



ENGRROSSMENT*



Summer-2012

By LEGISLATIVE INTENT SERVICE, INC. www.legintent.com 1-800-666-1917

SUMMERTIME BILLS

July 1st will be the effective date for a number of bills signed in 2010 and 2011. Below, we identify some of these bills. For those who are unaware of California's legislative organization, we begin with a brief legislative process synopsis:

LEGISLATIVE PROCESS

From 1850 to 1972, the California Legislature met in sessions of indeterminate lengths, usually within a one-year period. In 1972, the general electorate passed a Constitutional amendment to structure the state Legislature as a two-year ("biennial") session, to convene on the first Monday in December of even-numbered years. This allows for a more thorough study of complex problems presented in bills. The Governor may call the Legislature into an extraordinary session to address specific complicated subjects, such as the budget or water issues.

During the beginning of each day's session, bills are introduced, read the first time and referred to the various committees as assigned by the Rules Committee. The committees then report the bills back to the House and read a second time. Amendments by the committees will be proposed during the bill's consideration. The third reading occurs on a subsequent day, and floor debates on the measure will take place. Thereafter, if passed, the bill is forwarded to the other House to follow a similar procedure. After the second House approves the bill, it is sent to the Governor for approval or veto.

NEW MECHANICS LIENS LAWS

In 2010, Gov. Arnold Schwarzenegger signed **SB 189**, which, beginning July 1, 2012, provided for sweeping changes to the laws relating to design professionals' liens and mechanics liens, and stop notices. Among the numerous changes proposed in this bill carried by Sen. Alan Lowenthal of Long Beach,

Civil Code § § 3081.1 through 3267 are now replaced with Civil Code § § 8000 through 9566, with major revisions to the former language. Among the changes enacted by SB 189, the terms "original contractor" and "materialman" are now replaced with "direct contractor" and "material supplier." The bill also enacted separate provisions governing private works of improvement and public works of improvement. There were also related and conforming changes made by this bill to other related statutes.

MATERNITY COVERAGE

Gov. Jerry Brown signed **SB 222** to require every individual health insurance policy to provide coverage for maternity services for all insureds covered under the policy. The Legislature's findings and declaration stated that in actual practice, health care service plans have been required by the Knox-Keene Health Care Service Plan Act of 1975 to provide maternity services as a basic health care benefit, but the existing law did not require health insurers to provide designated basic health care services, which resulted in health insurers not required to provide such coverage. Studies indicated that prenatal care pays for itself by helping to minimize the prevalence and severity of low- and very low-birth weight babies. **AB 210** was related to AB 222 and provided that every group health insurance policy must provide coverage for maternity services for all insureds covered under the policy.

SOLID WASTE ENTERPRISES CONTRACTS

Sen. Lois Wolk of Davis carried **SB 841** for the California Refuse Recycling Council to restrict the enforceability of any indemnity obligation in a contract or request for proposal between a solid waste enterprise and a local agency, related to liability for failure to obtain voter approval of fees or charges in violation of constitutional requirements that were enacted by Propositions 218 and 26.

SOLID WASTE RECYCLING

A/M Wesley Chesbro, as chair of the Assembly Committee on Natural Resources, carried **AB 341** to require, among other changes, that a business, defined to include a commercial or public entity, which generates more than four cubic yards of commercial solid waste per week or is a multifamily residential dwelling of five units or more, to arrange for recycling services. AB 341 would also require a commercial waste generator to take specified actions with regard to recyclable materials. Also on or after July 1st, this bill would require a jurisdiction to implement a commercial solid waste recycling program meeting specified elements but would not require the jurisdiction to revise its source reduction and recycling element if the jurisdiction adds or expands a commercial solid waste recycling program to meet this requirement. The local agency would be authorized to charge and collect a fee from a commercial waste generator to recover the local agency's costs incurred in complying with the commercial solid waste recycling program requirements.

PUPILS AND BULLYING

Two bills signed by Gov. Brown in 2011 related to pupils and bullying, **AB 9** by A/M Tom Ammiano of San Francisco and **AB 1156** by A/M Mike Eng of Monterey Park, would take effect July 1st. AB 9 requires a school district to include specific information in its policies and procedures regarding discrimination, harassment, intimidation, and bullying, and also requires the policies to include complaint procedures and alternative discipline policies for pupils who engage in bullying behavior. AB 1156 revises the existing definition of bullying, requires training in the prevention of bullying, and authorizes a pupil who has been a victim of bullying to transfer to another district.

NEW MOTOR VEHICLE DEALER ELECTRONIC DOCUMENT PROCESSING

Beginning July 1st, **AB 1215** would require dealers of new motor vehicles to participate in the electronic vehicle registration program of the DMV. License plates would be attached upon receipt of the vehicle owner. AB 1215 also increases the maximum dealer document preparation charge that dealers may charge. This bill also requires that dealers of used vehicles

must obtain National Motor Vehicle Title Information System reports.

REAL ESTATE BROKERS, CORPORATE OFFICERS AND BRANCH DESIGNATION

A/M Lou Correa of Santa Ana carried **SB 510** for the California Association of Realtors to establish various minimum requirements for an individual to become a branch manager and authorize the Commissioner of the Department of Real Estate to discipline a branch manager for failure to supervise branch operations. The Association contended that SB 510 would add two much needed changes to the law and that the bill did not remove any existing accountability for the employer broker heading the company, so that this person would still be accountable for wrongful acts.

FREE MCLES

Attention Group 1(A-G)! Your deadline is *February 1, 2013* to meet your MCLE requirements. If you need **two hours of MCLE**, we offer two self-study exams that are approved by the California State Bar: 1 hour of regular MCLE on the “**legislative process**” and 1 hour of ethics MCLE on “**ethics and evidence of legislative intent.**” To look over these materials, go to:
<http://www.legintent.com/mclemain.php>

RECOVERABLE COSTS OF LEGISLATIVE RESEARCH

The **fees** paid by your firm that were incurred to have us research legislative intent **can be recovered** if your position prevails in court. Van de Kamp v. Gumbiner, 221 CA3rd 1260 (1990)

QUESTIONS? QUOTES? EMAIL US AT:

Tom Stallard, Esq., owner,
tstallard@legintent.com
Maria Sanders, Esq.,
msanders@legintent.com
Jenny Lillge, Esq.,
jlillge@legintent.com
Karen Harrison, Esq.,
kharrison@legintent.com