



MEETING AGENDA
Monday, January 28, 2019
Realtor House, 26529 Jefferson Ave, Murrieta

Presiding: Greg Morrison, Chair

201 Strategic Initiatives

Budget & Tax Reform / Job Creation and Retention / Healthcare / Infrastructure & the Environment/ Public Safety

Call to Order, Roll Call & Introductions: 12:00 p.m.

Chair Report

Approval of Minutes Approved at November meeting

Approval of 2019 Governing Documents Action

2019 Legislative Report #1 Action

1. [AB 5 \(Gonzalez\) Worker status: independent contractors.](#)
2. [AB 71 \(Melendez\) Employment standards: independent contractors and employees.](#)
3. [AB 233 \(Cooley\) Insurance: independent contractors.](#)
4. [AB 53 \(Jones-Sawyer\) Rental housing discrimination: applications: criminal records.](#)
5. [AB 227 \(Jones-Sawyer\) Crimes: assessments: restitution: ability to pay.](#)
6. [ACA 1 \(Aguiar-Curry\) Local government financing: affordable housing and public infrastructure: voter approval.](#)
7. [AB 191 \(Patterson\) Building standards: exemptions: rebuilding after disasters.](#)
8. [SB 56 \(Roth\) University of California, Riverside School of Medicine: expansion.](#)

How a Bill Becomes Law Information

Speaker and Chamber Announcements Information

Our lunch sponsor Thank You

Adjourn – **Next Meeting February 25, 2019**

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The Southwest California Legislative Council Thanks Our Partners:

Southwest Riverside County
Association of Realtors
Metropolitan Water District of Southern
California
Elsinore Valley Municipal Water District
CR&R Waste Services
Abbott Vascular

Temecula Valley Chamber of Commerce
Murrieta/Wildomar Chamber of
Commerce
Lake Elsinore Valley Chamber of
Commerce
Menifee Valley Chamber of Commerce
Nano Bank

California Apartment Association
Southwest Healthcare Systems
Temecula Valley Hospital
EDC of Southwest California
Paradise Chevrolet Cadillac
The Murrieta Temecula Group



Strategic Initiatives

2019 Draft

The focus of the SWCLC 2019 Policy platform will be to support these primary initiatives. However, any policy or legislative initiative that may impact local members may be considered.

- ✓ ***Job Creation & Business Retention***
- ✓ ***Budget, Tax, **and Regulatory** Reform***
- ✓ ***Public Safety***
- ✓ ***Healthcare***
- ✓ ***Infrastructure & The Environment***



Policy Platform

2019 Draft

Labor and Employment (*Job Creation & Retention*)

1. Review and evaluate measures that reform the extraordinary costs of the state's public pension system for the sake of the state's overall fiscal health.
2. Monitor and review alternatives to (1) any proposed state minimum wage increases and (2) any local or state living wage ordinances.
3. Monitor and provide recommendations to the current workers' compensation reform measures to reduce costs to businesses.
4. Consider and review responsible healthcare policy proposals that maximize free market forces, minimize mandates upon insurers and providers, and results in increased availability of healthcare coverage affordable for employers, employees and individuals.
5. Monitor and support measures that reform our state's educational system and encourage local workforce preparedness.
6. Advocate against the unwarranted and frivolous lawsuits on our businesses, consumers, taxpayers, and communities.
7. Monitor proposals that undermine the current process of guaranteeing secret-ballot elections for unionization such as card check.

Pro-business Leadership (*Job Creation & Retention*)

1. Expand community outreach for the SWCLC by:
 - a. **establishing a speakers bureau to address City Council meetings and other local groups**
 - b. encourage members to participate in Project Leadership and similar efforts to develop future leaders
 - c. include reference to the SWCLC in self-introductions at all Chamber and business functions
 - d. drive community, civic and business leaders to SWCLC website and social media updates
 - e. include appropriate groups in SWCLC Calls-to-Action
2. Review and evaluate local, statewide, and when appropriate, federal issues pertaining to the SWCLC's policy priorities and communicate the information to all chambers' membership.
3. Continue to enhance working relationships with local, state and federal representatives and their staffs.
4. Consider and review legislation that promotes standards of corporate governance that guide boards of directors and corporate officers in managing their corporations in a competent, ethical manner.
5. Monitor land use, planning, housing and zoning issues that affect the Southwest California regional business community.
6. **Review and evaluate efforts to enhance educational opportunities, expansions and quality in the Southwest California region, including measures to encourage and support entrepreneurial business growth.**

Taxation and Government Reform (*Budget & Tax Reform*)

1. Review and evaluate reform measures that solve the state budget's continuing structural deficit that promotes real economic growth and job creation.
2. Encourage cooperation among government agencies, and work to streamline and reduce unnecessary or conflicting requirements of regulatory agencies.
3. Review and evaluate cost effective ways to privatize government services and public contracts while maintaining or improving standards.
4. Review and evaluate state and local fee & tax increases and new fee & tax categories affecting the regional business community.
5. Support and promote, when appropriate, the preparation of cost/benefit analysis ensuring economic impacts are weighed before the imposition of regulatory statutes.
6. Ensure that regulations on business are kept to a minimum and do not put regional businesses at a competitive disadvantage.
7. Encourage the protection of private property rights.

8. Support state programs that secure tax credits for targeted work training programs.
9. Consider and review policies that promote the outsourcing of essential public services by government agencies.
10. Support practical business accounting procedures at the state level when trying to balance the State Budget.
11. Review and evaluate social welfare policies that are expansive and unregulated throughout all levels of government.

Public Safety

1. Support policies that aid law enforcement in their duties to keep our residential and business communities safe.
2. Review policies that will clarify regulatory policies and management of specific public safety issues, i.e. e-cigarettes, homelessness, cannabis, etc.
3. Develop a working liaison with the Riverside County District Attorney regarding crime prevention, fraud, and threats against businesses either through direct attacks or through employed human resources. Such working liaison might include working with the District Attorney's task force on crime in Riverside County as related to impacts on business.
4. Monitor, and take positions when necessary, on potential legislation that will:
 - a. Create a higher risk, more permissive environment for criminal penalties;
 - b. Decrease control over cyber-attack activities;
 - c. Allow demographic release of convicted felons resulting in damage to the business environment and regional quality of life;
 - d. Reduce the ability of businesses to seek protective relief from unwanted misdemeanor level activities of employees [possession of marijuana or certain drugs in the workplace, working while under the influence etc.].

Healthcare

1. Support the attraction and retention of medical technology industry to Southwest California.
2. Monitor and support policies that encourage continued medical discoveries and innovations that improve quality of care.
3. Continue efforts to contain the costs of premiums.
4. Conform to federal law while supporting measures to allow employers to mitigate the impact of providing healthcare coverage.
5. Work to curb the expansion of litigation in the healthcare system.
6. Support wellness, and disease management, and behavioral healthcare programs.
7. Support reform of the state hospital construction regulatory review process. Work to improve the timeliness of hospital construction and to ensure costs associated with such construction are kept at reasonable rates.

Infrastructure Improvements (*Infrastructure & The Environment*)

1. Review and evaluate policies that ensure the Southwest California region maintains a reputation as an attractive prosperous location for business; to balance employment and housing needs with natural resource preservation; and to plan and construct the community infrastructure necessary to support current and future business needs.
2. Monitor land use, planning, housing and zoning issues that affect the Southwest California regional business community.
3. Review and evaluate development projects within the Southwest California region.
4. Encourage an adequate supply of appropriate housing to meet the needs of the Southwest California region.
5. Review and evaluate reliable, stable, and competitively priced energy supplies for California's businesses and consumers.
6. Review and evaluate water management and flood control policies that improve water quality as the result of comprehensive approaches that will reduce contaminants from water sources in a cost effective manner.
7. Review and evaluate policies that promote safe, clean, high quality, adequate and reliable water supplies supporting the needs of economic growth and quality of life in the Southwest California region.
8. Review and evaluate policies that promote the Southwest California region as the frontrunner of technological advances in any infrastructure improvements throughout the region.

Environment (*Infrastructure & The Environment*)

1. Support policies that recognize the importance of balancing environmental issues including green, solar and water programs and their impacts on the public and private sector.
2. Monitor policies that ensure long-term positive impacts on environmental stability and the economic vitality of the Southwest California region.

3. Encourage responsible environmental regulations and the potential impacts on local governments and agencies.
4. Monitor and support efforts to reform the CEQA process that will reduce the regulatory and compliance burden to cities and businesses in Southwest California.

Transportation (*Infrastructure & The Environment*)

1. Review and evaluate public and private sector transportation improvement plans that impact congestion on freeways, streets and roads, and ensure mobility within the Southwest California region.
2. Review and evaluate legislative and regulatory proposals that impact the automobile, trucking, rail, aviation, and maritime industries.
3. Review and evaluate legislation and regulatory proposals that might place the Southwest California logistics industry at a competitive disadvantage.

Tourism and Business Expansion (*Job Creation & Retention*)

1. Support a stronger relationship with the Economic Development Coalition (EDC) of Southwest California, Visit Temecula Valley, the Southwest California Manufacturing Council, InSoCalConnect and the Cities of Temecula, Murrieta, Lake Elsinore, Menifee, and Wildomar in order to promote and enhance the Southwest California region.
2. Support and promote policies to increase travel spending to the Southwest California Region, including the wine country and other areas of interest, in order to help stimulate the local economy and provide jobs throughout the region.
3. Review and evaluate policies that ensure that the Southwest California region maintains a reputation as an attractive and prosperous location for doing business.
4. Promote economic development opportunities in the Southwest California region for business retention, expansion and attraction.

Immigration Reform

1. Support efforts that create a guest worker program that is comprehensive, addressing both future economic needs for workers and the status of undocumented workers already in the United States.
2. Support the creation of an effective employment verification system that is fast and reliable and the impacts on Southwest California businesses while understanding enforcement ramifications at the local, state and federal level.
3. Support policies that ensure all workers enjoy the same labor law protections.
4. Support policies that require all workers striving for citizenship to demonstrate a working knowledge of the English language and American civic requirements.
5. Support policies that expand temporary visa programs for essential workers, creating paths to permanent residence for these workers and providing a way to earn legal status for the millions of undocumented workers already in the United States.



Operating Procedures

2019 Draft

Composition

The SWCLC shall consist of the following voting members: five representatives appointed by the board of directors from each of the three original founding Chambers of Commerce of the SWCLC (Temecula Valley Chamber of Commerce, Murrieta/Wildomar Chamber of Commerce, and Lake Elsinore Valley Chamber of Commerce); and one seat appointed by the Menifee Valley Chamber. The SWCLC voting membership shall be a general representative makeup of the member chambers and a balance of industry representation throughout the region. Voting membership may be modified by a vote of the Council in response to additions, departures or mergers of existing Chambers.

The Chair position shall be selected by rotation of the three (3) founding chambers. The Chair shall serve for a term of two (2) years beginning January 1. A Chair-elect shall be selected during the 2nd year of the Chair's term.

SWCLC members shall serve a one (1) year term beginning January 1 and ending December 31, with term limits to be determined by the Chamber board they represent.

SWCLC membership is open to all Chamber members in good standing. SWCLC meetings are open to all members of the member chambers excepting Executive sessions as determined by the Council. All elected officials, or their designees, representing the region or individual cities are ex officio, nonvoting members of the SWCLC.

Policy Platform

By January 1 of each year, the SWCLC shall develop a policy platform consistent with SWCLC's Strategic Initiatives. The Policy Platform shall be used to track local, state and federal policy, regulatory or legislative issues that may impact the Southwest California business community. The Policy Platform shall be recommended to the Board of Directors of each chamber no later than their January meeting for discussion and approval.

Legislation Position Authority

The Board of Directors of each chamber shall be updated each month of any positions approved by SWCLC. A Director from the respective Chamber will provide the update. The Board of Directors shall have the authority to excuse their chamber from any position adopted by the SWCLC.

SWCLC members shall have the authority on behalf of the Board of Directors of the member chambers, to adopt any positions that align with the approved policy platform consistent with SWCLC's mission. Those positions include 'SUPPORT', 'OPPOSE', 'OPPOSE UNLESS AMENDED', 'WATCH', and 'NEUTRAL' or NO position.

Executive Committee

The SWCLC Executive Committee shall consist of the SWCLC Chair, the President/CEO of the three founding chambers, the Legislative Liaison, the Immediate Past Chair, and up three appointments from the founding Chambers (preferably Past Chairs), as approved by the SWCLC. At such time during Chairman's term that a Chair-elect is selected, that person shall also become a member of the Executive Committee.

The Executive Committee shall have the authority to act on behalf of the SWCLC to approve any positions that align with the policy platform consistent with SWCLC's mission on issues of urgency.

The SWCLC shall be notified of this action within 48 hours. SWCLC shall have the authority to modify any decision of the SWCLC Executive Committee at its next scheduled meeting.

Voting Membership Vacancies

Prospective SWCLC members may apply for openings by notifying the President/CEO of their respective chamber. It will be the responsibility of the Chamber with a vacated seat to appoint a representative to that position.

Attendance

SWCLC meets monthly. If an SWCLC member accumulates more than 3 unexcused absences a year, the member may be removed from the Council by their appointing Chamber.

An unexcused absence will be charged to members if notification to the SWCLC Chair is not made prior to the start of the SWCLC meeting.

Minutes

Minutes will be kept at all SWCLC meetings.

Quorum

A quorum shall consist of 9 voting members in attendance at any regularly scheduled meeting.

Amendments

The authority to modify and approve the SWCLC Operating Procedures shall be vested in the Board of Directors the three founding Chambers upon a unanimous vote of those three chambers.



Council Representative

Disclosure of Interest

2019 Draft

PURPOSE

The primary purpose of the Southwest California Legislative Council (“SWCLC”) is to serve its coalition partners and business members. To accomplish that purpose, SWCLC establishes and maintains unique relationships with elected officials, with coalition partners, with local, state and national Chambers of Commerce and with other individuals and organizations in the community. To perform those services and maintain those relationships, SWCLC gathers, creates, and evaluates information, including member information, which may be proprietary, sensitive or confidential in nature.

INTERESTS IN ORGANIZATIONS ADVOCATING POLICIES

Each Chamber appoints council members to represent a spectrum of business interests, employers and industry segments to provide a broad depth of knowledge to the deliberative process. The SWCLC asks that a representative disclose, prior to speaking at a Council meeting on an issue under consideration, if the representative has any business relationship with, is employed by, or has a direct or indirect ownership or financial interest in an entity that also advocates public policies that are being considered by SWCLC.

YOUR VOICE

The Council encourages active participation in the deliberative process as an advocate for your industry segment or for a specific regulatory or legislative position.

AB 5, as introduced, Gonzalez. Worker status: independent contractors.**Recommended action: OPPOSE****Presentation: Gene Wunderlich****Summary:**

Existing law, as established in the case of *Dynamex Operations West, Inc. v. Superior Court of Los Angeles* (2018) 4 Cal.5th 903 (*Dynamex*), creates a presumption that a worker who performs services for a hirer is an employee. Existing law requires a 3-part test, commonly known as the “ABC” test, to establish that a worker is independent contractor.

This bill would state the intent of the Legislature to include provisions within this bill would codify the decision in the *Dynamex case* and clarify its application.

Description:

On April 30, 2018, the California Supreme Court issued a unanimous decision in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles*, (2018) 4 Cal.5th 903.

In its decision, the Court cited the harm to misclassified workers who lose significant workplace protections, the unfairness to employers who must compete with companies that misclassify, and the *loss to the state of needed revenue* from companies that use misclassification to avoid obligations such as payment of payroll taxes, payment of premiums for workers compensation, Social Security, unemployment, and disability insurance.

The misclassification of workers as independent contractors has been a significant factor in the erosion of the middle class and the rise in income inequality.

Background.**Say Goodbye to Independent Contractors: The New “ABC” Test of Employee Status**

By Jeffrey S. Horton Thomas and Steven P. Gallagher on May 7, 2018

The circumstances under which California businesses may classify workers as independent contractors rather than employees under California wage laws have been greatly narrowed by a decision the California Supreme Court issued April 30, 2018. The landmark decision in the case known as *Dynamex presumes that all workers are employees*, sets out a new three-part “ABC” test businesses must satisfy in order to classify workers as independent contractors, and, as one expects in California, places the burden on the business, not the worker, to prove that any particular worker is properly classified as an independent contractor. The decision has immediate ramifications for businesses throughout California. The decision is also likely to influence the development of the law in jurisdictions outside California.

For decades prior to *Dynamex*, the common law test in California of whether a worker was an employee or independent contractor consisted of a multi-factor test, under a case called *Borello* that announced the most important factor of which was the employer’s “right to control” the manner and means by which the worker performed her duties.

At least insofar as the California Industrial Welfare Commission Wage Orders are concerned, the Supreme Court’s decision in *Dynamex discards the long-standing Borello “control” test* and replaces it with the newly articulated “ABC” test. Given the Supreme Court’s rationale for the decision in *Dynamex*, the “ABC” test will likely influence how workers are classified in disputes outside the scope of the California wage orders, as well.

In *Dynamex Operations West, Inc. v. Superior Court of Los Angeles*, the plaintiffs, two delivery drivers, filed a putative class action alleging that *Dynamex Operations West, Inc.*, a nationwide delivery company, improperly classified drivers as independent contractors. The issue, as framed by the Supreme Court, was “the standard [to be applied], under California law, in determining whether workers should be classified as employees or independent contractors for purposes of California wage orders . . .” (Emphasis in original.)

In answering the issue posed, and by way of a hefty 82-page decision, the Supreme Court articulated the new “ABC” test. Under the test, the business bears the burden of proving that the worker satisfies all three of the following factors:

(A) The worker is *free from control* and direction of the hiring entity in connection with the performance of the work, both under the contract for performance of the work and in fact;

(B) The worker performs work that is *outside the course of the hiring entity's business*; and

(C) The worker is customarily engaged in an independently established trade, occupation, or business.

A business's failure to prove any one part of the "ABC" test will result in the worker being classified as an employee under the applicable California wage order. By shifting the burden to the business, the Supreme Court created a presumption that workers are employees. Further, the circumstances of the working relationship will decide the question; businesses may not avoid the "ABC" test by way of a contract by which the parties agree the worker is an independent contractor.

As an example of how the new test will work, assume a bridal store enters into an independent contractor agreement with a seamstress to alter dresses for customers, with the seamstress working from her home, not the store. Here, the store is at risk of failing to satisfy at least parts (A) and (B) of the test. Under part (A), the worker is likely *not free of the shop's control*, as the store likely requires the seamstress to alter dresses as customers request, deliver altered dresses on time per store requirements, and alter dresses to quality standards set by the store. Under part (B), the seamstress is likely to be *performing work within the course of the store's business*, as making alterations is often part and parcel of selling wedding gowns. Therefore, despite the store's independent contractor agreement with the worker, and absent other circumstances, the store would likely fail in proving that the worker met the new standard for qualifying as an independent contractor, and the seamstress would be presumed to be an employee.

The new "ABC" test will have immediate consequences, in particular, on businesses within the "gig" economy. As illustrated by *Uber and Lyft*, businesses in the "gig" economy often broadly categorize many workers as independent contractors, although such workers often perform work that is arguably central to the service provided by the business. The new "ABC" test is likely to serve as grounds to challenge "gig" businesses from continuing to so broadly classify workers as independent contractors.

By its terms, the Supreme Court's decision in *Dynamex* is limited to disputes under the California wage orders – claims for meal and rest breaks not provided, overtime wages not paid, seating not provided as required, etc. However, the Supreme Court's reasoning in *Dynamex* was driven, in large part, by the mandate it found to "broadly" interpret employment-related statutes and regulations in light of their remedial purpose; that is, the rationale necessarily compels courts to liberally classify workers as employees in order to extend various legal protections to them. That rationale gives us good reason to expect the new test to seep over time into how workers are classified in other contexts.

One example is determining who qualifies as an employee and, therefore, may bring a tort claim under California law for wrongful termination in violation of public policy (*Tameny* claims), a claim that may not be brought by independent contractors. The "ABC" test will also likely influence the development of the law regarding who may bring claims for innumerable California Labor Code violations and, potentially, claims under the California Fair Employment and Housing Act.

Regardless of future developments, however, the "ABC" test is the law effective immediately for purposes of the California wage orders. All California businesses treating any workers as independent contractors are strongly advised to promptly reassess their classification of such workers in light of the "ABC" test and *Dynamex*. In the event of any uncertainties or concerns, businesses should consult experienced counsel.

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – Assembly: Labor & Employment

Senate Floor votes:

Assembly floor votes:

AB 71, as introduced, Melendez. Employment standards: independent contractors and employees.**Recommended action: SUPPORT****Presentation: Gene Wunderlich****Summary:**

Existing law prescribes comprehensive requirements relating to minimum wages, overtime compensation, and standards for working conditions for the protection of employees applicable to an employment relationship. Existing law makes it unlawful for a person or employer to avoid employee status for an individual by voluntarily and knowingly misclassifying that individual as an independent contractor. Existing law authorizes the Labor and Workforce Development Agency to take specified actions against violators of these provisions, authorizes civil penalties, and authorizes the Labor Commissioner to enforce those provisions pursuant to administrative authority or by civil suit.

Existing case law establishes a three-part test, known as the “ABC” test, for determining whether a worker is considered an independent contractor for purposes of specified wage orders. Under this test, a worker is properly considered an independent contractor only if the hiring entity establishes; 1) that the worker is free from the control and direction of the hirer in connection with the performance of the work, both under the contract for performance of the work and in fact; 2) that the worker performs work outside the usual course of the hiring entity’s business; and 3) that the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hiring entity.

This bill would, instead, require a determination of whether a person is an employee or an independent contractor to be based on a specific multifactor test, including whether the person to whom service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.

Description:**Section 2750.7 is added to the Labor Code, to read:**

- (a) Notwithstanding any other law, a determination of whether a person is an employee or an independent contractor for the purposes of this division shall be based on the multifactor test set forth in S.G. **Borello** & Sons, Inc. v. Department of Industrial Relations.
- (b) These factors include, but are not limited to, the following:
- (1) Whether the person to whom service is rendered has the right to control the manner and means of accomplishing the result desired, which is the principal factor.
 - (2) Whether the one performing services is engaged in a distinct occupation or business.
 - (3) The kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the principal or by a specialist without supervision.
 - (4) The skill required in the particular occupation.
 - (5) Whether the principal or the worker supplies the instrumentalities, tools, and the place of work for the person doing the work.
 - (6) The length of time for which the services are to be performed.
 - (7) The method of payment, whether by the time or by the job.
 - (8) The right to discharge at will, without cause.
 - (9) Whether or not the work is part of the regular business of the principal.
 - (10) Whether or not the parties believe they are creating the relationship of employer-employee.

(c) The individual factors set forth in subdivision (b) above shall not be applied mechanically as separate tests, but shall be intertwined.

(d) The test set forth in this section shall apply to any determinations before an administrative agency or court.

In addition to the factors contained in ~~subdivisions (a), (b), and (c)~~, *Section 2750.7*, any person performing any function or activity for which a license is required pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code shall hold a valid contractors' license as a condition of having independent contractor status.

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – Assembly: Labor & Employment

Senate Floor votes:

Assembly floor votes:

Legislative Item #3	Action
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AB 233, as introduced, Cooley. Insurance: independent contractors.

Recommended action: SUPPORT

Presentation: Gene Wunderlich

Summary:

Existing law authorizes the Department of Insurance to issue a license to a person to transact insurance in various capacities, including as an insurance agent or broker, a surplus line broker, or a life and disability insurance analyst. Existing law generally regulates written agency or brokerage contracts between insurers and broker-agents, including the terms upon which an agency or brokerage contract may be terminated and the commission payable to a broker-agent.

Existing case law creates a presumption that a worker who performs services for a hirer is an employee. Existing case law requires a 3-part test to establish that a worker is an independent contractor, including that the worker is free from the control and direction of the hirer in performing the work.

This bill would clarify the application of the case law described above to persons licensed by the department to transact insurance in specified capacities by providing that those persons are not employees when they have entered into a written agreement with an insurer or organizational licensee that includes specified provisions, including that the worker is classified as an independent contractor, that each party has the right to terminate the agreement upon notice to the other party, and that the worker is responsible for the payment of necessary expenditures and applicable taxes. The bill would allow the parties to the agreement to classify the worker as either an employee or an independent contractor, but would prohibit a worker from being classified as an independent contractor unless the agreement contains the provisions described above.

Description:

Section 49 is added to the Insurance Code, to read:

(a) The term “employee,” for purposes of California wage orders of the Industrial Welfare Commission, the Labor Code, the Unemployment Insurance Code, the Division of Workers’ Compensation, or any other purpose related to the characterization of employees and independent contractors under statute or common law, shall not include a person or organization who is licensed by the department pursuant to Chapter 5 (commencing with Section 1621), Chapter 6

(commencing with Section 1760), and Chapter 8 (commencing with Section 1831) of Part 2 of Division 1, and who has entered into a written agreement with an insurer or organizational licensee that includes all of the following provisions:

- (1) The parties have voluntarily entered into the agreement.
 - (2) The worker is classified as an independent contractor.
 - (3) Each party has the right to terminate the contract upon notice to the other party.
 - (4) The worker may work outside the hirer's physical place of business.
 - (5) The worker is responsible for the payment of necessary expenditures or losses incurred as a direct result of discharging the worker's responsibilities under the agreement.
 - (6) The consideration provided by the hirer to the worker is in the form of commissions, fees, or incentives, or all of these.
 - (7) The worker is responsible for the payment of all applicable taxes on compensation earned.
- (b) The parties to the agreement may characterize the worker as an employee or an independent contractor, at the discretion of the parties, except that a worker may not be classified as an independent contractor unless the conditions in subdivision (a) are met.

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – Assembly: Pending referral

Senate Floor votes:

Assembly floor votes:

Legislative Item #4	Action
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AB 53, as introduced, Jones-Sawyer. Rental housing discrimination: applications: criminal records.

Recommended action: OPPOSE

Presentation: Gene Wunderlich

Summary:

This bill is similar to last year's AB 1412 (Bradford), OPPOSED by the SWCLC, that would have applied similar restrictions to the hiring process. The bill died in committee.

Existing law generally prohibits housing discrimination with respect to the personal characteristics of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information.

This bill would make it unlawful for the owner of any rental housing accommodation to deny the rental or lease of a housing accommodation without first satisfying specified requirements relating to the application process. The bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal record during the initial application assessment phase, as defined, unless otherwise required by state or federal law. The bill would permit an owner of a rental housing accommodation, after the

successful completion of the initial application assessment phase, to request a criminal background check of the applicant and consider an applicant's criminal record in deciding whether to rent or lease to the applicant.

The bill would require the owner of a rental housing accommodation who is considering denying an application to rent or lease on the basis of the applicant's criminal record, to, within 5 days of receiving the information that is the basis of the potential denial, provide the applicant with a written statement listing the reasons for the possible denial before making a final decision. If, within 14 days of receipt of the written statement of the potential denial, the applicant provides the owner notice of evidence demonstrating the inaccuracy of the item or items within the applicant's criminal record or evidence of rehabilitation or other mitigating factors, as specified, the bill would require the owner to reconsider his or her decision for a specified time, and would require the owner to provide written notification to the applicant of his or her final decision to deny the application.

The bill would prohibit the owner of the rental housing accommodation from requiring in an application for rental accommodation or as otherwise part of the application process disclosure of, or, if such information is received, denying a dwelling based in whole or in part on specified information or occurrences, including, among others, arrests that did not result in conviction, convictions that have been voided, and juvenile justice determinations.

Description:

[Section 12955 of the Government Code is amended to read:](#) Read it – it's long.

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – Assembly: [Housing and Community Development](#)

Senate Floor votes:

Assembly floor votes:

Legislative Item #5	Action
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AB 227, as introduced, Jones-Sawyer. Crimes: assessments: restitution: ability to pay.

Recommended action: OPPOSE

Presentation: Gene Wunderlich

Summary:

Existing law, in addition to restitution paid to a victim of a crime, requires the court to impose a separate and additional restitution fine of \$150 to \$1,000 for a misdemeanor and \$300 to \$10,000 for a felony unless the court finds compelling and extraordinary reasons for not doing so.

Existing law prohibits a court from considering a defendant's inability to pay as a compelling and extraordinary reason not to impose the restitution fine.

Existing law imposes an assessment of \$30 on every conviction for a misdemeanor or felony and \$35 on each infraction to ensure and maintain adequate funding for court facilities. Existing law also imposes an assessment of \$40 on every conviction for a criminal offense to assist in funding court operations.

Existing case law holds that due process of law requires a court to conduct an ability to pay hearing and ascertain the defendant's present ability to pay before it imposes these court facilities and court operations assessments or executes a restitution fine.

This bill would instead **make a defendant's inability to pay a fine a compelling and extraordinary reason** for a court to not impose a restitution fine upon a conviction of a misdemeanor or felony. The bill would require the court to impose the court facility and court operation assessments unless the court determines that the defendant does not have the ability to pay.

Description:

(c) The court shall impose the restitution fine unless it finds *the defendant does not have the ability to pay the fine, or that there are other* compelling and extraordinary reasons for not doing so and states those reasons on the record. ~~A defendant's inability to pay shall not be considered a compelling and extraordinary reason not to impose a restitution fine. Inability to pay may be considered only in increasing the amount of the restitution fine in excess of the minimum fine pursuant to paragraph (1) of subdivision (b).~~

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – Assembly: **Pending referral**

Senate Floor votes:

Assembly floor votes:

Legislative Item #6

Action

ACA 1, as introduced, Aguiar-Curry. Local government financing: affordable housing and public infrastructure: voter approval.

Recommended action: **OPPOSE**

Presentation: Gene Wunderlich

Summary:

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

This measure would create an additional **exception to the 1% limit** that would authorize a city, county, or city and county to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, if the proposition proposing that tax is **approved by 55% of the voters** of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

The California Constitution conditions the imposition of a special tax by a local government upon the **approval of 2/3 of the voters** of the local government voting on that tax, and **prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property.**

This measure would authorize a local government to **impose, extend, or increase a sales and use tax or transactions and use tax imposed in accordance with specified law or a parcel tax**, as defined, for the purposes of funding the construction, rehabilitation, or replacement of public infrastructure or affordable housing, if the proposition proposing that tax is **approved by 55% of its voters** voting on the proposition and the proposition includes specified accountability requirements. This measure would also make conforming changes to related provisions.

The California Constitution prohibits specified local government agencies from incurring any indebtedness exceeding in any year the income and revenue provided in that year, **without the assent of 2/3 of the voters** and subject to other

conditions. In the case of a school district, community college district, or county office of education, the California Constitution permits a proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, to be adopted upon the approval of 55% of the voters of the district or county, as appropriate, voting on the proposition at an election.

This measure would similarly **lower to 55% the voter-approval threshold** for a city, county, or city and county to incur bonded indebtedness, exceeding in any year the income and revenue provided in that year, that is in the form of general obligation bonds issued to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing projects, if the proposition proposing that bond includes specified accountability requirements.

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – Assembly: **Pending referral**

Senate Floor votes:

Assembly floor votes:

Legislative Item #7

Action

AB 191, as introduced, Patterson. Building standards: exemptions: rebuilding after disasters.

Recommended action: SUPPORT

Presentation: Gene Wunderlich

Summary:

Existing law, the State Housing Law, establishes statewide construction and occupancy standards for buildings used for human habitation, including energy conservation and fire prevention requirements relating to energy efficiency and the installation of interior sprinklers.

This bill would, until January 1, 2030, **exempt homes being rebuilt after wildfires** or specified emergency events that occurred on or after January 1, 2017, from meeting certain current building standards.

Description:

Section 17951.7 is added to the Health and Safety Code, to read:

(a) Notwithstanding any other law, a person who is rebuilding a residential dwelling that was destroyed on or after January 1, 2017, by a wildfire or by an event that led the Governor to proclaim a state of emergency, shall be afforded both of the following exemptions regarding state and local building standards:

(1) The new structure shall only be required to meet the **energy efficiency standards that were in place on January 1, 2006.**

(2) The new structure shall **not be required to be built with an interior sprinkler system.**

(b) This section shall remain in effect only until January 1, 2030, and as of that date is **repealed.**

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – **Assembly: Pending referral**

Senate Floor votes:

Assembly floor votes:

Legislative Item #8	Action
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SB 56, as introduced, Roth. University of California, Riverside School of Medicine: expansion.

Recommended action: SUPPORT

Presentation: Gene Wunderlich

Summary:

The California Constitution provides that the University of California constitutes a public trust administered by the Regents of the University of California, a corporation in the form of a board, with full powers of organization and government, subject to legislative control only for specified purposes. The University of California system includes 10 campuses, which are located in Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara, and Santa Cruz.

This bill would appropriate to the regents \$80,000,000 from the General Fund for the 2020–21, fiscal year to be expended solely on the construction of a new University of California, Riverside School of Medicine facility, and an additional \$25,000,000 from the General Fund each fiscal year, commencing with the 2020–21 fiscal year, to be expended solely on ongoing operational support for the expansion of the University of California, Riverside School of Medicine.

Description:

The state's supply of primary care physicians is significantly below what is considered sufficient to meet patient needs. In the rapidly growing and ethnically diverse area of Inland Southern California, the shortage is particularly severe, with just 35 primary care physicians per 100,000 patients, far fewer than the recommended range of 60 to 80 primary care physicians per 100,000 patients. In real numbers, Inland Southern California has a shortfall of 1,500 primary care physicians and a shortfall of 33¹/₃ percent in specialist physicians. UCR School of Medicine needs to substantially expand its enrollment to meet the region's need for primary care and specialist physicians.

UCR's four-year school of medicine opened in August 2013 and subsequently received provisional accreditation from the Liaison Committee on Medical Education, the nationally recognized accrediting body for medical education programs leading to doctor of medicine degrees in the United States and Canada. At the time UCR School of Medicine opened, it was the first new public medical school in the state in more than 40 years. Since its opening, UCR School of Medicine has graduated 89 students with doctor of medicine degrees, 40 in 2017 and 49 in 2018.

Due to budgetary constraints at the time it was established, UCR School of Medicine was forced to occupy an existing facility located on UCR's campus, which has limited its total enrollment to 250 students per academic year and state funding to support the medical school to \$15,000,000 per fiscal year.

Expansion of the UCR School of Medicine facility is urgently required in order to accommodate 500 physicians in training to increase the supply of primary care physicians in underserved areas of the state. The state's annual appropriation of \$15,000,000 also needs to be increased to support the expansion of UCR School of Medicine.

Support: (Verified 1/22/19)

None on file

Opposition: (Verified 1/22/19)

None on file

Status: Active – **Senate - Education**

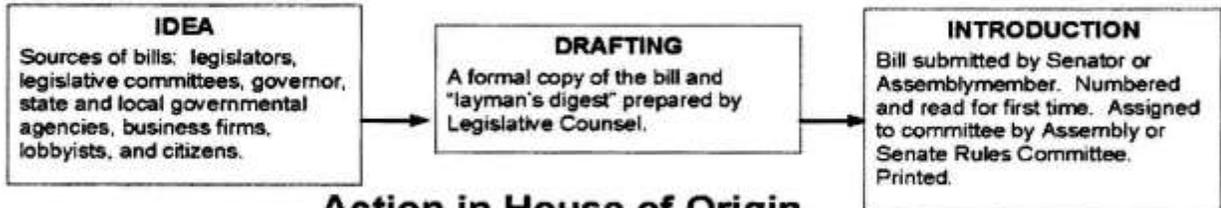
Senate Floor votes:

Assembly floor votes:

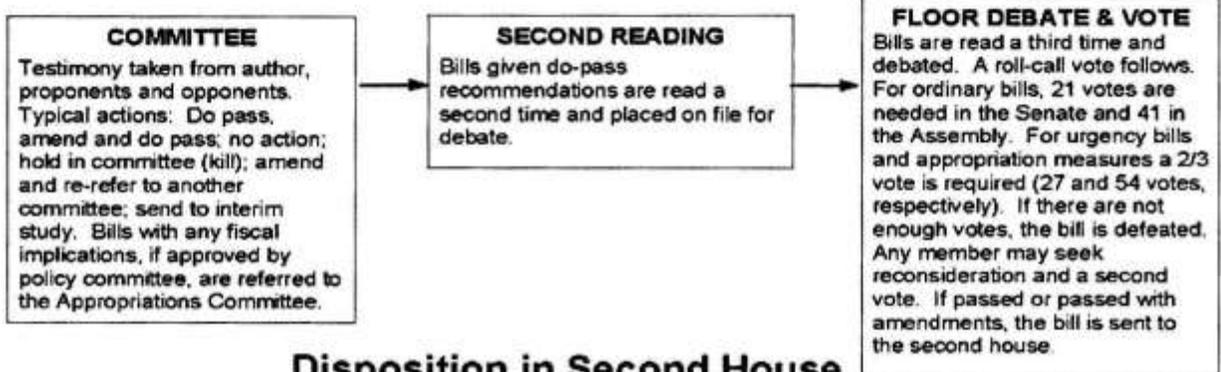
HOW A BILL BECOMES A LAW



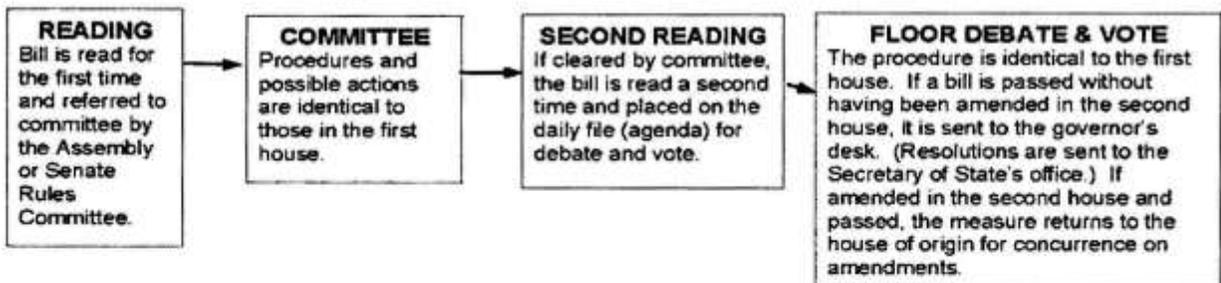
Initial Steps by Author



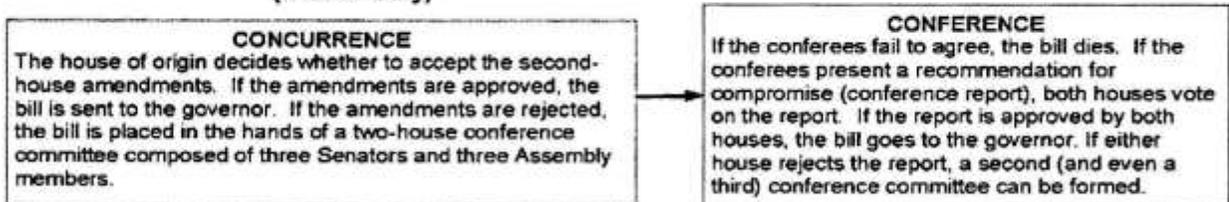
Action in House of Origin



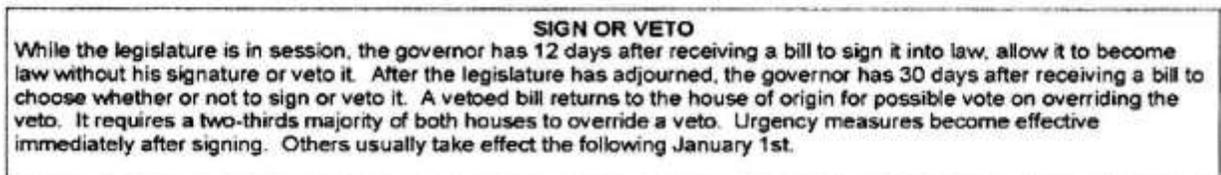
Disposition in Second House



Resolution of Two-House Differences (if necessary)



Role of the Governor





2019 Meeting Schedule

1/28 Open

2/25 Open

3/18 Open

4/15 Open

5/20 Open

6/17 Open

7/22 Open

8/19 Open

9/16 Open

10/28 Open

11/18 Closed

12/16 Dark