

End of 2013-2014 Legislative Session Report: by Judy Wolen

The following is a very general overview of the 2013-14 session that our office prepared for our clients. Feel free to use for your members if you feel it is of value.

In the 2013-2014 legislative session, California legislators introduced more than 4,200 bills. With the session now over, many of those measures have failed to advance. The Governor had until midnight September 30th to sign, veto or allow measures to become law without his signature. Bills signed by the Governor will become law on January 1, 2015. Urgency measures go into effect immediately upon being signed. Here's the tally for 2014: Total bills brought to desk: 1074, Signed: 930, Law w/o Signature: 1 and Vetoed: 143.

In 2014, the California State Senate made national headlines.

Two separate FBI investigations resulted in the indictment of Senator Leland Yee of San Francisco and Senator Ron Calderon of Montebello. A third Senator, Senator Rod Wright of Inglewood was convicted of voter fraud and resigned his Senate seat effective September 22, 2014. These events resulted in the Senate Democrats losing their supermajority. The Governor has announced a special election to fill the vacancy created by Senator Wright's resignation, and Assemblymembers' Steven Bradford and Isadore Hall, III who both term out of the Assembly this year have declared their intent to run. The primary will be held on December 9, 2014 and the final election will be held on February 10, 2015. The district is a safe democratic seat and covers the communities of Carson, Compton, West Compton, Gardena, Harbor City, Harbor City, Hawthorne, Inglewood, Lawndale, Lennox, Long Beach, Los Angeles, San Pedro, Torrance, West Carson, Watts, Willowbrook, and Wilmington.

New Class of Legislators - New Way of Doing Business

Proposition 28 (approved by voters in 2012) resulted in a change to term-limits and now permits legislators to serve 12 years in either house of the legislature. In December 2012, we watched the Assembly welcome the largest freshman class since 1966, with 39 new Assemblymembers. Additionally, in 2013 special elections resulted in four more freshman members joining the lower house, thus a majority of the 80 members were new to the body. While we anticipate that it may take several cycles for the mindset of the legislators to shift - we believe that ultimately the new reform will lead to more stability within both houses. Members will have time to develop deeper process and policy expertise by holding a seat in one house or the other and through opportunity to hold committee positions for longer than one election cycle.

Water Policy and High Speed Rail Funding

After nearly two years of disagreements as to what should be included in the water bond to appear on the November ballot, Governor Brown and the Legislature reached a deal in mid-August. The water bond is a \$7.5 billion package that includes money for dams and reservoirs. Prior to the deal, Republicans and Central Valley Democrats had blocked earlier attempts because of lack of funding for reservoirs.

Additionally, the legislature approved legislation (AB 1739: Dickinson; SB 1168: Pavley and SB 1319: Pavley) to regulate the pumping of groundwater for the first time in

California's history. Republicans and Central Valley democrats opposed the measures as farm groups indicated that this legislation during this time of severe drought creates additional negative impacts farmers who are already facing water shortages. The Governor signed all three bills on September 16th.

High Speed Rail remains a priority for Governor Brown. Although controversial, ultimately the Governor and the democratic leadership of both houses agreed to include in the 2014-15 budget \$250 million of the cap-and-trade revenue for the construction of the high-speed rail project. The proposal did not receive unanimous democratic support, as several democrats voted no as the result of constituent concerns.

End of Session - Contentious Measures

The business community halted a labor sponsored measure tagged by CalChamber as a "Job Killer." The proposal (AB 2416: Stone) allowed employees to file liens on employers' real and personal property for unpaid wages. Employers counted this as a major victory as they were able to defeat one of labor's top legislative priorities. A similar measure was defeated by business groups in 2013.

Labor unions suffered an additional defeat when the geothermal mandate bill failed to advance. The measure would have placed significant addition upward pressure on energy rates, resulting in higher costs for some commercial and residential customers. The Assembly adjourned without taking a vote on the proposal (SB 1139: Hueso) after broad-based opposition prevented labor groups from gathering the votes needed.

On the final night of session, a controversial bill that requires employers to provide up to three paid sick leave days per year to full and part-time employees gained momentum. The deal included carving out in-home support service workers and at the request of Governor Brown. Additionally, airline flight deck and cabin crew members are also exempt. Ultimately, labor unions, who had been among the strongest proponents opposed the measure since some of their members will not benefit. On September 10th the Governor signed the bill, which will take effect in July 2015. California is the second state in the nation to approve such a measure following Connecticut who approved its law in 2011.

An additional measure with a broad base of business opposition (AB 1897: Hernandez) tagged by the CalChamber as a "Job Killer" reached the Governor's desk and was signed this week. The proposal subjects employers to liability and potentially frivolous lawsuits. Regardless of the various exemptions to the bill, the overwhelming majority of employers in California will still be held liable for the wage and hour violations of a contractor that they could neither control nor prevent.

The Governor signed a contentious proposal (SB 270: Padilla) prohibiting the use of single-use plastic bags at grocery and retail stores and instead requiring a fee of at least 10 cents for paper, compostable, or reusable plastic bag. The measure initially failed Assembly passage when the United Food and Commercial Workers Union withdrew its support questioning how the fee revenue would be allocated. But after an agreement was reached between the union and the Safeway supermarket chain, the measure cleared the legislature.