

# State Bar of California, Office of Governmental Affairs

## *The Sacramento Scene*

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### ONE MORE WEEK!

The Legislature will end the 2003 portion of the 2003-04 legislative session sometime between late next Friday evening and early Saturday morning. It will begin its "Interim Study Recess" on Saturday, September 13, reconvening on January 5, 2004.

Although the recall election is the primary issue being discussed around the Capitol, other issues will be getting a lot of attention by legislators, staff, lobbyists, and the media during the final hectic week. Some of the key issues on the horizon include:

- (1) Legislation that would permit legislators to spend more time in the Assembly or the Senate is being backed by key members in both houses. The goal is to pass a bill that would change term limits and let the voters decide its fate at the March 2004 primary election.
- (2) Workers' compensation reform that would address California's very high insurance premiums paid by employers, and the low monthly payments to injured workers.
- (3) A bill ([SB 2](#), [Burton](#)) that would require companies with 20 or more employees to provide medical insurance for its employees, or pay fees to a state insurance pool;
- (4) Restricting lobbying by political consultants who were actively involved in a legislator's political campaign.
- (5) A bipartisan effort to take reapportionment out of the hands of the Legislature - something that has been advocated in and around Sacramento for over 25 years.

### LIMITED CONFIDENTIALITY BILL WITHDRAWN FROM GOVERNOR

Assembly Member [Darrell Steinberg](#) has withdrawn his [AB 1101](#) from the Governor's desk and returned it to the Assembly floor, in order to provide additional time to work with the Governor on as-yet-unidentified concerns. Steinberg's bill would permit a lawyer to reveal confidential client information "to the extent that the attorney reasonably believes the disclosure is necessary to prevent a criminal act that the attorney reasonably believes is likely to result in death of, or substantial bodily harm to, an individual."

The bill would not take effect until July 1, 2004, to provide time for a Task Force appointed by the President of the State Bar to draft a corresponding rule of professional conduct to flesh out issues regarding the statute.

The bill passed the Assembly on a 75-1 vote and the Senate on a vote of 35-1. However, Governor Davis last year vetoed legislation ([AB 363](#)) by Steinberg to permit attorneys representing public entities to disclose "improper governmental activity" in certain circumstances, because the bill was seen to "chip away at the attorney-client relationship which is intended to foster candor between an attorney and client." It is believed the Governor harbors similar concerns regarding AB 1101.

### DISGORGEMENT PROVISIONS DELETED FROM UCL BILL

Faced with opposition from moderate Democrats as well as Republicans, the sponsoring Consumer Attorneys of California Friday again substantially amended [SB 122](#) ([Escutia](#)), one of the two remaining bills to amend the state's Unfair Competition Law (B&P Code §17200 *et seq.*). The key amendment deleted the provisions of the bill which would have made disgorgement an appropriate remedy in UCL action.

The amended bill was then re-referred to the Assembly Judiciary Committee, where it will be heard Monday (September 8) in a special hearing.

The most significant of the amendments to SB 122 would:

- Only require court review of the full provisions of offers to settle or compromise if requested by a party, not automatically;
- Repeal the non-severability provisions of [AB 95](#) ([Corbett](#)), the other part of CAOC's two-bill UCL-reform package (both bills was still be enacted for either to take effect);
- Revise the specific language of the warning statement that must accompany every private enforcement action under §17200.
- Limit the provisions of the bill preventing double-recovery on the same action in cases where one action is filed by law enforcement.

### LEGISLATIVE DEADLINES UPCOMING

- [Sept. 1](#) – [Sept. 12](#) – Floor sessions only; no committee may meet for any purpose except to consider bills re-referred under the rules.
- [Sept. 12 \(Friday\)](#) – Last day for any bill to be passed. Interim recess begins on adjournment.
- [October 12 \(Sunday\)](#) – Last day for Governor to sign or veto bills received after August 29.