



## More Anti-Employer Legislation on the Horizon?

(September 16, 2003)

There are a number of laws that are currently on Governor Davis' desk awaiting signature. If signed, these laws will place even more responsibilities on already overburdened California employers. Below is a short synopsis of four of these laws, with links to their full text:

### AB 1715

This bill would invalidate employment arbitration agreements that are required as a condition of employment and cover employment practices governed by the Fair Employment and Housing Act (FEHA). It provides that any employee's waiver of rights under FEHA must be voluntary and not made a condition of employment. This could mean the end of (or at least a significant blow to) the majority of the employment arbitration programs in California. Click [here](#) for the full text of AB 1715.

### AB 76

This bill is in response to the decision in [Salazar v. Diversified Paratransit, Inc.](#) (a case currently pending before the California Supreme Court). Specifically, this bill rejects the *Salazar* court's interpretation of employer liability for harassment perpetrated by non-employees. It amends FEHA to provide employer liability for harassment by a non-employee if the employer knew or should have known of the harassment and failed to take corrective action. This would essentially require employers to police the potentially harassing conduct of non-employees. Click [here](#) for the full text of AB 76.

### SB 2

This bill provides for the creation of a State Health Purchasing Program. It requires employers to pay a user fee to the State of California to be used to purchase health coverage for all employees and their families. The program will be completely funded by these employer fees and enrollee contributions. The amount of the employer fees will be based on the number of enrollees in the program, and employers who fail to pay the fee will be assessed steep penalties. If passed, the plan will kick in for larger employers (with 200 or more employees in California) on January 1, 2006, and for medium employers (with 20 to 199 employees in California) on January 1, 2007. The good news is that employers with current health coverage plans will be exempted from the fees, and smaller employers (with less than 19 employees in California) will not have to contribute. Click [here](#) for the full text of SB 2.

## SB 796

This bill provides for private employee suits to collect penalties for violations of the Labor Code. It would also permit employees to recover attorneys' fees and costs associated with such suits. Even worse, this bill provides for additional civil penalties for violations of any Labor Code section that does not already impose a penalty. If passed, this bill will make it even more important for employers to assess their current employment practices and ensure compliance with the Labor Code. Click [here](#) for the complete text of SB 796.

If you have any opinions or concerns about any of these pending bills, we recommend that you immediately write, e-mail or call the Governor's office. Governor Davis may be contacted in the following ways:

**Governor Gray Davis**  
State Capitol Building  
Sacramento, CA 95814  
Phone: 916-445-2841  
Fax: 916-445-4633  
[governor@governor.ca.gov](mailto:governor@governor.ca.gov)

Please note we will be providing a complete legislative update during our fall seminar "Workplace Law 2004" on November 6, 2003.

This E-Update was authored by [Connie Lundgren](#). If you have any questions about this E-Update, please contact the author or any PPS&C attorney at (619) 237-5200.

**SAVE THE DATE! SAVE THE DATE! SAVE THE DATE!**

**PAUL, PLEVIN, SULLIVAN & CONNAUGHTON ANNOUNCES**

**THAT ITS ANNUAL FALL SEMINAR WILL BE ON NOVEMBER 6TH**

This will be an interactive workshop that will focus on how recent developments will impact your company's day-to-day employment practices and what you need to do in 2004 to stay current with the changing employment laws.

We will examine the impact of new laws and court decisions and how these impact the workplace. We will review the changes you should make to practices and documents and will provide concrete suggestions for improving your policies in the coming year.

As always, we will also give you the floor to ask questions of our employment law experts.

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