

**LEGISLATIVE ACTION COMMITTEE**  
[www.CoronaAdvocacy.biz/about.html](http://www.CoronaAdvocacy.biz/about.html)

**The Greater Corona Valley Chamber of Commerce**  
**904 East Sixth Street, Corona 92879**  
**(951) 737-3350**

**Friday, March 4, 2011**  
**8:00am**

**Presiding: Cynthia Schneider, 2010 LAC Chair**  
*American Security Bank*

**2011 Strategic Initiatives**  
*Healthcare Reform Impacts / Local, State and Federal Government Regulations and Reform*  
*Business Attraction and Retention*

**Call to Order and Roll Call**

**Chair Report**

- **Recent Action** **INFORMATION**

**President & CEO Report**

**LAC Meeting Agenda Items**

1. **February 2011 LAC Minutes** **ACTION**
2. **Redevelopment Agency Elimination Briefing** **UPDATE**  
*Dave Willmon, League of California Cities*
3. **91 Freeway Federal Loan Request** **ACTION**  
*John Standiford, Deputy Executive Director of Riverside County Transportation Commission*
4. **Legislative Report #3**
  - *AB 135 (Hagman – R) State Air Resources Board: Small Business Owner Member*
  - *AB 153 (Skinner – D) Internet Sales Tax*
  - *AB 318 (Skinner – D) Corporation Taxes Reporting Requirements*
  - *SB 378 (Dutton – R) Flexible Work Week*
  - *AB 77 (Gorell – R) Governmental Reorganization: Tax Functions*
  - *AB 10 (Alejo – D) Minimum Wage Adjustments*
  - *AB 83 (Jeffries – R) Environment: CEQA Exemption: Recycled Water Pipeline*
  - *1099 Reporting Mandate Provision in the Health Care Law*
  - *National Labor Relations Board Proposal: Right to Unionize*

**Announcements**

**Adjourn**

**January 2011 LAC Minutes**

**LEGISLATIVE ACTION COMMITTEE**

*[www.CoronaAdvocacy.biz/about.html](http://www.CoronaAdvocacy.biz/about.html)*

**The Greater Corona Valley Chamber of Commerce**  
**904 East Sixth Street, Corona 92879**  
**(951) 737-3350**

**Friday, February 4, 2011**  
**8:00am**

**Presiding: Cynthia Schneider, 2010 LAC Chair**  
*American Security Bank*

**2011 Strategic Initiatives**

*Healthcare Reform Impacts | Local, State and Federal Government Regulations and Reform*  
*Business Attraction and Retention*

**Call to Order and Roll Call**

*Chair Schneider called the meeting to order at 8:00am.*

Chair	Cynthia Schneider	American Security Bank	X
	Rachel Rola	As You Like It Event Design/Catering	X
	Chris Miller	Thomas Miller Mortuary	
	Sandy Klein	Re/Max All Stars	X
	Chad Miller	Plas-Tech Sealing Tech	X
	Ann Poloko	Financial Investors Group	X
	Mark Krakower	Kraktronix Laser Craft	
	Kathy Walker	Realtors Association (T.I.G.A.R.)	X
	Stephen Rezner	Miguel's Restaurants	
	S.R. "Al" Lopez	Western Municipal Water District	X
	Kevan Metcalfe	Corona Regional Medical Center	
	Patti Arlt	MWD	X
	Evita Tapia	Senator Bill Emmerson's Office	X
	Stephanie Benvenuto	Assemblymember Jeff Miller's Office	
	Karen Spiegel	City of Corona	
	Danielle Soto	AQMD	
	Todd Warden	AQMD	
	Aaron Hake	RCTC	
Chamber Chair	Kerry Pendergast	Corona Chamber of Commerce	
Chamber CEO	Bobby Spiegel	Corona Chamber of Commerce	X
Chamber Staff	Shaun Lumachi	Corona Chamber of Commerce	X
	Denea Breitenbucher	Corona Chamber of Commerce	X

**Chair Report**

- **Finalize Subcommittee Assignments** **ACTION**

*The LAC finalized the 2011 Subcommittee Assignments.*

• **Recent Action** **INFORMATION**

*Chair Schneider reported on the following recent action items:*

- *Elimination of Redevelopment Agencies*
- *Chamber Supports Two Proposals to Better Coordinate Economic Development*
- *New Laws Impacting Corona Businesses In 2011*

**LAC Meeting Agenda Items**

**5. December 2010 LAC Minutes** **ACTION**

*The LAC unanimously approved the December 2010 LAC Minutes.*

**6. January 2011 LAC Minutes** **ACTION**

*The LAC unanimously approved the January 2011 LAC Minutes.*

**7. Discussion on Pension Reform** **PRESENTATION**

*Senator Bill Emmerson and Assemblymember Jeff Miller presented the current status of public employee pension reform.*

**8. Legislative Report #2** **ACTION**

Adult Day Health Care Funding **SUPPORT**

*The LAC voted unanimously to oppose the proposed state budget cuts in Adult Day Health Care funding and to include it in a letter to the Governor on the overall approach to the budget crisis.*

Governor's 2011-2012 Budget Proposal **INFORMATION**

*The LAC reviewed a summary of the Governor's budget proposal.*

AB 83 (Jeffries – R) Environment: CEQA Exemption: Recycled Water Pipeline **TABLED**

*The LAC voted unanimously to table this bill due to a lack of time.*

AB 75 (Hill – D) Documents: Notaries Public: Solicitations **TABLED**

*The LAC voted unanimously to table this bill due to a lack of time.*

National Labor Relations Board Proposal: Notifying Employees of Right to Unionize **TABLED**

*The LAC voted unanimously to table this bill due to a lack of time.*

**Announcements**

**Adjourn**

*Chair Schneider adjourned the meeting at 9:05am.*

**Legislative Report #3**

**Presentation**

**Shaun Lumachi**  
Director of Government Affairs

<b>AB 135 (Hagman – R) State Air Resources Board: Small Business Owner Member</b>
---

**Recommended Action**

*Support*

**Summary**

1. AB 135 would require one appointed member of the state board to be a current owner of a small business, who has worked for, owned, or worked for and owned, that small business for at least 10 years. The change would last until January 1, 2017.

**Background**

2. The California Environmental Protection Agency the State Air Resources Board is responsible for control of emissions from motor vehicles and is designated the air pollution control agency for all purposes set forth in federal law.
3. Existing law requires the state board to consist of 11 members appointed based on certain qualifications.

**Arguments in Support**

4. According to Assembly Member Hagman: "It is essential for small business owners to be represented on the Air Resources Board because the regulations the board impose directly affect small business's costs and day to day practices. If we are serious about the impact of regulations on jobs, why not include someone who has created jobs."

**Arguments in Opposition**

*None at this time*

**Supporting**

*None on file*

**Opposing**

*None on file*

**Recommended Action**

*Oppose*

**Summary**

1. AB 153 would require online-only out-of-state retailers to collect state sales taxes for purchases sold in California.

**Background**

2. AB 153 would redefine a retailer engaged in business in this state as (1) any retailer entering into agreements for a commission or other consideration, (2) who directly or indirectly refers potential purchasers, whether by an Internet-based link or an Internet Web site, or otherwise, to the retailer, and (3) provided the total cumulative sales price from all sales by the retailer to purchasers in this state that are referred pursuant to these agreements is in excess of \$10,000 within the preceding 12 months.
3. This bill would further provide that a retailer entering specified agreements to purchase advertising is not a retailer engaged in business in this state.
4. Current Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale, storage or use of tangible personal property sold at retail in California.
5. Consumers, however, are supposed to pay "use tax" on goods purchased from out-of-state retailers. Sometimes individuals are unaware of this requirement, or they fail to do it on their yearly tax form.
6. California has had trouble enforcing compliance with tax law in an Internet age, and since the state is not willing to directly force payment of the taxes by targeting individuals or switching to an origin-based tax, they would rather ask Internet businesses to do it for them.

**Arguments in Support**

7. According to Assembly Member Skinner: "AB 153 could generate between \$250 million and \$500 million for the state." She is concerned that out-of-state or online businesses do not have to collect sales tax when the business transaction happens in California.

**Arguments in Opposition**

8. The Greater Corona Valley Chamber similar legislation last year that was eventually vetoed by the Governor. The Chambers were concerned that retailers will cut contracts with online advertisers in California ultimately eliminating an important source of revenue, which income tax is paid on, for many online entrepreneurs and other California-based organizations.

**Supporting**

*California Retailers Association  
California Federation of Teachers  
California Business Properties Association  
Northern California Independent Booksellers Association*

**Opposing**

*California Chamber of Commerce*

**Recommended Action**

*Oppose*

**Summary**

1. AB 318 would require that after January 1, 2011 the Franchise Tax Board must compile information on any tax credits reported by a company who is a publically traded and by June 30, 2013 and each year thereafter the information must be published on a state web site.

**Background**

2. The Corporation Tax Law, which is administered by the Franchise Tax Board, authorizes various credits, deductions, exclusions, exemptions, and other tax benefits with respect to the taxes imposed by that law.
3. This bill would, for each taxable year on or after January 1, 2011, require the board to compile information on any tax expenditure claimed and reported by a taxpayer that is a publicly traded company, and would require, beginning on June 30, 2013, and by June 30 of each year thereafter, the board to submit the information to the California Technology Agency for publication on the Reporting Transparency in Government Internet Web site.
4. This bill would require the California Technology Agency to develop on the Reporting Transparency in Government Internet Web site a searchable database of that information.

**Arguments in Support**

1. AB 318 would increase access to scrutiny and accountability of publically traded companies.

**Arguments in Opposition**

2. AB 318 unfairly targets public companies by taking advantage of current law to exploit companies by placing additional reporting mandates and burdens upon them.

**Supporting**

*None on file*

**Opposing**

*California Chamber of Commerce*

**Recommended Action**

*Support*

**Summary**

1. SB 378 would allow employers (optional for those with 5 or fewer employees) to establish an alternative workweek schedule that allows an employee to work up to 10 hours a day, 40 hours a week.

**Background**

2. Currently, employees must approve by a secret ballot election of at least 2/3 of the affected employees in a readily identifiable work unit is required for adoption of an alternative workweek schedule.
3. Existing law also requires the employer to pay overtime compensation to employees who work more than their regularly scheduled hours under the alternative workweek and to make reasonable accommodations to find a work schedule that does not exceed 8 hours per day for employees who were eligible to vote in the election but are unable to work the alternative workweek hours.
4. SB 378 would permit employers and their employees to voluntarily enter into a revocable written agreement setting forth an alternative workweek schedule that allows an employee to work up to 10 hours a day, 40 hours a week, without the payment of overtime wages, with the requirement to pay a prescribed rate of overtime pay for excess hours and days.

**Arguments in Support**

5. As the law stands today, individual employees do not have the right to seek and arrange individual flexible schedules with their employers. SB 378 will provide individual workers much needed flexibility to permit four-day workweeks for workers desiring to find a balance between work and personal lives.

**Arguments in Opposition**

6. Opponents of the flexible work week proposal say that employers might be exclusive in agreeing to who can work a flexible work week and who cannot thus eliminating the opportunity for a win-win scenario between the employers and the employee.

**Supporting**

*California Chamber of Commerce*

**Opposing**

*None on file*

**Recommended Action**

*Support*

**Summary**

1. AB 77 would abolish California’s Franchise Tax Board and transfer its functions to the State Board of Equalization. It would also transfer any tax administrative functions of the Employment Development Department and the Department of Insurance to the State Board of Equalization.

**Background**

2. The Franchise Tax Board administers state personal income taxes and corporation franchise and income taxes in the State of California.
3. The State Board of Equalization collects and administers various taxes and fees imposed under specified programs and serves as an arbiter for the resolution of tax disputes involving the imposition of fees and taxes, including those taxes administered by the Franchise Tax Board.
4. AB 77 would abolish the Franchise Tax Board, and would provide for the transfer of its powers and duties to the State Board of Equalization, effective January 1, 2013.
5. Existing law imposes, on employers in this state, unemployment insurance taxes that are administered by the Employment Development Department.
6. Existing law also imposes taxes on insurance companies that are administered by the Department of Insurance.
7. This bill would also provide for the transfer of the tax administrative functions performed by the Employment Development Department and the Department of Insurance to the State Board of Equalization, effective January 1, 2013.
8. This bill would require the State Board of Equalization to submit a report to the Governor and the Legislature, on or before June 30, 2012, regarding the board's assumption of the duties of the Franchise Tax Board and the assumption of the tax administration functions of the Employment Development Department and the Department of Insurance.
9. This bill would also repeal this reporting requirement on June 30, 2016.

**Arguments in Support**

1. The Greater Corona Valley Chamber has historically supported efforts to consolidation state government entities for cost and efficiency purposes. This bill would consolidate the functions of two agencies into one existing agency furthering the opportunity to save taxpayer funding and improve efficiencies.

**Arguments in Opposition**

2. Concerns about the effective implementation of consolidation might incur costs on the state at a time when resources are scarce.

**Supporting**

None on file.

**Opposing**

None on file.

<b>AB 10 (Alejo – D) Minimum Wage Adjustments</b>
---

**Recommended Action**

*Oppose*

**Summary**

1. AB 10 would increase the minimum wage, as of January 1, 2012, to not less than \$8.50 per hour.

**Background**

2. As of January 1, 2008, the minimum wage in California must not be not less than \$8.00 per hour.
3. AB 10 would increase the minimum wage, as of January 1, 2012, to not less than \$8.50 per hour.
4. This bill would also provide for an automatic adjustment to the minimum wage on January 1, 2013, and annually thereafter, based on the California Consumer Price Index.

**Arguments in Support**

5. No arguments in support at this time.

**Arguments in Opposition**

6. The Greater Corona Valley Chamber has historically opposed any increase to the minimum wage.

**Supporting**

None on file.

**Opposing**

None on file.

**Recommended Position**

*Support*

**Summary**

1. AB 83 would allow exemption of the CEQA process for installation or repair of recycled water pipes if they are installed under existing paved roads or improved right-of-ways up to 8 miles.

**Background**

2. Current law states that the California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared, and certify the completion of, an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.
3. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
4. CEQA exempts specified pipeline projects from the above requirements if the project is less than a mile.
5. AB 83 would extend such exemptions from CEQA requirements from less than one mile to 8 miles.

**Arguments in Support**

6. AB 1704 will allow local agencies to save time and money on local water infrastructure projects and avoid the costly CEQA process for any project less than 8 miles.

**Arguments in Opposition**

7. Opponents contend that water pipeline projects may have significant environmental effects which are appropriate to review and mitigate pursuant to CEQA regardless of the length of the project.

**Supporting**

None on file

**Opposing**

None on file

**Recommended Position**

*Support*

**Summary**

1. Over 40 million entities, including governments, nonprofits, and businesses of all sizes across the nation will be subjected to data collection and IRS information filing on virtually all non-credit card purchases totaling \$600 or more with any vendor in a tax year starting in 2012.

**Background**

2. Section 9006 of the “Patient Protection and Affordable Care Act” is usually referred to as the 1099 reporting mandate and will become law in 2012.
3. If this provision is implemented and not repealed, the 1099 reporting mandate will impose substantial paperwork and reporting burdens on the backs of governments, nonprofits, and businesses—especially small businesses.
4. In order to comply, these entities will have to institute new complex record-keeping data collection and reporting requirements that track every purchase by vendor and payment method.
5. This provision will also serve to dramatically increase accounting costs, expose businesses to costly and unjustified audits by the IRS, and subject more small businesses to the challenges of electronic filing.
6. In the end, the increased costs will heavily penalize honest taxpayers, creating an even more unlevel playing field between those that pay their fair share of taxes and those that do not.
7. Moreover, the new 1099 reporting mandate will alter behavior in the marketplace, which could lead to dramatic negative consequences for smaller merchants by driving purchases away from small vendors and startups.
8. In order to minimize reporting, government, nonprofits, and businesses may consolidate their purchases with several large vendors with a broad geographic presence and a more diverse product line instead of a number of smaller ones.
9. Additionally, the cost of repealing this provision should not be accomplished by levying increased taxes on or removing existing tax incentives from business, thereby eroding American competitiveness and private sector job creation.
10. Last week, the U.S. Senate voted to repeal the provision. The provision will now go to the House of Representatives for consideration.

**Arguments in Support**

11. At a time in which we have seen an unprecedented growth of the federal government, it is imprudent for lawmakers to saddle any one segment of the business community with the obligation to pay for the repeal of this ill-conceived, expanded information reporting mandate.

**Arguments in Opposition**

12. No arguments in opposition at this time

**Supporting**

*United States Chamber of Commerce*

**Opposing**

*None on file*

**Recommended Action**

*Oppose*

**Summary**

1. A proposed rule would require employers to notify workers of their rights under the National Labor Relations Act (NLRA), including the right to unionize.

**Background**

2. This proposed rule covers all employers subject to NLRA except for employers of airline, railroad and agricultural workers.
3. NLRB is seeking comments on its proposal to require private sector employers to notify employees of their right to unionize – or not.
4. The proposed notice would be mandatory in almost all workplaces, regardless of whether union employees are present.
5. The posting requirement is similar to one now required for government contractors.
6. The new notice, as proposed, states that employees have the right to act together to improve wages and working conditions, to form, join and assist a union, to bargain collectively with their employer, and to choose not to do any of these activities.
7. The proposed notice also provides examples of unlawful employer and union conduct and tells employees how to contact the NLRB with questions or complaints.
8. If an employer communicates with employees primarily by e-mail or other electronic means, the notice would be posted electronically as well.
9. According to a NLRB press release, the proposed notice would be available from the agency’s regional offices and could be downloaded from the NLRB website.
10. The 60-day comment period for the proposed rule began on December 22, 2010.
11. The NLRB is inviting comments on all aspects of the proposed rule, including the issue of the board’s authority raised by the dissent.
12. Comments on the proposed rule should be submitted either electronically at [www.regulations.gov](http://www.regulations.gov) or by mail or hand delivery to Lester A. Heltzer, Executive Secretary, NLRB, 1099 14th Street NW, Washington, D.C. 20570.

**Arguments in Support**

13. Supporters argue that by increasing the knowledge of the NLRA among employees will better enable them to exercise their rights under the statute and promote statutory compliance by employers and unions.

**Arguments in Opposition**

14. Opponents argue this is another example of a harmful regulation on employers. They also cite, the percentage of private sector workers in unions has dropped to 7.2 percent, from more than 35 percent in the 1950s and there are concerns that proponents believe that employers are to blame for the decline in union membership and so therefore enforcement must be increased.

**Supporting**

None at this time

**Opposing**

None at this time