

Successes help employers, jobs and the economy

CAPITOL WATCHDOG

Each year CalChamber tracks more than 3,000 legislative proposals on behalf of member businesses.

GRASSROOTS ACTION

Comments from employers yield results. See hot issues at www.calchambervotes.com.

ABOUT US

CalChamber is the largest, broad-based business advocate, working at the state and federal levels to influence government actions affecting all California business. As a not-for-profit, we leverage our front-line knowledge of laws and regulations to provide affordable and easy-to-use compliance products and services.

2014 Major Victories

Advocating Solutions for a Strong California

The California Chamber of Commerce is the voice of California business, expert at promoting pro-job policies and advising employers on the practical impact of state laws and regulations in the workplace. We track more than 3,000 legislative proposals every year, speaking up when a bill will hurt employers and the economy, and working to win support for legislation that will help the jobs climate. Policymakers listen to CalChamber policy advocates, knowing that we represent more than 13,000 member businesses that together employ a fourth of the state's private workforce and reflect the diversity of the California business community.

Further emphasizing our message are the thousands of individuals who use our Web-based grassroots center, www.calchambervotes.com, to make their views known to their elected representatives. Each year, website visitors use the grassroots center to send some 200,000 letters about state and federal issues affecting business operations.

Read on to learn how CalChamber advocacy in 2014 helped employers. See the **Advocacy Return on Investment** sheet for estimates of employer savings on some of these victories.

Stopping 25 of 27 'Job Killer' Bills

The skill of CalChamber policy advocates, joining forces with other business groups and pro-jobs legislators, prevented 25 of 27 "job killer" bills from becoming law in their original form. Below is a sampling of "job killers" stopped before they passed the Legislature. More information is available at www.calchamber.com/jobkillers.

- **Costly workplace mandates**, including minimum wage increases linked to the Consumer Price Index (SB 935); increased workers' compensation penalties and litigation (AB 2604); and expansion of discrimination litigation (SB 404).
- **Economic development barriers**, such as allowing liens on an employer's property based upon alleged-yet-unproven wage claims (AB 2416); significantly limiting in-state energy development by allowing local moratoriums on well stimulation treatments (AB 2420, SB 1132); a split roll parcel tax for school districts (SB 1021); increasing corporate tax rate by up to 15%, with another 50% increase thereafter (SB 1372); significant liability for car dealers on safety recalls (SB 686).
- **Lower vote requirement for tax increases**: Seven constitutional amendments proposed giving local governments new authority to enact special taxes, including parcel taxes, by lowering from two-thirds to 55% the vote required for approving new taxes (SCA 4, SCA 7, SCA 8, SCA 9, SCA 11, ACA 3, ACA 8).
- **Unwarranted expansion of product defect litigation** and associated claims by allowing consumers to pursue claims after the warranty has expired (SB 1188).
- **Dramatic increase in nuisance-based pollution penalties** for nonvehicular air quality violations (SB 691).
- **California-only new labeling requirements and increased litigation**: "job killer" status removed when private right of action amended out of bill; new labeling, packaging, distribution and recordkeeping requirements failed to pass (SB 1381).

In addition, at the CalChamber's insistence, legislation that would have created more opportunities for litigation and substantially increased project cost and delay by creating mandatory consultation requirements with Native American Tribes was **significantly amended to be more workable** (AB 52); and **the most onerous provisions were amended out of** a proposal to double penalties issued by the state air board, regional air districts and the Department of Toxic Substances Control (AB 1330).

Guiding Job Creator Proposals into Law

Won approval of five job creator proposals that help keep California in the competition for high-value jobs in **aerospace manufacturing** (AB 2389, SB 718); **film and television productions** (AB 1839); **spaceflight transportation** (AB 777); and **employer investment** in general - restoring full funding to the California Competes Tax Credit Program (AB 1560). More information is available at www.calchamber.com/jobcreators.

Investing in Water Supply Reliability

Supported voter-approved Proposition 1, providing funding for needed water storage projects, enabling the state to save in wet years for the inevitable droughts.

Promoting State Budget Stability

Supported voter-approved Proposition 2, forcing the state to put money in a constitutionally protected reserve fund that can be used to pay down debt and protect schools, public safety and other vital services from severe cutbacks during economic downturns.

Creating Legislative Environment for Forging Bipartisan Solutions

Candidate elections team secured victories that prevented two-thirds party dominance in either house of the state Legislature.

Preventing Health Care Cost Increases

- Promoted voter rejection of ballot measures that would have led to increased health care costs: Proposition 45 and its fundamentally flawed approach of giving the state Insurance Commissioner authority to approve health insurance rates (thereby potentially delaying health care decisions); and Proposition 46, which would have removed the longstanding cap on pain and suffering awards in medical malpractice lawsuits.
- Blocked legislative proposals that would have increased health care costs, including new health care mandates (AB 1771, SB 1053) and bills that would have undermined managed care plan savings (AB 2533) or nonprescription-based health care products and services (AB 1917).

Clarifying Health Care Issues

- Supported urgency measure helping small employers control health care costs by allowing them to extend pre-Affordable Care Act policies through the end of December 2015 (SB 1446).
- Advocated signing of bill eliminating confusion on waiting period limitations for health care coverage (SB 1034).

Controlling Workers' Compensation Costs

Supported veto of costly expansion of presumption that certain diseases and illnesses are caused by the workplace (AB 2616).

Keeping Lid on Fuel Costs

Stopped a plan to levy an oil severance tax (SB 1017) and to place a carbon tax on gasoline at the pump (SB 1156).

Moving Toward a Better-Educated Workforce

- Supported creation of pilot program allowing certain community colleges to offer a bachelor's degree in a subject related to an unmet workforce need (SB 850).
- Backed legislation promoting computer science education (AB 1764, SB 1200, AB 1539).

Protecting Franchise Contracts

Advocated veto of a bill that would have hurt small businesses, made it more difficult for a franchisor to terminate an underperforming franchisee and reduced investment opportunities for franchisees due to expanded risk of potential litigation (SB 610).

Limiting Liability for Business

Filed friend-of-the court briefs in several cases resulting in business-friendly decisions from the California Supreme Court:

- **For commercial property owners:** The court agreed that a business has no common law duty to have and make available an automatic external defibrillator for use in a medical emergency (*Verdugo v. Target Stores*).
- **For franchisors:** The court ruled that a franchisor can't be held vicariously liable for unlawful conduct by a franchisee's employee where the franchisor exercises no control over day-to-day operations (*Patterson v. Domino's Pizza*).
- **For employers:** The court ruled that a class action trial management plan must permit the litigation of relevant affirmative defenses even when the defenses turn on individual questions (*Duran v. U.S. Bank National Association*).
- **For employers:** Although the court concluded that the Federal Arbitration Act does not preempt a state law that prohibits waiving an employee's ability to pursue a claim on behalf of him/herself and others under the Private Attorneys General Act (PAGA), the court did hold that arbitration agreements in employment contracts can include class action waivers (*Iskanian v. CLS Transportation Los Angeles LLC*).

Easing Employer Burden

- Supported bill signed into law to clarify that employers don't violate state law regarding discrimination against employees with driver licenses that note they are not documented citizens if the employer must take action in compliance with immigration law (AB 1660).
- Backed bill easing compliance by allowing email or telephone reporting of work-related incident subject to immediate notification of Cal/OSHA (AB 326).

Advancing California Exports

Supported reauthorization of Export-Import Bank, thereby enabling U.S. companies—large and small—to turn export opportunities into real sales that help maintain/create U.S. jobs; funding extended from September 30, 2014 to June 30, 2015.