



CALIFORNIA FARM BUREAU FEDERATION

FRIDAY REVIEW

LEGISLATIVE AND GOVERNMENTAL UPDATE

June 15, 2012

In record time, the Senate and the Assembly passed the overall budget this afternoon to meet the midnight June 15th budget deadline and submit it to the Governor. The budget was hammered out between democratic lawmakers and the Governor. Much of the budget has not been publicly vetted with many stakeholders and Republicans have complained about a lack of transparency or opportunity for debate. This budget is based on the optimistic assumptions about future revenues and a presumption that new taxes will be approved by voters in November. Though the overall budget was passed, almost two-dozen implementing trailer bills were not acted on and will be heard next week. Even though the focus this week in Sacramento has been the state budget; here are some other current items of interest to agriculture.

Several pieces of legislation of interest to agricultural employers have seen action in the Assembly in this session. Here is an update on where these major agricultural labor proposals stand as the Legislature begins its summer recess:

Heat Illness – The United Farm Workers (UFW) and their allies are pursuing two major legislative initiatives this year; one is AB 2346 by Assemblymember Betsy Butler (D-Los Angeles). AB 2346 would codify in the Labor Code a drastic revision of the provisions in Cal/OSHA’s Heat Illness Prevention standard. Codifying the bill would deny the agency the ability to revisit the standard as they have done in the past (in 2010) should that be necessary in the future.

In addition to a number of new requirements that agricultural employers will be unable to comply with, AB 2346 gives employees the right to sue their employers for non-compliance; makes farmers explicitly responsible for the conduct of Farm Labor Contractors they employ; allows an employer to be charged with manslaughter if an employee dies without being provided with shade and water; and provides for restitution of up to \$1 million in the event of a heat-related fatality, undermining the exclusivity of workers’ compensation system. AB 2346 passed the Assembly with a bare majority (41 votes) on May 31 and awaits action in the Senate. The Senate Labor and Industrial Relations Committee will hear AB 2346 on June 27th.

New Overtime Rules for Agriculture – UFW is also continuing its support for AB 1313 by Assemblymember Michael Allen (D-Santa Rosa), which will revoke the 10-hour workday for farm employment and require payment of overtime after 8 hours in a workday or 40 hours in a workweek. AB 1313 passed the Assembly in 2011 as a different bill, but was gutted and amended into an overtime bill once it was on the Senate floor, after which it was placed on the Inactive File. It therefore became a “two-year bill” and thus dead for last year.

As reported in our Friday Review early in 2012, the bill was removed from the Senate Inactive File and sent to the Senate Rules Committee for assignment to the appropriate policy committee since the measure had been

substantially amended on the Senate floor. It has been sitting in the Rules Committee all year, but was referred to the Senate Labor and Industrial Relations Committee this week.

As you are all aware we worked to defeat similar legislation during the last legislative session which passed both houses of the legislature and was sent to the governor. Then Governor Schwarzenegger vetoed the measure. Farm Bureau and other agricultural organizations strongly opposed that measure and we continue to maintain our opposition to this ill advised legislation. The Senate Labor and Industrial Relations Committee will also hear AB 1313 on June 27th.

Farm Labor Contractors – In the meantime, agriculture has been working on legislation to address problems with agricultural employment in a constructive way (as distinct from either AB 2346 or AB 1313). We are supporting the passage of AB 1675 by Assemblymember Susan Bonilla (D-Concord) which increases penalties for Farm Labor Contractors operating without a license. Asm. Bonilla, to her great credit, accepted an amendment suggested by the industry to recognize that a letter of authorization from the Office of the Labor Commissioner indicating that an FLC's license is pending will be considered a valid license for the purpose of AB 1675. The bill has passed the Assembly and will be heard by Senate Labor and Industrial Relations Committee on June 17.

Minimum Wage Indexing – In the face of strong opposition from agriculture and other employer sectors, AB 1439 offered by Assemblymember. Luis Alejo (D-Salinas) was referred to the Assembly Appropriations suspense file, therefore, missing the deadline to advance from the Assembly to the Senate on May 25. This means the bill is dead for this session. AB 1439 would have mandated an automatic annual inflation adjustment to the state minimum wage on January 1 of each year. Farm Bureau strongly opposed the legislation.

Penalties for Labor Code Violations – On June 13, the Assembly Labor and Employment Committee approved AB 2099 by Assemblymember Gil Cedillo (D-Los Angeles) to increase penalties for unintentional Labor Code violations from \$100 to \$250. In opposing the bill, business representatives including Farm Bureau pointed out the complexity of California laws and the ease with which unintentional violations can occur, but the committee passed the bill on a party-line vote.

AB 2003 (Norma Torres, D - Pomona), a bill that would have required all payments for recycling scrap metal be made by check, failed the Senate Business, Professions and Economic Development Committee this week. Farm Bureau supported the bill, but the recyclers strongly opposed it. The final vote was 3-3.

AB 1971 (Joan Buchanan, D –San Ramon), a bill that increases fines against recyclers who accept material they should have known came from transportation systems, utilities, or local governments without ensuring that the person had a legal right to sell the material, passed out of the Senate Public Safety Committee this week. The Committee passed the bill with a vote of 6-0. Farm Bureau supports AB 1971 (Buchanan), which now goes to the Senate floor.

SB 594 (Lois Wolk – D, Davis) would allow all Net Energy Metering customers with multiple electrical accounts to aggregate the electrical load of all the meters located on the property where their renewable energy system is located or on property contiguous to the renewable system. This will allow a customer to install one renewable energy facility sized to serve their entire on-site load (up to one megawatt) instead of installing separate facilities at each meter. CFBF is in support. The first hearing on the bill will be held on Monday, June 18 in the Assembly Utilities and Commerce Committee. Although the Committee analysis has not yet been released, it is expected to recommend significant changes that would severely restrict the benefits of aggregation. The bill is co-authored by Senator Blakeslee and Assembly Members Gordon, Hill, Valadao, Williams and Yamada.