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**Bill Information** 

California Law

**Publications** 

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AB-560 Public utilities: unionization. (2019-2020)



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## Assembly Bill No. 560

## CHAPTER 429

An act to add Section 468 to the Public Utilities Code, relating to union organizing.

[ Approved by Governor October 02, 2019. Filed with Secretary of State October 02, 2019. ]

## LEGISLATIVE COUNSEL'S DIGEST

AB 560, Santiago. Public utilities: unionization.

The California Constitution establishes the Public Utilities Commission, with regulatory jurisdiction over all public utilities. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires that any expense resulting from a bonus paid to an executive officer, as defined, of a public utility that has ceased to pay its debts in the ordinary course of business be borne by the shareholders of the public utility and prohibits any such expense from being recovered in rates.

This bill would require that any expense incurred by a public utility in assisting or deterring union organizing, as defined, is not recoverable either directly or indirectly in the utility's rates and is required to be borne exclusively by the shareholders of the public utility.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, the bill would impose a state-mandated local program by creating the crime of violating that commission action.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 468 is added to the Public Utilities Code, to read:

468. (a) For purposes of this section, "expense incurred by a public utility in assisting or deterring union organizing" means costs incurred in communicating with employees, or employees of the public utility's contractors, in an effort to persuade them to join or support, or to not join or support, a labor organization.

- (b) Any expense incurred by a public utility in assisting or deterring union organizing shall not be recoverable either directly or indirectly in the public utility's rates and shall be borne exclusively by the shareholders of the public utility.
- **SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.