

New California Laws for 2014

Every year, hundreds of new laws are enacted that may impact automotive repair shops. Below is a short summary of some measures that have taken effect or will take effect in 2014.

- **Minimum Wage Increase.** Increases the minimum wage from its current rate of \$8.00 per hour to \$9.00 per hour on and after July 1, 2014 and then increases minimum wage to \$10.00 per hour on and after January 1, 2016. Under current law employers of automotive repair shops must pay double the minimum wage to employees that are required to bring their own tools. (AB 10)
- **Brake Pads.** Effective January 1, 2014, the law (SB 346 of 2010) prohibits the sale of any motor vehicle brake friction materials exceeding the following concentrations:
 - Cadmium exceeding 0.01% by weight.
 - Chromium (VI) salts exceeding 0.1% by weight.
 - Lead exceeding 0.1% by weight.
 - Mercury exceeding 0.1% by weight.
 - Asbestiform fibers exceeding 0.1% by weightTo determine whether the brake pad is California compliant, the pad must have an “A” environmental marking from SAE. The law provides that shops may deplete their existing inventory of non-compliant brake pads. (SB 346 of 2010 and AB 501). Violations are subject to civil fines of up to \$10,000 per violation. For more information please go to: <http://www.dtsc.ca.gov/PollutionPrevention/BrakePads.cfm>
- **Insurance Estimates for Vehicle Repairs.** This new regulation requires that written estimates prepared by or for the insurer shall be an amount that will allow for repairs to made in accordance with accepted trade standards good and workmanlike repairs as defined by the Business and Professions Code and the BAR regulations. Also an insurer estimate shall not deviate from the standards, costs and /or guidelines provided by third party automobile collision repair estimating software, if such deviation would result in an estimate that would not allow for good and workmanlike manner repairs as defined. When insurers are adjusting, they must adjust the estimate provided to the claimant by the repair shop and adjustments shall identify the specific adjustment made to each item and the cost associated with each adjustment. This law took effect April 1, 2013. (California Code of Regulations Title 10, Chapter 5, Subchapter 7.5, Section 2695.14)
- **Aftermarket Crash Parts.** This new regulation requires insurers that specify or require the use of non-original equipment manufacturer replacement crash parts in a repair must warrant that the parts are at least equal to the original equipment crash parts in terms of kind, quality, safety, fit and performance. The insurer must disclose in writing, in any estimate prepared by or for the insurer the fact it warrants such parts. If an insurer specifying such parts has knowledge that a part is not complaint under the regulations it shall immediately cease requiring the use of such part and notify the distributor of non-compliance. An insurer specifying the use of non-original equipment crash parts that is not complaint shall pay for the costs associated with returning the part and the cost to remove and replace the non-original crash part with a compliant crash part or an original equipment manufacturer part. This law took effect April 1, 2013. (California Code of Regulations Title 10, Chapter 5, Subchapter 7.5, Section 2695.14)

- **Prop 65 Enforcement.** This new law provided relief from enforcement actions against small business for Prop 65 violations. It allows a person (business) who receives a notice of alleged violations to correct within a certain amount of time and pay a reduced fine. (AB 227)
- **Driver’s License for Undocumented Immigrants.** This new law requires the California DMV to issue a drivers license to an undocumented person who can prove identity and California residency and who can meet all other licensing requirements. The law takes effect on January 1, 2015. Regulations must be adopted to implement this new law. (AB 60)
- **Retaliation and Unfair Immigration Related Practices.** This new law prohibits an employer from engaging in unfair immigration related practices when an employee asserts protected rights under the Labor Code. Such as an employer threatening to contact immigration authorities because employee complained about not being paid minimum wage. The law also authorizes various penalties against employers that engage in such practices including a private right of action lawsuit. (AB 263). Also the state is permitted to suspend or revoke an employer’s business license where that employer reports or threatens to report the citizenship or immigration status of any employee because the employee makes a complaint about employment issues. (SB 666). Finally, a person may be guilty of criminal extortion if the person threatens to report the immigration status or suspected immigration status of an individual, or his or her relative or a member of family. (AB 524)
- **Protections for Employees Exercising Rights.** This law provides greater protection for employees who assert their rights under the Labor Code. Prohibits retaliation or adverse action against employees and adds a civil penalty of up to \$10,000 per employee per violation. (AB 263)
- **Damages for Minimum Wage Violations.** This law expands the penalty available for citations issued by the Labor Commissioner for failing to pay minimum wage to include a requirement that the employer pay liquidated damages to the employee, in addition to existing penalties. (AB 442)
- **Protection for Military and Veterans.** This law adds “military and veteran status” to the list of categories protected from employment discrimination under the Fair Employment and Housing Act. (AB 556)
- **Sexual Harassment Definition.** This law amends the definition of harassment to clarify that sexually harassing conduct does not need to be motivated by sexual desire. The new law clarifies that hostile treatment can amount to unlawful sexual harassment regardless of whether the treatment was motivated by any sexual desire. (SB 292)
- **Whistleblower Protections.** Expands whistleblower protections to include reports alleging a violation of a local rule or regulation. Also protects employees who disclose, or may disclose, information regarding alleged violations to a person with authority over the employee or another employee who has authority to investigate, discover or correct the violation. Prohibits retaliation against an employee because the employer believes the employee disclosed or may disclose information. (SB 496)

- **Time off for Crime Victims.** New protections for crime victims to take off from work to appear in any court proceeding in which a right of the victim is at issue. (SB 288). Another new law extends exiting protections for victims of domestic violence or sexual assault to victims of stalking to include time off to appear at legal proceedings (all employers) and to seek medical/psychological treatment, including safety planning (employers with 25 or more employers). The law makes it unlawful to discriminate or retaliate against an employee because of status of victim of domestic violence, sexual abuse or stalking. Also new requirement for reasonable accommodation for victims including implementation of safety measures. (SB 400).
- **Background Checks.** Prohibits a state or local agency from asking an applicant to disclose information regarding criminal conviction until after the agency determines the applicant meets minimum employment qualifications. Exceptions where criminal history background check is otherwise required by law for the position. Effective July 1, 2014. (AB 218)
- **Paid Family Leave & Emergency Time off.** This law expands Paid Family Leave wage-replacement for employees to include benefits for time taken off to care for a seriously ill grandparent sibling or parent in law. (SB 770). Effective July 1, 2014. Also employers with 50 or more employees are required to provide a temporary leave of absence of up to 14 days per calendar year for reserve peace officers and emergency rescue personnel to receive training. (AB 11)
- **Gonzalez v. Downtown LA Motors, LP.** This case is now law in California. The court held that technicians, who were paid on a “piece-rate” basis, must also be paid at least minimum hourly wage for the time they are required to wait between their piece-rate repair jobs.
- **Healthcare; Affordable Care Act.** Requires all U.S. citizens and legal residents to have health coverage by 2014. Employers with 50 or less full time employees are exempt from most of the requirements. Beginning in 2015, employers with 50 or more full time employees who do not provide affordable health care may be assessed a penalty.