

New California Laws for 2016

Every year, hundreds of new laws are enacted that may impact small business, automotive repair shops. Below is a short summary/highlights of some measures that will take effect in 2016.

- **Minimum Wage Increase.** Starting January 1, 2016 the state minimum wage will increase from \$9.00 to \$10.00 per hour. (AB 10--2013).
- **Mandatory Paid Sick Leave Amendments.** Employers are required to provide mandatory paid sick leave beginning July 1, 2015. After the law was in effect, the legislature passed a bill which made several significant changes including clarifying who is covered, providing alternative accrual methods; clarifying protections for employers that already provided paid sick leave and providing alternative methods for paying employees who use paid sick leave. (AB 304). There has been confusion with the new paid sick leave law. The Department of Industrial Relations has attempted to provide answers. See website—Paid Sick Leave Frequently Asked Questions: http://www.dir.ca.gov/dlse/Paid_Sick_Leave.htm
- **Piece-Rate Compensation.** This new and highly complicated law significantly changes and clarifies piece rate compensation and the employers' obligation to compensate for "non-productive", "idle" or "waiting" time. (This issue originally arose because of the 2013 lawsuit-- Gonzalez vs. Downtown LA Motors). Those employees must now receive a "separate" hourly rate (calculated separately and additional to their piece rate earnings) for non-productive time. The law requires that specific information such as total hours or compensable rest and recovery periods, must now be included on a piece-rate employee's itemized wage statement. The new law defines other non-productive time, provides several options for handling other non-productive time going forward and exclusion from penalties in the case of good-faith error when calculating piece-rate worker's other non-productive time compensation. Employers subject to this law are strongly encouraged to consult counsel regarding the new requirements. (AB 1513).
- **Tow Truck Requirements.** This new law makes several significant changes to curb "bandit towing" practices. Requires tow trucks to possess specified information, provide written itemized estimates of charges, services and authorization prior to attaching the vehicle to the tow truck. It also requires a business taking possession of a vehicle from a tow truck to document the name, address and telephone number of the towing company, the name and driver's licenses number of the tow truck operator, the make, model and license plate or vehicle ID number and the date and time that possession was taken of the vehicle. This information must be maintained for three years and be available for inspection within 48 hours by the CHP, Attorney General's office, BAR, District Attorney's Office or City Attorney. (AB 1222).
- **Employment Discrimination.** This law makes it an unlawful employment practice for an employer to retaliate or otherwise discriminate against an employee for "requesting" an accommodation for disability or religious belief or observance, regardless of whether the request was granted. (AB 987)

- **Gender Wage Equality.** This law changes the State’s equal-pay requirements to remedy sex discrimination in compensation. Employers now must pay equal pay to workers of both sexes for “substantially similar work” across all of their locations, as opposed to only equal pay for equal work in the same establishment. The law also places the burden on employers to affirmatively demonstrate that any wage disparities between sexes is based upon one or more specified factors, such as a seniority system, a merit system, a system that measures earnings by quantity or quality of production, or a bona fide factor other than sex. (SB 358).
- **Protections for Whistleblower Families.** California whistleblower protections now protect the family members of whistleblowers. Under the new law, an employer is prohibited from discharging or, in any manner, discriminating, retaliating, or taking adverse action against any employee who is a family member of a person who engaged in, or was perceived to engage in, protected conduct. (AB 1509)
- **Additional Protected Classes in Unruh Civil Rights Act.** This new law increases protections, prohibiting discrimination in business establishments based on citizenship, primary language, or immigration status. (SB 600)
- **Enforcement of Employee Claims by Labor Commissioner.** This new law expands power of the Labor Commissioner to enforce local laws regarding overtime hours or minimum wage provisions and to issue citations and penalties for violations. The law also amends laws pertaining to indemnification of employees by employers for expenses or losses incurred by the employee in direct consequence of the discharge of the employee’s duties or as a result of obeying the employer’s directions. (AB 970).
- **School Activities Leave.** This new law expands the ability of employees to take protected time off from work or childcare related activities. It allows an employee protected time off to find a school or a licensed childcare provider and to enroll or re-enroll a child and time off, to address childcare provider or school emergencies. (SB 579)
- **Employee Time Off and “Kin Care”.** This law changes current law and allows “kin care” to conform to the Paid Sick Leave law. It requires an employer to permit an employee to use sick leave for purposes their own health condition or preventative care; a family member’s health condition or preventative care; if the employee is a victim of domestic assault, sexual violence, and/or stalking and needs to take time off. Further, “family member” now includes; a child regardless of age or dependency; parent; spouse; registered domestic partner; grandparent; grandchild; or siblings. (SB 579).
- **Unemployment Insurance and Electronic Reporting.** This law requires electronic reporting for unemployment insurance reports submitted to the Employment Development Department (EDD). It also requires employers to remit contributions for unemployment insurance premiums by electronic funds transfer. The requirements will apply to employers with 10 or more employees beginning January 1, 2017 and to all employers beginning January 1, 2018. (AB 1245).
- **Motor Fuels and Lubricants Disclosures.** This new law expands the authority of the California Department of Food and Agriculture (CDFA); requires the method of sale for all motor vehicle fuels and lubricants to be consistent with national standards, and

requires the Secretary of the CDFA to establish interim standards for methods of sale if national standards do not exist. (AB 808)

- **Franchisor-Franchisee Relationships.** The law changes the definition of when a franchise agreement can be terminated for good cause and also makes other changes regarding obligations and rights when a franchisee agreement is not renewed. (AB 525).
- **Benefit Notices.** The Division of Workers' Compensation also recently finalized regulations revising certain benefit notices for January 1, 2016. Revisions were made to: The Claim Form and Notice of Potential Eligibility (DWC 1). The workers' compensation "Notice to Employees"---a required posting for California.