

PANE & PANE ASSOCIATES, INC.

July 14, 2008

MEMO TO: CBA Board of Directors and Members
FROM: Josh and Donna Pane
PANE & PANE ASSOCIATES. INC. (916) 447-8982
RE: LEGISLATIVE UPDATE: 2007-08 Active Bills

The Legislature is technically on summer recess, although they are still holding some hearings and the Senate is meeting at least through this week in floor sessions. As usual, the budget has not been passed and that is why the legislators can't really call a recess. They are "on call". In the last update, there were a number of bills on our list that had failed to meet house of origin deadlines, so they have been removed from the list. Those bills that are now dead include:

AB 2985 (Duvall) re: Household goods and passenger carriers, sponsored by the PUC.

SB 1539 (Calderon) re: Meal periods, sponsored by the State Chamber of Commerce and other businesses.

AB 2488 (Houston) re: Income and corporation taxes: deductions: depreciation.

AB 2530 (Duvall) re: Private employment: meal periods: transportation workers, sponsored by the California Trucking Association.

AB 2538 (Ruskin) re: Greenhouse gas emissions: consumer product labeling, sponsored by the Conservation Strategies Group.

AB 2625 (Strickland) re: Bio-diesel, sponsored by Neste Oil.

AB 3001 (Hancock) re: California Voluntary Carbon Offset Commission.

AB 3039 (Benoit) re: High-occupancy vehicle lanes.

Two other bills related to meal plans also appear to be "dead" by not yet officially: AB 1034 and AB 1711 on the Leg Update list which follows.

Also, note that AB 830 (Ma), which had been strongly opposed by CBA, was substantially amended on June 18th to take care of CBA's opposition and concerns; therefore, it was agreed to remove CBA opposition as a result of those amendments. The July 1st and July 7th amendments were minor and a cleanup of an error in drafting.

TOP 2 SELECTED BILLS

AB 830 (Ma) Vehicles: transportation of school pupils (A-7/7/08)
Sponsor: The Greater California Livery Association

Summary: This bill, as amended June 16th, does four things. First, it exempts charter-party carriers operating vehicles that carry 11 to 25 persons from the definition of school bus to update the statute. Second, it asserts that a charter-party carrier transporting pupils to a school-related event may operate under contract with a parent rather than with a school or school district, but it establishes requirements for charter-party carriers transporting pupils that are equivalent to, if not more stringent than, the requirements for school bus and SPAB drivers. Finally, the bill requires CDE to review its instructional material to ensure that drivers of charter-party carriers are being appropriately trained in the type of vehicle that will be used to transport students.

STATUS: Senate Appropriations

CBA Position: OPPOSE but June 16th amendments were deemed sufficient to "Remove CBA's Opposition" which was communicated to the Senate Transportation Committee.

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

(A-7/2/08) **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, sponsored by the California Public Utilities Commission (CPUC), would give the CPUC judgment creditor status when it issues a fine or penalty against an entity subject to its jurisdiction. This bill would allow the CPUC to seek remedies under the Uniform Fraudulent Transfer Act if a company fraudulently transfers assets to avoid paying fines, penalties, or restitution imposed by the CPUC. This bill would permit the CPUC to require a company to demonstrate sufficient ability to pay potential penalties, fines, or restitution that may be ordered by the CPUC and would grant the company the right to an impartial review by an administrative law judge (ALJ). The bill would provide that utility companies with revenues of greater than \$100 million are presumed to be able to pay.

STATUS: Senate Appropriations

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: Held in Senate Labor & Industrial Relations (likely dead).

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-6/19/08) Sponsor: California Labor Federation

Summary: This bill would require that the first of these meal periods be completed before the end of the 6th hour of work, but not commence before the beginning of the 3rd hour, and would require that any waiver by the parties be in writing to be valid. The bill also would permit an employer and employee to agree to on-duty meal periods, as specified, and subject to certain specified conditions. The bill would further provide that these provisions relating to meal periods would not apply to any employee covered by a collective bargaining agreement that expressly provides for employee meal periods, among other specified working conditions. The bill would also provide that where a collective bargaining agreement exists, any authorized individual waivers of an employer must be exercised by the employee's authorized representative for collective bargaining purposes. Additionally, the bill would require all private and public employers to pay their employees an additional hour of compensation for each split shift day worked, as defined.

CBA Position: Watch

STATUS: Held in Senate Labor & Industrial Relations (likely dead)

AB 1851 (Nava) Greenhouse gas emissions: sale of voluntary offsets. (A-7/1/08) Sponsor: author Staff: Ben Turner

Summary: Existing law creates a statewide greenhouse gas emission limit equivalent to what the statewide greenhouse gas emissions level was in 1990, to be achieved by 2020. The State Air Resources Board is the state agency charged with monitoring and regulating sources of greenhouse gases in order to reduce emissions of greenhouse gases. This bill would require, beginning on January 1, 2011, sellers of voluntary greenhouse gas emission offsets in the state to make good faith efforts to ensure that the project generating the offset has been verified to reduce greenhouse gas emissions in a real, additional, measurable, and verifiable manner by independent 3rd-

party verifiers that meet accreditation standards and protocols developed by the state board. Beginning January 1, 2010, a person selling offsets in the state would be required to disclose specified information in its marketing materials for those offsets. Beginning January 1, 2011, a person selling an offset within the state would be required to ensure that the offset has been registered with a registry accredited by the state board. This bill contains other related provisions.

CBA Position: Watch

STATUS: Senate Appropriations.

AB 2560 (Lieu) Medium- and heavy-duty motor vehicles: air pollution.

(A-5/23/08) **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, 2010, 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: Senate Appropriations on July 14th.

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: Senate Transportation and Housing - no hearing set.

AB 2922 (DeSaulnier) Air pollution: penalties. (A-6/26/08) Sponsor: California Air Resources Board (CARB)

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, not to exceed \$500 per vehicle. This bill would set the maximum civil penalty for a violation of these provisions to be an amount not to exceed \$500 per vehicle, portable fuel container, spout, engine, or other unit subject to regulation under these provisions. Existing law requires the State Air Resources Board to adopt standards and regulations for motor vehicles and off-road or non-vehicle engine categories to control the emissions of air contaminants. This bill would require the state board to adopt standards for portable fuel containers and spouts. The bill would provide that this provision is declaratory of existing law.

STATUS: Senate Appropriations.

SENATE BILLS

SB 445 (Torlakson) Greenhouse gas mitigation fee. (A-5/12/08)

Summary: This bill would authorize specified regional transportation agencies to impose a greenhouse gas mitigation fee. The fee would either be a registration fee on vehicles subject to registration within the jurisdiction of the agency implementing the fee, or a fee on motor vehicle fuel, not to exceed \$0.10 per gallon, that is sold within the agency's jurisdiction. The bill would require the fee to be implemented pursuant to a plan, which would be required to contain an expenditure plan describing specified greenhouse gas mitigation 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 voter approval of a ballot measure containing the expenditure plan and the proposed fee in the jurisdiction where the fee is to be imposed.

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

STATUS: Assembly Transportation (June 9th hearing cancelled).

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

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

(A-6/19/08) Sponsor: District Bill Staff: Ken Devore

Summary: 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. April 7th amendments further clarify that if bus service is restored in the area, this will cease or within 60 days notice to Amtrak.**

STATUS: Enrolled and to the Governor.

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: Assembly Appropriations.

SB 1760 (Perata) Energy: greenhouse gas emissions. (A-5/27/08)

Sponsor: author Staff: Kip Lipper

Summary: 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.

STATUS: Assembly Appropriations Suspense File.

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