fall Public Affairs Conference on October 17–18 at the Ritz-Carlton in Laguna Niguel, with an evening welcome reception on October 16.

More than 15 California legislators have confirmed their participation and attendance, including Assemblymembers Raul Bocanegra (D-Pacoima), Tom Daly (D-Anaheim), Cristina Garcia (D-Bell Gardens) and Melissa Melendez (R-Lake Elsinore), as well as Senators Marty Block (D-San Diego) and Bob Huff (R-Diamond Bar).

Conference Sessions

Conference sessions will include:

- A bipartisan panel of legislators who will take a look back at the "New Look Legislature" and discuss the Legislature's recent accomplishments and what to expect for next year;
- An opportunity to see former Speaker Willie Brown moderate a panel featuring members of one of the largest freshman legislative classes in recent history;
- A 2014 California election forecast from Jim Brulte, chair of the California Republican Party, and John Burton, chair of the California Democratic Party;
- A pollster's perspective on what the public is thinking with Dave Sackett of The Tarrance Group;
- A data drill down and look at predictive analytics and the changing nature of campaigns featuring former Obama for America Deputy Chief Analytics Officer Andrew Claster.

Registration

CalChamber Public Affairs Council and Board members receive a substantial

discount on registration, which includes both evening receptions. Registration is \$400, if postmarked by September 6, \$450 after that date. Non-Public Affairs Council and Non-Board member registration is \$750 if postmarked by September 6, \$800 after that date.

The Thursday Reception only is \$100. For more information and to register, visit www.calchamber.com/fall2013.

Special thanks to our major sponsors:





Fee Waivers for Qualifying Veteran Business Owners

Veteran business owners may be eligible for fee waivers by meeting certain qualifications, according to the California Department of Veterans Affairs (CalVet).

California law (Business and Professions Code Section 16102) may exempt veteran business owners from paying any municipal, county or state business license fees, taxes and fees, the department points out in an advisory.

The business license still is required, but fees are waived if the veteran meets all of the following qualifications, according to CalVet:

- Honorably discharged from the United States military;
- Sole owner of the business (corporations or partnerships are not exempt);
- Sells tangible goods owned by the veteran (services are not included in the exemption);
- Does not sell alcoholic beverages. To apply for this benefit, veterans need to bring proof of honorable discharge to their appropriate licensing authority.



Legislative Outlook

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

Proposal Expanding Coastal Commission Authority Awaits Senate Action



A California Chamber of Commerceopposed bill that creates an incentive for the California Coastal Commission to impose fines and penalties is awaiting a vote by the entire Senate.

AB 976 (Atkins; D-South Park/ Golden Hill) inappropriately expands the Coastal Commission's enforcement authority by allowing the commission to impose administrative civil penalties and incentivizes the imposition of fines and penalties at the expense of due process that occurs in the judicial system.

Bad Public Policy

In opposing the bill, the CalChamber and a coalition of business groups point out that AB 976 is both unnecessary and bad public policy. It creates an unacceptable dynamic whereby the commissioners and commission staff would assert and determine whether a violation occurred, at the expense of due process and rights for the accused, rather than pursuing those fines and penalties through the judicial branch where that function properly belongs.

The *Orange County Register* editorial board agrees with CalChamber's assessment of the bill, saying in a recent editorial: "Californians deserve their day in court."

CalChamber Policy Advocate Valerie Nera explained to the *San Jose Mercury News*: "Sometimes the violations stem from a phone call—one neighbor doesn't like something another neighbor has done—and they pick up the phone and call the Coastal Commission, and it could be something like a rose bush that is too high up, or your wall is not the proper dimension."

The CalChamber and coalition have sought amendments to limit the commission's authority under AB 976 to imposing penalties to the most egregious violations that are "knowingly, intentional, ongoing, and that cause harm to coastal resources."

There is no evidence or assertion that the commission lacks appropriate enforcement tools to implement the Coastal Act. Giving the commission authority to impose civil penalties is overkill and is unsupported by any demonstrated need.

Action Needed

AB 976 is awaiting a vote by the entire Senate. Contact your senator and urge a vote to **oppose AB 976**. Staff Contact: Valerie Nera

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Action Needed to Keep Bills on Legislative Suspense File

From Page 1

protocols to manage prescription drug use. *On Senate Appropriations Suspense File.*

- AB 912 (Quirk-Silva; D-Fullerton) Increased Health Insurance Premiums. Increases medical costs, which will be passed on to medium and large employers in the form of higher premiums, by mandating coverage of fertility preservation services in certain medical treatments. On Senate Appropriations Suspense File.
- SB 353 (Lieu; D-Torrance)
 Increased Health Insurance Premiums.
 Increases costs for health plans which will be passed on to employers in the form of higher premiums by imposing significant new translation requirement on plans that advertise or market to new communities that speak languages other than English. On Assembly Appropriations Suspense File.
- SB 746 (Leno; D-San Francisco) Health Premium Increase. Interferes with an employer's negotiation with health plans, increases costs by subjecting insurers to excessive, onerous disclosure requirements. On Assembly Appropriations Suspense File.

Industrial Safety and Health

• AB 1165 (Skinner; D-Berkeley)
Increased Costs for Citation Appeal
Process. Proposes a costly double-appeal
process for workplace safety citations
that presumes guilt for employers,
undermines due process with regards to
citations for workplace safety violations

and is unnecessary in light of recently adopted regulations for an expedited appeals process for these situations. *On Senate Appropriations Suspense File*.

Legal Reform/Protection

• AB 566 (Wieckowski; D-Fremont) Unnecessary Restrictions on Trial Courts. Unfairly limits the trial courts' ability to minimize costs in light of the budget reductions they have faced by placing severe restrictions on their ability to contract for services. On Senate Appropriations Suspense File.

Environmental Regulation

• SB 4 (Pavley; D-Agoura Hills) Threatens Oil and Gas Production.
Requires overly restrictive and burdensome regulation of the use of hydraulic fracturing, jeopardizing oil and gas production in the state, which could drive up fuel and energy prices and harm the job market in these sectors. On Assembly Appropriations Committee Suspense File.

Climate Change

• SB 605 (Lara; D-Bell Gardens)
Greenhouse Gas Emissions Reductions.
Increases the cost of AB 32 compliance
and leads to leakage of emissions and jobs
by requiring specified criteria be included
in the California Air Resources Board
scoping plan and requiring greenhouse gas
emission reductions be achieved within the
areas that are most impacted by greenhouse gas emissions and other air pollutants. Prematurely spends AB 32 auction

revenues. On Assembly Appropriations Committee Suspense File.

Energy

• SB 124 (Corbett; D-San Leandro) Bid Preference. Increases the cost of state contracts and limits choice by establishing a 5% bid preference to businesses that use a clean energy device, technology or system manufactured in California. On Assembly Appropriations Committee Suspense File.

Housing and Land Use

- AB 127 (Skinner; D-Berkeley)
 Unnecessary and Duplicative Regulation.
 Establishes an unnecessary and duplicative regulatory process by delegating authority to the California Building Standards
 Commission to regulate the use of flame retardant chemicals in building insulation even though that organization lacks the necessary expertise to conduct such rigorous human health and environmental impact assessments, and despite the fact that the Department of Toxic Substances
 Control already has jurisdiction over these materials. On Senate Appropriations
 Suspense File.
- AB 453 (Mullin; D-South San Francisco) Barrier to Development.
 Undermines the implementation of SB 375 by adding Local Agency Formation Commissions (LAFCOs) to the list of governmental agencies required to consider greenhouse gas emissions related to development. On Senate Appropriations Suspense File.

Passing New Local Taxes Easier If Pending Proposals Become Law

From Page 1

used for local transportation projects and the "special tax" cannot be an ad valorem or transaction tax on real property.

With such broad discretion in the type or scope of "special tax" to impose, the CalChamber is concerned that it could lead to targeted taxes at the local level against unpopular taxpayers, industries, products, or property.

Specifically, under both proposals, a parcel tax could be disproportionately directed at commercial property within the local jurisdiction, thereby potentially undermining the protections in place under Proposition 13 and discriminating against commercial property versus residential.

Similarly, a special sales tax could be imposed solely on sweetened beverages or high-calorie items.

Improper Change

Although the CalChamber appreciates the current financial pressure many cities, counties or special districts are under to maintain funding levels for important services, such as transportation, the CalChamber does not believe it is proper to amend the Constitution to reduce the level of local voter approval necessary to impose nearly any type of special tax.

The current two-thirds vote requirement for special taxes provides a mechanism by which voters still can approve

tax increases while protecting the interests of a small minority of taxpayers.

The business community consistently maintains that if a tax is necessary, it should be only temporary and broad based so that the impact is minimized as it is uniformly shared by all instead of an individual business, industry, or taxpayer.

By reducing the voter threshold to impose nearly any type of "special tax" at the local level with only a majority vote, SCA 4 and SCA 8 increase the threat of unfair and economically harmful targeted taxes.

The CalChamber is urging members of the Senate Transportation and Housing Committee to oppose SCA 4 and SCA 8. Staff Contact: Jeremy Merz



Protect your business and employees.

California companies with 50 or more employees are required to provide two hours of sexual harassment prevention training to all supervisors **within six months of hire or promotion**, and every two years thereafter. CalChamber's online supervisor course meets state training requirements and helps your company avoid work situations that put you at risk for costly lawsuits. Regardless of company size, we recommend training for all nonsupervisory employees as well. Learners can start and stop anytime because the system tracks their progress.

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