

**NFIB**  
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**CALIFORNIA**  
The Good, The Bad, & The Ugly

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# NFIB/CA SACRAMENTO UPDATE

*Updated February 8, 2017.*

California is in the first year of its two-year legislative session, and legislators are in the process of introducing new bills. Approximately 5,000 bills are introduced each session, but the Assembly voted themselves the ability to introduce an additional 10 bills per member – that's another potential 800 measures that can be working through the process to the Governor's desk. NFIB will update this list as the legislative session progresses.

## **The Good Bills**

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**AB 12 (Cooley): Agency Review of Regulations – Support:** Requires all agencies to do a full review of their regulations to see if they are outdated, too costly, or overlap with other rules. Such a full-scale review has not happened in decades.

**AB 75 (Steinorth): Earned Income Credits – Support:** Expands the earned income credit allowed by the Personal Income Tax Law by providing conformity with federal income tax law regarding net earnings from self-employment.

**AB 77 (Fong): Legislative Approval of Costly Regulations – Support:** Requires legislative approval for any regulations with an impact of over \$50 million.

**AB 150 (Mathis): ADA Lawsuits – Support:** Establishes notice requirements for a plaintiff to follow before bringing an action against a small business for an alleged violation of the Americans with Disabilities Act (ADA). Requires the plaintiff to provide notice to a business at least 6 months before filing the complaint. The bill would also preclude commencement of an action against a small business for an alleged ADA violation if the small business has made a good faith effort to correct the alleged violation.

**AB 278 (Steinorth): CEQA Exemptions for Highway Maintenance – Support:** Creates a California Environmental Quality Act exemption for highway and road improvements.

**AB 281 (Salas): PAGA Reform – Support:** Amends the Private Attorneys General Act to allow aggrieved employees to only collect civil penalties for an employer violation that the employee actually suffered harm from. It also increases the employer's right to cure from 33 to 65 days, and limits the exclusions from the right to cure to only health and safety violations.

**SB 13 (Gaines): R&D, Manufacturing, Agricultural Sales Tax Exemption – Support:** Expands the research and development, manufacturing, and agricultural sales and use tax exemption.

**SB 38 (Roth): New Judgeships – Support:** Funds 10 of 50 prior approved new judgeships to help alleviate the overburdened court system.

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**SB 182 (Bradford): Business Licenses – Support:** This is currently an intent bill that will establish a single business license for small business owners that operate in multiple local jurisdictions.

## The Bad Bills

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**AB 20 (Kalra): Public Pension Divestments – Oppose:** Requires public employee pensions to liquidate their investments in a company that is constructing, or funding the construction of, the Dakota Access Pipeline. With \$500 billion in pension liability, now is not the time for the Legislature to meddle in the investment decisions of the nation's premier public pension funds.

**AB 79 (Levine): Ban on Coal-Fired Electricity Generation – Oppose:** Establishes benchmarks reducing the purchase of energy derived from coal, with a total ban by 2026. This will only serve to increase energy costs for businesses by eliminating a cheap, viable source.

## The Ugly Bills

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**AB 5 (Gonzalez): Opportunity to Work Act – Oppose:** Requires employers with 10 or more total employees to offer more hours to their part-time employees before they can hire new workers, including temporary or seasonal staff. It creates a new right to sue your employer if you don't get more hours.

**AB 43 (Thurmond): Department of Corrections Contracting Tax – Oppose:** Imposes an as yet to be determined tax on businesses that contract with CDCR for the "privilege" of having a state contract in order to fund education programs designed to prevent future criminals.

**AB 151 (Burke): Cap-and-Trade – Oppose:** Statutorily authorizes cap-and-trade beyond 2020.

**AB 168 (Eggman): Employee Wages – Oppose:** Prohibits employers from asking applicants about their salary history. It effectively eliminates the ability of an employer to negotiate wages, and creates a new cause of action for lawsuits.

**AB 274 (C. Garcia): Sales Tax on Snack Foods – Oppose:** Reinstates a sales tax on snack foods by reversing a 1992 voter initiative that repealed a previous tax. This is the implementation bill for ACA 2 by the same author, and will define "snack foods."

**ACA 2 (C. Garcia): Sales Tax on Snack Foods – Oppose:** Reinstates a sales tax on snack foods by reversing a 1992 voter initiative that repealed a previous tax.

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**SB 2 (Atkins): Transfer Document Fee – Oppose:** Creates a new \$75 per document fee (or tax) for the transfer of real property in order to fund affordable housing programs. It caps a \$225.

**SB 33 (Dodd): Arbitration Agreements – Oppose:** Prohibits arbitration agreements made as a condition of entering into any contract for goods or services. This is in conflict with established federal law and legal rulings of the United States and California Supreme Courts, and will lead to costly litigation, as well as further straining our over-burdened court system.

**SB 62 (Jackson): Family Leave – Oppose:** Significantly expands the reasons for which employees can take protected leave under the California Family Rights Act (CFRA), allowing California employees to take up to 24 weeks/6 months of protected leave in a 12-month period to care for an ever-expanding list of people. The statute allows employees to sue their bosses.

**SB 63 (Jackson): Family Leave – Oppose:** Requires employers with as few as 20 employees within a 75-mile radius to provide 12 weeks of parental bonding leave, in addition to the other leaves of absence California already imposes, including maternity leave. Creates new legal liabilities for employers.

## Of Concern to NFIB

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There are several proposed bond measures that will authorize over 6.5 billion in revenue bonds for purposes ranging from affordable housing to emission compliance for trucks to environmental issues. California currently has billions of dollars of bond debt and should not burden future generations with even more debt that will need to be repaid from a general fund that has had constant shortfalls. Additionally, NFIB is currently balloting its members on some tax proposals.