



## 2007 LEGISLATIVE UPDATE

### Important Bills Sent to the Governor

October 24, 2007

*September 11: The regular legislative session adjourned for recess.*

*Extraordinary sessions are in progress on healthcare and water.*

*October 14: Governor's deadline to sign bills.*

*January 7, 2008: Legislature reconvenes.*

## CORPORATE COUNSEL

Staff Contact: Matt Sutton

### **\*AB 1673 (Feuer) Manufacturer's Rebates – Mandate**

Targets manufacturer's rebates. Requires a California retail seller that indicates the availability of a rebate for an item of merchandise by displaying or advertising the net price, to offer that price immediately on-site. Imposes a civil penalty up to \$2500 for a violation, unless proven by a preponderance of evidence that the violation was unintentional.

**Position: Oppose**

**Status: Vetoed by the Governor**

## EDUCATION

Staff Contact: Dorothy Rothrock

### **AB 400 (Nunez) School Accountability**

Includes career technical education when measuring the performance of public schools and pupils.

**Position: Support**

**Status: Vetoed by the Governor**

### **SB 13 (Wyland) School Facilities Funding – CTE Facilities**

The K-12 Public Education Facilities Bond Act of 2006 authorizes the sale of \$7 billion of state GO bonds to construct and modernize education facilities. This bill requires the State Allocation Board (SAB) to ask applicants for funding whether the funding would be used for CTE facilities, and if not, how the applicant plans to meet the needs of pupils related to CTE.

**Position: Support**

**Status: Signed by the Governor**

\* = Priority Legislation

## ENERGY

Staff Contact: Joe Lyons

### **SB 210 (Kehoe) Low-Carbon Fuel Standard**

Requires CARB to adopt and implement a low-carbon fuel standard that achieves at least a 10 percent reduction in GHG emissions.

**Position: Oppose**

**Status: Vetoes by the Governor**

### **SB 428 (Dutton) Interruptible Service**

Requires the CPUC to offer optional interruptible or curtailable service to their customers.

**Position: Support**

**Status: Signed by the Governor**

## ENVIRONMENTAL QUALITY

Staff Contact: Mike Rogge

### **AB 48 (Saldana) Hazardous Waste – Electronic Devices**

Prohibits the sale of electronic devices containing specified heavy metals if they have been banned by the European Union. This bill starts off where AB 2202 died last year. The cost to implement this program is estimated to exceed \$2 million dollars in the second year. It is quite a price tag for the luxury of saying that California was the first state to implement these regulations.

**Position: Oppose**

**Status: Vetoes by the Governor**

### **AB 833 (Ruskin) California Toxic Release Inventory Program**

In Dec. 2006, US EPA increased the reporting threshold for certain chemicals to reduce the workload on some small generators. This bill would require that the missing information be provided to the State.

**Position: Oppose**

**Status: Signed by the Governor**

### **AB 888 (Lieu) Commercial Green Building Standards**

Requires Cal/EPA to develop green building standards for commercial buildings. It establishes the U.S. Green Building Council's LEED gold rating standard as a minimum for new construction and major renovation in CA. By exclusively endorsing the LEED rating system, it discriminates against other rigorous and comprehensive green building programs and rating systems such as Green Globes. While the Building Standards Commission would be authorized to review and comment on the standards, Cal/EPA would be the lead agency with the authority to adopt the final set of building standards. AB 888 would increase costs of commercial construction conservatively by 10% and it would discriminate against certain materials, such as wood, without looking at the life cycle of the products.

**Position: Oppose**

**Status: Vetoes by the Governor**

### **AB 1058 (Laird) Residential Green Building Standards**

Mandates that all new residential construction meet the LEED gold rating standard. This bill would significantly increase the cost of already high housing for employees.

**Position: Oppose**

**Status: Vetoes by the Governor**

**AB 1108 (Ma) Phthalates in Children's Products**

Seeks to ban a wide range of consumer products which contain phthalates that are intended for use by children. The bill was amended dropping Bisphenol-A from the ban.

**Position: Oppose**

**Status: Signed by the Governor**

**SB 990 (Kuehl) Land Use – Santa Susanna Field Laboratory**

Prohibits the sale, lease, sublease or other transfer of any land presently or formerly occupied by the Santa Susanna Field Laboratory unless the Director of Toxic Substances Control certifies that the land has undergone complete remediation of chemical and radioactive contamination.

**Position: Oppose**

**Status: Signed by the Governor**

**SB 1001 (Perata) California Regional Water Quality Control Board Membership**

Reduces and changes the membership from 5 to 9 of the regional water quality control boards in a manner which would make these boards less accountable to the public and less able to properly balance the range of factors under their responsibility. In addition, CMTA believes this bill would also make it more difficult to recruit and appoint qualified members, impeding their ability to meet quorum requirements to conduct business.

**Position: Oppose**

**Status: Vetoed by the Governor**

## LABOR AND EMPLOYMENT

Staff Contact: Cynthia Leon

**\* AB 8 (Nunez/Perata) Health Care Coverage**

Comprehensive reform package proposed by Democratic leadership. Among other things it increases funding to state safety net programs such as Healthy Families and Medi-Cal. It also creates the California Cooperative Health Insurance Purchasing Program (Cal-CHIPP), which would function as a statewide purchasing pool for health care coverage by employers and be administered by the Managed Risk Medical Insurance Board, (MRMIB). The bill proposes that these expansions be funded by requiring all employers to spend 7.5% of their payroll toward employee health care benefits or pay the difference into a state fund.

**Position: Oppose**

**Status: Vetoed by the Governor**

**AB 338 (Coto) Workers' Compensation – Temporary Disability**

Increases to 5 years the period of time during which an employee can receive aggregate temporary disability payments.

**Position: Support**

**Status: Signed by the Governor**

**AB 504 (Swanson) Lockouts**

Requires employers that are convicted of fraud, misrepresentation, or misconduct related to a lockout to make restitution to employees for lost wages and benefits.

**Position: Oppose**

**Status: Vetoed by the Governor**

**\* AB 537 (Swanson) California Family and Medical Leave**

Amends the California Family Rights Act to expand the definition of family members with a serious medical condition to whom a covered employee may take unpaid leave to attend. Also increases the circumstances under which an employer is responsible for providing protected leave pursuant to the Act by eliminating the age and dependency elements from the definition of "child" and changes the definition of "parent."

**Position: Oppose**

**Status: Vetoes by the Governor**

**\* AB 1045 (Richardson) Working Conditions**

Requires the California Occupational Safety and Health Standards Board to adopt indoor heat regulations.

**Position: Oppose**

**Status: Vetoes by the Governor**

**AB 1073 (Nava) Workers' Compensation – Medical Treatment Schedule**

Directs the Division of Workers' Compensation to write treatment guidelines to control the number of therapy sessions and manipulations after surgery. It also prohibits the limit on the number of chiropractic, occupational therapy, and physical therapy visits from applying to visits for postsurgical physical medicine and postsurgical rehabilitative services, as directed by the guidelines.

**Position: Oppose**

**Status: Signed by the Governor**

**AB 1636 (Mendoza) Workers' Compensation – Supplemental Job Displacement Voucher**

Drastically changes current law regarding the provision of the supplemental job displacement voucher in SB 899 (the workers' comp. reform bill, Chapter 34, Statutes of 2004). The revised statute would require the employer to provide the voucher to the injured worker no later than 74 days after the termination of temporary disability regardless of whether that employee has been deemed permanent and stationary. The bill also requires the employer to provide the voucher based upon an estimated level of disability and carries no provision to allow the employer to be reimbursed if the voucher benefit was more than ultimately allowed.

**Position: Oppose**

**Status: Vetoes by the Governor**

**SB 549 (Corbett) Employee's Right to Bereavement**

Adds up to four days of unpaid bereavement leave to current laws that provide employees with the right to take time off from work without fear of being sanctioned by their employer. Bereavement leave may be taken for the death of a spouse, child, parent, sibling, grandparent, grandchild, or registered domestic partner.

**Position: Oppose**

**Status: Vetoes by the Governor**

**SB 727 (Kuehl) Family Leave – Grandparents, Siblings and Grandchildren**

Expands the scope of the family temporary disability insurance program to include grandparents, grandchildren, parents-in-law, and siblings within the definition of "family member," and makes conforming and clarifying changes in provisions relating to family temporary disability compensation. This bill also clarifies that an individual, who is entitled to a leave under the FMLA and the CFRA, must take the FTDI leave concurrent with the leave taken under the FMLA and CFRA if it qualifies under those acts.

**Position: Oppose**

**Status: Vetoes by the Governor**

**\* SB 836 (Kuehl) Fair Employment – Familial Status**

Adds "familial status" to the list of protected classes from employment discrimination within the Fair Employment and Housing Act. It defines "caring for or supporting" as anyone who is providing supervision, transportation, psychological or emotional comfort, attending to an illness, injury, or mental disability, addressing medical, educational, nutritional, hygienic, or safety needs.

**Position: Oppose**

**Status: Vetoes by the Governor**

**\*SB 936 (Perata) Workers' Compensation – Permanent Disability Schedule**

Existing law requires the payment of disability benefits to eligible individuals for injuries sustained in the course of employment that cause permanent disability, and specifies that the amount of those payments be computed in accordance with a prescribed formula. This bill would revise the formula for computing those payments for injuries causing permanent disability, which occur on or after January 1, 2008.

SB 936 is the same issue as AB 1212.

**Position: Oppose**

**Status: Vetoed by the Governor**

**SB 942 (Migden) Workers' Compensation - Reinstatement**

Provides that if, after the employee has been disabled from work and then is willing and available to return to work, there is a presumption that an employer has discriminated against an employee if the employer refuses to reinstate the employee to his or her regular position with full wages and benefits within 5 working days.

**Position: Oppose**

**Status: Vetoed by the Governor**

## TAXATION

Staff Contact: Matt Sutton

**\*AB 8 (Nunez/Perata) Health Care Coverage**

Requires employers to spend 7.5% of their payroll toward employee health care benefits or pay the difference into a state fund. The program will also provide for increased funding to state safety net programs.

**Position: Oppose**

**Status: Vetoed by the Governor**

**AB 198 (Committee on Budget) Unconstitutional taxes – Remedies**

Retroactively restricts remedies in pending taxpayer litigation challenging the LLC tax statute. We do not object to other part of the bill that contains a prospective fix of the LLC tax.

**Position: Oppose**

**Status: Signed by the Governor**

**AB 1360 (Anderson) FTB Notice of Proposed Deficiency – Postmark**

Requires the Franchise Tax Board to postmark every notice of proposed deficiency assessment and every notice of final deficiency mailed to taxpayers after January 1, 2008.

**Position: Support**

**Status: Signed by the Governor**

**AB 1618 (Feuer) Corporate Interest Expense Deduction**

Sponsored by the Franchise Tax Board. Repeals the interest offset provisions used to deduct interest expense from business income for unitary businesses. Bill goes way beyond the constitutional limitations imposed in the Hunt-Wesson decision in 2000 and should be viewed as a tax increase subject to a 2/3s vote.

**Position: Oppose**

**Status: Vetoed by the Governor**

**SB 788 (Cogdill) Water's Edge – Audits**

Allows audits of water's edge filing to be done on other than a mandatory, annual basis.

**Position: Support**

**Status: Signed by the Governor**

<sup>1</sup> California Manufacturers & Technology Association <sup>1</sup> 800-655-2640 <sup>1</sup> [www.cmta.net](http://www.cmta.net) <sup>1</sup>