

PANE & PANE ASSOCIATES, INC.

March 11, 2008

MEMO TO: CBA Board of Directors and Members

FROM: Josh and Donna Pane
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RE: LEGISLATIVE UPDATE: 2007 Bills Still Active and
NEW BILLS INTRODUCED IN 2008

TOP 3 SELECTED BILLS

AB 2578 (Lieu) Public Utilities Commission: procedures and remedies.

(I-2/22/08) **Sponsor:** PUC **Staff:** Sheri Pemberton

Summary: Under existing law, the Public Utilities Commission has regulatory authority over public utilities and can establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process. Existing law authorizes the commission to determine whether a proceeding requires a hearing, authorizes the commission to assign one or more commissioners and administrative law judges to oversee cases, and prescribes separate procedures for proceedings that the commission determines are either quasi-legislative, adjudication, or rate setting cases. Existing law authorizes the commission to impose various remedies upon finding a violation of the Public Utilities Act or certain other violations, and makes any public utility and any corporation other than a public utility, that violates the act, or that fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission guilty of a crime. This bill would authorize the commission, when the commission institutes an investigation on its own motion in an adjudication case, to determine that the respondent lacks, or may lack, the ability to pay potential penalties or fines or to pay restitution that may be ordered by the commission, and if so found, to order the respondent to demonstrate, to the satisfaction of the commission, sufficient ability to pay potential penalties, fines, or restitution. The bill would require the respondent to demonstrate the ability to pay, or make other financial arrangements satisfactory to the commission, within 7 days of the commission adopting an investigation order. The bill would authorize the commission to delegate to the attorney for the commission the authority to determine whether a sufficient showing has been made by the respondent of an ability to pay and would authorize the respondent to request impartial review by an administrative law judge.

STATUS: Awaiting committee assignment.

AB 2985 (Duvall) Household goods and passenger carriers.

(I-2/22/08) **Sponsor:** PUC **Staff:** Adam Wood

Summary: (1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities. The California Constitution gives the Legislature plenary power, unlimited by the other provisions of the constitution, to confer authority and

jurisdiction upon the commission that is cognate and germane to the regulation of public utilities. The Interstate and Foreign Motor Carriers of Household Goods and Passengers Act makes a household goods carrier, as defined, subject to regulation by the commission. This bill would repeal the act. (2) Charter-party carriers of passengers are subject to the jurisdiction and control of the commission under the Passenger Charter-Party Carriers' Act. Existing law makes inapplicable any provision of the act relating to charter bus transportation, as defined, that conflicts with the federal Transportation Equity Act for the 21st Century. This bill would make inapplicable any provision of the act relating to charter bus transportation that conflicts with the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. The bill would revise the definition of charter bus transportation for purposes of the act. The act requires a charter-party carrier of passengers to obtain from the commission a certificate that public convenience and necessity require the operation or a permit issued by the commission, and to operate within the state on a prearranged basis, as defined. The act provides that a permit or certificate, or renewal of a permit or certificate, is effective for 3 years, unless suspended or revoked. The act requires that every application for a certificate or permit, or renewal of a certificate or permit, be accompanied by the appropriate fee as specified. This bill would delete provisions pertaining to the renewal of a certificate or permit and the provision limiting the effective period of a permit or certificate to 3 years, and would increase the fee to accompany an application for a certificate or permit. (3) Existing law requires a motor carrier of property, as defined, to pay an initial and renewal permit fee to the Department of Motor Vehicles, except for a motor carrier of property engaged solely in interstate or foreign transportation of property by motor vehicle. A motor carrier of property engaged solely in interstate or foreign transportation of property by motor vehicle is prohibited from operating on any public highway in the state without first having registered the operation with the department or the carrier's base registration state, if other than California, pursuant to the Federal Unified Carrier Registration Act of 2005. This bill would prohibit a household goods carrier, as defined, or a motor carrier engaged in the transportation of passengers for compensation, engaged solely in interstate or foreign transportation, from operating on any public highway in the state without first having registered the operation with the department or the carrier's base registration state, if other than California, pursuant to the Federal Unified Carrier Registration Act of 2005. The bill would make other conforming changes making violation of this requirement a crime, to reflect that this prohibition replaces the same prohibition that is contained in the Interstate and Foreign Motor Carriers of Household Goods and Passengers Act, which this bill would repeal.

STATUS: Awaiting committee assignment.

SB 1539 (Calderon) Meal periods. (I-2/22/08) Sponsor: State Chamber of Commerce and other businesses author Staff: Adam Gray

Summary: Existing law requires an employer to provide an employee who works more than 5 hours in a workday with a meal period of not less than 30 minutes, unless the employee works no more than 6 hours in a workday and the meal period is waived by mutual consent. An employer also is required to provide an employee who works more than 10 hours in a workday with a second meal period of not less than 30

minutes, unless the employee works no more than 12 hours, the first meal period was not waived, and the second meal period is waived by mutual consent. The Industrial Welfare Commission (IWC) of the Department of Industrial Relations adopts and amends wage orders that, among other things, specify how meal periods are required to be provided to covered employees within various industries, including the procedures for providing employees with on-duty meal periods. This bill would revise the statutory requirements for the provision of meal periods to specify that the requirements apply only to employees subject to the meal period provisions of an order of the IWC. The statutory requirements for providing the meal periods would be revised to specify that a meal period based on working more than 5 hours in a workday is required to be provided before the employee completes 6 hours of work, unless the existing waiver provision is invoked. The waiver provision for the 2nd meal period would be changed to provide an exception for different provisions within IWC wage orders in effect as of January 1, 2008, and to permit the employer and employee to agree to waive either the first or the 2nd meal period if the employee otherwise is entitled to 2 meal periods. The bill also would specify conditions under which on-duty meal periods are permitted rather than meal periods in which the employee is relieved of all duty. The meal period provisions of a valid collective bargaining agreement would be required to be implemented for covered employees rather than the statutory requirements. This bill contains other related provisions.

STATUS: Senate Labor & Industrial Relations.

2007 and 2008 Legislative Update

AB 1034 (Keene) Employment: meal periods. (A-09/07/07)

Summary: Existing law requires an employer to provide an employee who works more than 5 hours per day with a meal period of not less than 30 minutes, unless the employee's total daily work period is not more than 6 hours, in which case it may be waived by mutual agreement. An employee working more than 10 hours per day must be provided with a 2nd meal period of not less than 30 minutes, unless the total daily work period does not exceed 12 hours, in which case the 2nd meal period may be waived by mutual agreement only if the first meal period was not waived. This bill would require that the first meal period be commenced no later than the completion of the employee's 6th hour of work. Under the bill, if an employer and employee have entered into a valid collective bargaining agreement, which includes terms relating to the provision of meal periods, that agreement would prevail over the statutory requirements.

CBA Position: Watch

STATUS: Senate Labor & Industrial Relations.

AB 1610 (Nunez) Fuels: refineries. (A-09/06/07)

Summary: Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) in the Resources Agency, and specifies the powers and duties of the commission with respect to energy resources in the state. Existing law requires major oil producers, refiners, major marketers, major oil transporters, and major oil stores to supply to the commission weekly, monthly, and annually certain designated information regarding petroleum supplies. This bill would require an owner or operator of a refinery in the state to submit information to the Energy Commission relating to the capacity and operational status of the refinery.

CBA Position: Support
STATUS: Senate Floor.

AB 1711 (Levine) Employment: wages and hours. (A-09/07/07) Sponsor:
Summary: Under existing law, the prevailing party, with certain exceptions, is entitled to an award of attorney's fees in an action brought for nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, or in an action brought for underpayment of the minimum wage or overtime compensation. This bill would add expert witness fees to the prevailing party in any such recovery.

CBA Position: Watch
STATUS: Senate Labor & Industrial Relations

New Assembly Bills Introduced in 2008

AB 1851 (Nava) Greenhouse gas emissions: sale of voluntary offsets. (I-1/29/08) Sponsor: author Staff: Ben Turner Spot Bill
Summary: This bill would express legislative intent to create a process for ensuring that voluntary greenhouse gas emissions offsets sold in California meet clear and consistent standards, and assist local governments and others in the state in generating and marketing qualifying projects for the voluntary offsets market.
STATUS: Assembly Rules for assignment.

AB 2402 (La Malfa) Motor carriers: diesel trucks. (I-2/21/08)
Sponsor: California Trucking Assn. Staff: Cindy Hillery
Summary: Existing law requires the Department of Motor Vehicles to regulate the safe operation of specified vehicles, including, among other types a motor truck of 3 or more axles over a specified weight and a truck tractors (this is what the bill says). This bill would make a technical, non-substantive changes and is a spot bill.
STATUS: Awaiting committee assignment.

AB 2488 (Houston) Income and corporation taxes: deductions: depreciation. (I-2/21/08) Sponsor: author Staff: Keith Ochwat
Summary: This bill would, for taxable years beginning on or after January 1, 2008, and before January 1, 2013, allow a taxpayer to take a deduction for depreciation, with respect to specified qualified capital expenditures that reduce greenhouse gas emissions and specified qualified capital investments for renewable energy, over a 3-year period, as provided. This bill contains other related provisions.
STATUS: Assembly Revenue & Taxation on April 21st.

AB 2530 (Duvall) Private employment: meal periods: transportation workers. (I-2/21/08) Sponsor: CTA Staff: Adam Wood
Summary: Existing law requires employers to provide meal periods to employees during work periods of specified duration. This bill would specify that the meal period requirement does not apply to certain employees in the transportation industry.
STATUS: Assembly Labor & Employment.

AB 2538 (Ruskin) Greenhouse gas emissions: consumer product labeling. (I-2/22/08) Sponsor: Conservation Strategies Group Staff: Erin Shaw

Summary: This bill would enact the Carbon Labeling Act of 2008. The act would require the state board to develop and implement a program for the voluntary assessment, verification, and standardized labeling of the carbon footprint, as defined, of consumer products sold in this state.
STATUS: Assembly Natural Resources.

AB 2560 (Lieu) Medium- and heavy-duty motor vehicles: air pollution. (I-2/22/08) **Sponsor: Natural Gas Vehicle Coalition Staff: Sheri Pemberton**

Summary: Existing law requires, on or before December 31, 2008, the Department of General Services, in conjunction with the State Air Resources Board and the State Energy Resources Conservation and Development Commission, to amend the existing "Enhanced Efficiency Costing Methodology for Passenger Cars and Light-Duty Vehicles" to rank the environmental and energy benefits and costs of these motor vehicles for potential procurement by state and local governments pursuant to specified criteria. This bill would also require, on or before December 31, 2009, that the above-described state agencies apply the same criteria established under this provision for passenger cars and light-duty vehicles to medium-duty and heavy-duty motor vehicles.
STATUS: Assembly Transportation.

AB 2625 (Strickland) Bio-diesel. (I-2/22/08) **Sponsor: Neste Oil Staff: Joel Angeles**

Summary: Existing law generally imposes restrictions upon the sale of nonconforming fuel products. Existing law exempts developmental engine fuels authorized by the Department of Food and Agriculture from these restrictions, as specified. This bill would define "bio-diesel" and "bio-diesel blends," and define "renewable diesel" and "renewable diesel blends," for these purposes.
STATUS: Awaiting committee assignment.

AB 2632 (Fuller) California Global Warming Solutions Act of 2006: market-based compliance mechanisms. (I-2/22/08) **Sponsor: author Staff Todd Robertson**

Summary: The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The state board is authorized to adopt market-based compliance mechanisms, as defined, meeting specified requirements to be used for compliance with those regulations. This bill would make technical, non-substantive changes to these provisions of law. This is a spot bill.
STATUS: Awaiting committee assignment.

AB 2645 (Nunez) Air pollution: alternative fuels and vehicle technologies: funding programs. (I-2/22/08) **Sponsor: author Staff: Jennifer Galehouse**

Summary: Existing law creates the Alternative and Renewable Fuel and Vehicle Technology Program that is administered by the State Energy Resources Conservation and Development Commission to provide,

upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, and other appropriate measures, to specified entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. The commission is required to provide preference to specified projects based on specified criteria, including the use of alternative fuel with a fuel blend of at least 20% or higher. The fuel blend criteria do not apply to alternative and renewable fuel infrastructure, fueling stations, and equipment. This bill would, instead, provide that the fuel blend criteria do not apply only to renewable diesel infrastructure, fueling stations, and equipment. The bill would, in addition, provide specified life cycle and multimedia analyses as eligible projects under the program. This bill contains other related provisions and other existing laws.

STATUS: Awaiting committee assignment.

AB 2719 (Jeffries) Employees: meal periods. (I-2/22/08) Sponsor: CA Assn of Licensed Investigators Staff: Craig Deluz

Summary: Existing law requires an employer to grant meal breaks to his or her employees at specified intervals and regulates the time and manner of employee meal breaks. This bill would make non-substantive changes to these provisions. This is a spot bill.

STATUS: Awaiting committee assignment.

AB 2922 (DeSaulnier) Air pollution: penalties. (I-2/22/08) Sponsor: CARB Staff: ?

Summary: Existing law declares that emissions of air pollutants from motor vehicles are the primary cause of air pollution in many parts of California, and that the state has the responsibility to establish procedures for compliance with standards that control and eliminate those air pollutants. Existing law requires the State Air Resources Board to prescribe maximum air pollution emission standards to be applied in inspecting motor vehicles. Existing law also requires a person who violates any order, rule, or regulation of the state board adopted pursuant to this authority to pay a civil penalty for deposit into the Air Pollution Control Fund, as specified. This bill would make technical changes and is a spot bill.

STATUS: Awaiting committee assignment.

AB 3001 (Hancock) California Voluntary Carbon Offset Commission. (I-2/22/08) Sponsor: author Staff: Rebecca Baumann

Summary: This bill would express the intent of the Legislature that all businesses and industries and the general public have an opportunity to ameliorate the impact of their "carbon footprint." The bill would express the intent of the Legislature to subsequently amend this bill to include provisions that would establish a Voluntary Carbon Offset Commission to receive donations on behalf of the State of California to be invested in environmentally sound carbon offset projects. The bill would make various statements of legislative intent regarding membership, funding, and projects of the Voluntary Carbon Offset Commission.

STATUS: Awaiting committee assignment.

AB 3039 (Benoit) High-occupancy vehicle lanes. (I-2/22/08) Sponsor: author Staff: Kyle Packham

Summary: Existing law authorizes the Department of Transportation to construct exclusive or preferential lanes for buses only or for buses and other high-occupancy vehicles. This bill would require the

department, at the request of a county transportation commission or a regional transportation-planning agency, to modify existing exclusive or preferential lanes that are for buses and other high-occupancy vehicles within the respective jurisdiction of the requesting entity to provide continuous access to buses and other high-occupancy vehicles. The bill would encourage the department to move these modifications in conjunction with planned restriping projects. According to author's office, this applies to all busses and is attempting to change the restricted carpool lane entrance/exit in Southern California to be like in Northern California.
STATUS: Awaiting committee assignment.

SENATE BILLS

SB 445 (Torlakson) Greenhouse gas mitigation fee. (A-03/06/08)

Summary: This bill would authorize specified regional transportation agencies to impose a greenhouse gas mitigation fee on vehicles subject to registration within the jurisdiction of the agency implementing the fee. The bill would require the fee to be implemented pursuant to a plan, which would be required to contain an expenditure plan describing specified transportation projects and programs to be funded from fee revenues. The fee would be subject to majority approval of the governing board of the implementing agency and majority voter approval of a ballot measure containing the expenditure plan and the proposed fee in the jurisdiction where the fee is to be imposed. The fee would be collected by the Department of Motor Vehicles.

CBA Position: Needs to be reviewed as bill was just amended

STATUS: Assembly Transportation.

SB 716 (Perata) Transit operators. (A-07/11/07)

Summary: Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B in the November 2006 general election, establishes the Highway Safety, Traffic Reduction, Air Quality, and Port Security Fund of 2006 in the State Treasury. \$3.6 billion of the moneys in the fund are required to be deposited in the Public Transportation Modernization, Improvement, and Service Enhancement Account to be made available, upon appropriation by the Legislature, to transportation agencies for transit capital projects pursuant to a specified formula. This bill would specify the requirements for an eligible project sponsor, as defined, to receive an allocation of funds appropriated from the account. The bill would require the California Transportation Commission and the Controller to administer these provisions.

CBA Position: Watch

STATUS: Assembly Appropriations

New Senate Bills in 2008

SB 1263 (Ashburn) Intercity rail services: feeder buses.

(I-2/15/08) **Sponsor: District Bill Staff: Ken Devore**

Summary: Existing law authorizes the Department of Transportation to contract with Amtrak to provide intercity rail passenger services. Existing law also authorizes the department to provide funding to Amtrak to contract for feeder bus services operated in conjunction with the intercity trains, but subject to the restriction, among others, that the bus services be used only by passengers who are connecting to or from a train, subject to specified exceptions,

including an exception for passengers traveling solely on the feeder bus between Sacramento and Lake Tahoe and intermediate points if no private intercity bus company provides bus service on that route. This bill, with respect to feeder bus service contracted by Amtrak, would add an additional exception to allow passengers to travel solely by bus between the community of Lebec in Kern County and the City of Santa Clarita if no private intercity bus company provides bus service on that route. The bill would authorize the department to amend its contract with Amtrak for that purpose. **This is what the Cox bill did last year and with amendments taken, CBA removed opposition.**

STATUS: Senate Transportation & Housing.

SB 1661 (Kuehl) Unemployment compensation: family leave: good cause.

(I-2/22/08) **Sponsor: author Staff: Jennifer Richard**

Summary: This bill would provide that an individual shall be deemed to have left his or her most recent work with good cause if the individual's employment is terminated as a result of the individual's taking a qualifying leave under the family temporary disability insurance program. This bill contains other existing laws.

STATUS: Senate Labor & Industrial Relations.

SB 1760 (Perata) Energy: greenhouse gas emissions. (I-2/22/08)

Sponsor: author Staff: Kip Lipper

Summary: The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt regulations to require the reporting and verification of emissions of greenhouse gases and to monitor and enforce compliance with the reporting and verification program, and requires the state board to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to the statewide GHG emissions levels in 1990 to be achieved by 2020. This bill would create the Climate Action Team (CAT), consisting of representatives from specified state agencies that would be responsible for coordinating the state's overall climate policy. The CAT, on or before January 1, 2010, and annually thereafter, would be required to prepare, adopt, and present to the Legislature, a strategic research, development, and demonstration plan (plan) that establishes priorities and identifies key expenditure categories for research, development, demonstration, and deployment funds to be expended by the state agencies represented on the CAT for the following fiscal year. The CAT, on or before January 1, 2010, and biennially thereafter, would be required to prepare and adopt a climate change impact adaptation and protection plan that includes specified information. The bill would require research, development, and demonstration funds that are administered by the Department of Transportation and are allocated for clean technology, environmental protection, and public interest energy research to be expended consistent with the plan. This bill contains other related provisions and other existing laws.

STATUS: Awaiting committee assignment.

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