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Golden State Report

Legislative Update

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Dates to Remember:

- **Mar 10**—Deadline for bond issues to be put on June 6 primary ballot
- **April 10-14**—Legislative Spring Break
- **April 18**—10:00 a.m. Board of Equalization Hearing: Regulation 1602 Sales Combined Food Products
- **May 12**—Deadline for policy committees to get bills
- **July 13**—CRA Annual Meeting in Sacramento

NEW LEGISLATION

The deadline for bill introduction was February 24th. Following is a list of bills of interest to various retail sectors. If a position on a bill is not given, it is currently being analyzed by staff and our member committees. A “spot bill” is non-substantive; it just announces intent to amend the bill later to flesh out the proposal. Your comments or questions are always welcome.

[Assembly Bills](#)

AB 1970, Levine: Requires appliance manufacturers to label the products with the cost of the appliance for one year in “active” mode and in “standby” mode. Position: **Oppose.**

AB 1999, Torrico: Imposes an additional 1% sales tax on “harmful matter”.

AB 2013, Saldana: Provides that any taxes collected as a result of reclassifying any alcoholic beverage from a beer to a distilled spirit shall go to the Youth Alcohol Prevention Fund.

AB 2068, Nava: Current law allows an injured worker, under workers comp, to be treated by his/her own physician under certain circumstances, until 4/30/07; this bill repeals that date, permitting it indefinitely. Also repeals the current 7% maximum number of employees in the State that can be covered by this provision.

AB 2089, Tran: Exempts from sales tax “disaster preparedness products”, until 1/1/2010 (batteries, first aid kits, water-proof sheeting, fuel containers, ground anchor systems, portable generators, non-electrical food storage coolers, battery flashlights, battery lanterns, gas lanterns, candles, battery and self-powered radios, tarps, tie-down kits).

AB 2122, Klehs: Spot bill to amend the current law that limits price increases for the first 30 days after a state of emergency is declared.

AB 2127, Plescia: Requires State Integrated Waste Management Board to study whether there are any significant environmental impacts caused by random disposal of alkaline batteries in landfills; requires Legislative Analyst to evaluate the cost of developing an infrastructure to collect used batteries, both by 7/7/07. Position: **Support.**

AB 2147, Harman: Prohibits sale of plastic food or beverage containers labeled biodegradable, compostable, degradable unless they meet the American Society for Testing and Material standard specification for the term.

AB 2202, Saldana: Revises the definition of “electronic device” for the purposes of the sale prohibition; prohibits sale if it is prohibited from being sold in the European Union as of its date of manufacture. California law defines electronic device as those covered elec-

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tronic devices in the recycling program. Position: **Oppose/Amend.**

AB 2217, Villines: Permits individual employees to adopt alternative work schedules for up to 10 hours a day within a 40-hour workweek. Position: **Support.**

AB 2271, Koretz: Establishes a refund value of 10 cents per battery; requires manufacturers and distributors of batteries to pay the refund value to the State; uses funds to certify and pay refund values to certified recycling centers. Defines distributor as “person who sells a battery to a battery retailer and a person who imports a battery from outside the state for sale to a retailer or consumer in the State.” Applies to non-rechargeable alkaline or zinc-carbon batteries.

AB 2285, Committee on Business and Professions: Removes requirement for “all price reductions” and taxes be viewable by a customer prior to payment. Position: **Support/Sponsor.**

AB 2344, Chu: Spot bill to create amnesty program for unemployment insurance.

AB 2371, Levine: Invalidates arbitration agreements between employers and employees that are required as a condition of employment; as of 1/08, any waiver of rights under the FEHA must be voluntary, and the burden of proof is on the employer. Position: **Oppose.**

AB 2415, Nunez: Prohibits sale of wireless technology unless it contains encryption software.

AB 2449, Levine: Intent bill to create a statewide recycling program for low-density polyethylene plastic bags, based on the CA Beverage Container Recycling program.

AB 2524, DeVore: Prescribes a fee schedule for reimbursement of prescription drugs dispensed for workers comp purposes.

AB 2555, Oropeza: Increases the damages for which an employer may be liable for violations of gender equity law, to include a civil penalty of twice the balance of the wages due the employee, or 4 times the wages due if the violation is willful.

AB 2561, Torrico: Establishes Commission on Security and Privacy to set standards on use of RFID technology in government-issued identification documents. .

AB 2583, Nation: Board of Pharmacy to create a sign for all pharmacies, informing customers of their rights if a pharmacist refuses to dispense a drug.

AB 2618, Berg: Extends the existing 2 year statute of limitations to 3 years for discrimination or sexual harassment. Position: **Oppose.**

AB 2644, Montanez: Spot bill relating to vended water.

AB 2672, Oropeza: Spot bill to clarify the position of local governments in reviewing, protesting and conditioning alcoholic beverage applications.

AB 2726, Klehs: Spot bill re safety zones and heavy equipment moving merchandise from shelves.

AB 2730, Nation: Re direct-to-consumer advertising of drugs.

AB 2743, Matthews: Caps “ancillary personnel “ in a pharmacy at eight (pharmacy techs, pharmacy tech trainees, interns, clerks and typists). Position: **Support/Sponsor.**

AB 2845, Bogh: Increases from \$10.5 million to \$15 million the amount the DOC can spend on recycling activities. Position: **Support.**

AB 2877, Frommer: Requires DHS to develop a website to provide information to consumers about options for obtaining prescription drugs at affordable prices; requires links to Canadian, UK, and Ireland pharmacies.

AB 2888, Arambula: Prohibits ABC from issuing an alcoholic beverage license if the local government does not make any determination of public convenience or necessity (current law permits ABC to grant license if locals do determine public convenience and necessity or if locals fail to act at all on a determination).

AB 2911, Nunez: Establishes Discount Prescription Drug Program in DHS, to negotiate discounts with manufacturers and seek rebates. Authorizes any pharmacy to participate.

AB 2986, Mullin: Requires CURES program to report Schedule IV drugs (as well as Schedule II and III) and requires reporting to Attorney General to change from monthly to weekly; revises prescription form.

AB 3001, Pavley: Includes personal computers in the electronics recycling program as of July 1, 2007.

Senate Bills

SB 1162, Cedillo: Increases minimum wage to \$7.25 as of 9/1/06, and to \$7.75 as of 7/1/07, with automatic increases based on index TBD. Position: **Oppose.**

SB 1167, Maldonado: Increases minimum wage to \$7.25 as of 9/1/06, and to \$7.75 as of 7/1/07. Position: **Support.**

SB 1180, Migden: Prohibits any business from advertis-

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ing or marketing alcoholic beverages “in a manner that targets and encourages illegal consumption or purchase of alcoholic beverages by minors”.

SB 1205, Escutia: Increases air pollution penalties, from nonvehicular sources, from \$1,000 to \$10,000; as of 6/1/07, assesses an additional civil penalty of \$100,000 per day for each violation committed by a serious and chronic violator. Position: **Oppose.**

SB 1208, Ortiz: Prohibits shipping or transporting tobacco products to persons in California, with certain exceptions.

SB 1329, Alquist: Permits redevelopment agencies to give grants and financial assistance to grocery stores to bring them into underserved areas. Position: **Support.**

SB 1370, Chesbro: Modifies definition of crime reporting districts as it relates to determining “undue concentration” of alcoholic beverage licenses.

SB 1380, Chesbro: Adds on-sale wine license to the types of alcoholic beverage licenses available.

SB 1406, Margett: Requires debt collector that submits negative information to credit agency to verify the consumer’s address with the agency; if different, negative info notices must go out to both addresses. Position: **Oppose.**

SB 1414, Migden: Requires employers with 10,000 or more employees in the State to spend at least 8% of the total wages paid to employees in the preceding year on employee health insurance costs. Position: **Oppose.**

SB 1449, Migden: Provides that failure to timely remit sales tax incurs a 50% penalty of the amount not remitted.

SB 1512, Machado: Changes the threshold for providing substitute notice of breach of security from \$250,000 to \$500,000. (Current law permits substitute notice of a breach of personal ID security if the cost of providing notice would exceed \$250,000.)

SB 1523, Alarcon: Requires local governments, before approving or rejecting an application for a superstore development (greater than 100,000 square feet that contains more than 20,000 SKUs and derives 10% or more of the sales floor to the sale of nontaxable items), to have an economic impact study done, and specifies the criteria for the study. Position: **Oppose.**

SB 1573, Alarcon: Requires IWMB to develop regulations prohibiting manufacturers from using excess packaging, requiring use of specific percentages of recyclable material in the production of packaging, and creating incentives for the use of recyclable materials.

SB 1601, Lowenthal: Requires ports to require their lessees to use best available control technology to reduce particulate matter and nitrous oxide emissions.

SB 1613, Simitian: Makes it an infraction to drive while talking on a cell phone unless using a hands-free device.

SB 1666, Bowen: Prohibits knowingly procuring the personal information of a customer.

SB 1730, Perata: Requires Director of Division of Workers Comp to formulate a rating schedule for determining the percentage of an injured employee’s permanent disability.

SB 1737, Figueroa: Requires consumer to have 30 days to submit a rebate request, and the refund check shall be mailed within the same number of days provided to the consumer to submit the rebate request but no later than 60 days.

SB 1744, Bowen: Requires any agency or business that sustained a breach of security to provide a year of free credit monitoring service to all persons whose personal information was, or was reasonably believed to have been, acquired by an unauthorized person.

SB 1772, Morrow: Requires telephone number on water-vending machines to be toll free; requires DHS to conduct random inspections of water-vending machines.



SB 1778, Alarcon: Creates a new code of “8” or “PLA” that must be put onto plastic bottles or containers made of polylactic acid.

GOVERNOR’S GOODS MOVEMENT ACTION PLAN

A new edition of the Governor’s Goods Movement Action Plan has been released. It can be accessed at: http://www.arb.ca.gov/gmp/docs/gmap_ffa_021706_draft_final.pdf. A new chapter on “Accountability” has been added. The State’s Business, Transportation and Housing Agency would be required to review the plan periodically and the California Air Resources Board must monitor air quality for improvements. Immediate, short-term and long-term goals were added for trucks. The portion on public health and environmental mitigation was expanded to include air quality goals and the Air Resources Board’s Emissions Reduction Plan.

SAN FRANCISCO HEALTH CARE PLAN

San Francisco Mayor Gavin Newsom came to Sacramento to lobby for a share of the \$180 million the State is expected to receive from the federal government for health coverage for the uninsured. This is part of the Mayor's "alternative" to Supervisor Ammiano's plan to have the employer community pay health care costs of all employees.

Newsom's 41-member task force, reported on the last *Golden State Report*, has been charged with coming up for a plan for covering San Francisco's uninsured. At first glance, large employers greeted the news with relief, since large employers virtually all offer health coverage to employees. However, since then Mayor Newsom has begun talking of a program funded through a combination of government money, *employer contributions* and co-payments. The task force report is due in approximately three months.

NEW PROPOSITION 65 ACTIONS

Mateel Environmental Justice Foundation has sent 60-Day Notices to 19 companies, most of whom are manufacturers of **plumbing valves**, but also including four home improvement retailers, alleging violation of Prop 65 by selling plumbing valves that contain **lead and/or lead compounds**.

On Wednesday, February 22, a group of seven labor and environmental organizations, including the Environmental Working Group, the Sierra Club and the United Steelworkers, asked California's Attorney General to force manufacturer to warn consumers about **PFOA**, perfluorooctanoic acid. The chemical was recently identified by a federal scientific advisory panel as a likely carcinogen. PFOA forces two compounds to mix that otherwise would not go together; it is used in the manufacture of almost all **non-stick and water-resistant materials such as fry pans containing Teflon and coats with Gore-Tex**, as well as **fleece** that blocks wind, **carpets** that won't stain, **paper dog food bags**, and **microwave popcorn bags**.

The U.S. Environmental Protection Agency said it is not making any recommendations to consumers about these products, and DuPont, the sole U.S. manufacturer of PFOA, said there are no negative human health effects.

WORK INJURY REVAMP RAPPED

Sacramento Bee , 2-11-06

Saying severely injured workers are seeing deep cuts in benefits, Assembly Speaker Fabian Núñez turned up the pressure on Gov. Arnold Schwarzenegger on Friday to rework rules determining permanent disability awards. The Los Angeles Democrat said a state analysis released Thursday confirms complaints that "injured workers got the short end of the stick" from the 2004 overhaul of the state-run workers' compensation system. The report by the California Commission on Health Safety and Workers' Compensation cited regulations enacted in 2005 that have cut permanent and injured workers' disability benefits by about 50 percent. The analysis also said the law has saved another 7 percent to 30 percent in permanent disability costs. Earlier studies by the insurance industry and advocates for injured workers have put benefit cuts at 7 percent to 60 percent.

"I'm optimistic we can craft a solution through the regulatory process that will hold down rates and provide adequate benefits to workers entitled to them," Núñez said in a statement.

The administration, however, said no changes are planned until the Division of Workers' Compensation does its own analysis this summer.

Under SB 899, a new methodology based on American Medical Association guidelines was imposed last year to determine permanent disability benefits. It also said the loss of future earnings would be considered in calculating awards. The goal was to give workers with less severe injuries lower benefits while those with a higher level of disability would get larger awards.

Business groups questioned the latest report.