

CLEAR COMMENTARY September 17, 2020

Tick Tock

No, not Larry Ellison's newest acquisition, but Governor Newsom's countdown to bill signing, which expires September 30.

Prior to today, the signings had been relatively slow. One interesting signature was on <u>AB</u> <u>2257 (Gonzalez)</u>, which tossed a lifeline to a key Newsom mentor, Willie Brown, who pens a must-read Sunday column in the San Francisco Chronicle.

The bill is a cleanup to the author's own AB 5 from last year, which codified a State Supreme Court decision redefining independent contractors who must largely become full time employees with benefits, igniting a firestorm of its own. AB 2257 recasts certain provisions of AB 5, as well removing the cap on creative content and adding exemptions for musicians, journalists, youth sports coaches, appraisers, and insurance agents, among others.

What does Willie Brown have to do with the bill?

Prior to the bill reaching the Governor's desk, the Chronicle informed the former Mayor and Assembly Speaker that, since AB 5 limited contract writers to 35 articles per year and

Brown had reached that limit with his weekly column, the Chronicle would print no more columns this year for the free-lance columnist.

Brown publicly sounded off on AB 5 and organized labor, going so far to say he would picket any legislator who had supported the bill.

We suspect many others would join him at his rally.

Bills Signed Today

SB 1383 (Jackson) extends job-protected leave to businesses with five or more employees and would allow workers to take time off work to care for a broader set of relatives who are ill, including siblings, grandparents, and grandchildren. The bill does not require employers to pay workers while they are on leave, but rather to hold their jobs until they return, for up to 12 work weeks during a 12-month period.

SB 1159 (Hill) is the surviving workers' compensation bill of the session. Two other measures sought by labor, AB 196 and AB 664, did not move off the Senate floor. While business and insurers opposed SB 1159, neither labor-sponsored conclusive presumption bill survived.

SB 685 (Reyes) requires employers to notify Cal-OSHA when a worker may have been exposed to COVID-19 and strengthens Cal-OSHA's oversight on prevention. Hotly contested by the employer community, the author took Administration amendments late in the game.

Notables Still Up in the Air

AB 890 (Wood) gives full practice authority to nurse practitioners and **SB 1237 (Dodd)** would allow nurse-midwives to deliver babies in low-risk pregnancies without physician supervision. Both bills were and remain fiercely opposed by the California Medical Association, which has a long term and close relationship with the Governor. Despite the heavy lobbying, we still think he signs both bills.

Initiative Spotlight: Proposition 15

Speaking of the Governor, he recently endorsed <u>Prop 15</u>, the split roll property tax measure on the November ballot. While not unexpected, his support adds psychic angst in the business community, which opposes the measure. Proposition 15 would amend the

state constitution to require commercial and industrial properties, except those zoned as commercial agriculture, to be taxed based on their market value.

Opponents to Proposition 15 argue it would raise taxes on business properties by as much as \$11.5 billion annually, leading to higher rents for small businesses. Opponents to the proposition had been feeling some degree of confidence in defeating the proposition but the contraction of the economy has put the squeeze on their fundraising efforts, heightening concerns that, while their messaging is on point, their fundraising may be lagging.

So You Think You Want to be Governor?

Look at what being Governor currently means. If you were Governor Newsom, here's what you get to do:

- Fight a pandemic (California had **760,013 confirmed coronavirus cases** and **14,451 deaths** from the virus);
- Contain unprecedented fires (as of September 14, 2020, a total of 7,718 fires have burned 3,451,428 acres, more than 3% of the state's roughly 100 million acres of land);
- Balance an increasingly daunting state budget;
- Thrust and parry with a Democratic legislature with which the relationship sometimes runs more cold than hot;
- Decide if trick-or treating will be allowed for Halloween.

Meanwhile, his San Francisco political colleague Kamala Harris rides a wave of political stardom as part of a potential Harris/Biden Presidential administration.

With images of Harris bounding off a private campaign jet this week and surges of excitement, we can't help but think back to the proverbial (or literal) coin-toss between Newsom and Harris determining who would run for Governor and who would run for Senate.

One must muse if Newsom still thinks he won.

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