CALIFORNIA

Governor Brown Takes Action on Labor-Related Bills

**AB 465 (Hernández)** was a bill that would have prohibited employers from requiring new employees to agree to an arbitration dispute resolution process. Arbitration has been shown to be productive to both employers and employees and achieve resolution in a faster and less costly manner. Wine Institute opposed this measure along with many others in the business community. Governor Brown vetoed this measure.

**AB 1506 (Hernández)** allows employers 33 days to correct technical errors in wage statements without being subject to private right of action lawsuits. Wine Institute supported this measure. Governor Brown signed this measure into law.

**AB 1513 (Williams)** codifies appellate court rulings related to the payment of piece-rate employees for their rest, recovery, and non-productive time. Further, the bill provides a safe harbor for employers who had not previously followed those practices, provided they compensate their employees in arears according to a formula in the bill. The bill was signed by the Governor.

**SB 588 (de León)** is a bill that is attempting to discourage “wage theft” by employers by allowing employees who have received a court judgment that they were not paid properly to obtain a lien upon the employer’s property. In addition, the bill creates joint liability for employers that contract for property services. The bill provides that these joint liability provisions must be resolved by the Labor Commissioner and excludes them from the private right of action statutes, which provide the privilege of instituting a lawsuit. As
a result, employers will be given opportunity to correct violations before being subject to fines, and the likelihood of class action lawsuits becomes greatly diminished. The business community, including Wine Institute, agreed to take a neutral position on this bill after it was amended to exclude private rights of action. The bill was signed into law by the Governor.

**COMPLIANCE**

**Penalties for Storm Water Permit Non-Compliance**

Though the deadline for obtaining the Storm Water Permit has passed, Wine Institute strongly encourages wineries to make efforts to be compliant. For facilities that discharge storm water, there is a minimum penalty of $5,000 for every year without coverage, and possible penalties of up to $10,000 a day for every day a facility is found to be in violation. Wineries that qualify for a No Exposure Certification (NEC) may also be penalized for failure to file a NEC. All wineries must register on the State Water Board’s Storm Water Multiple Application and Report Tracking System (SMARTS) system at: [https://smarts.waterboards.ca.gov](https://smarts.waterboards.ca.gov). Wineries have three compliance options:

- **Obtain the permit:** $1,632 annually, plus filing a facility site map and storm water pollution prevention plan (SWPP), in addition to complying with monitoring requirements. Participation in a Compliance Group (other permittees who can share monitoring responsibility) can significantly reduce monitoring costs. The deadline for filing for the permit was August 14, 2015.

- **Claim "no exposure"** through a No Exposure Certification (NEC). In order to qualify, a winery would need to certify that all of its industrial activities (including transportation of grapes into wineries, crushing, etc.) take place under cover and are not exposed to storm water. The NEC requires a $500 annual filing fee. The deadline for filing the NEC was October 1, 2015.

- **Some wineries may be exempt from the permit if they can demonstrate that no storm water leaves their site and enters the waters of the State. This is a rare situation, but may be true if a winery**
has large ponds or significant acreage over which it applies its storm water runoff.

A Wine Institute storm water webinar and link to the State Water Board Storm Water page are available here: http://www.wineinstitute.org/node/831. A model Storm Water Pollution Prevention Plan for members can be accessed at: http://members.wineinstitute.org.

MARKETING

Social Media, Retailer Lists and Tied House Bills Signed into Law: Guidance Doc Available

California has passed three bills regarding social media, retailer lists and tied house laws, which go into effect January 1, 2016.

**AB 780 (Williams)** allows wineries to proactively provide retailer lists to consumers with specific restrictions.

**AB 776 (Cooper)** permits wineries to use social media to promote participation in nonprofit events that are also sponsored by a retailer (SaveMart issue), subject to restrictions.

**AB 527 (Dodd)** Napa County-only bill allowing wineries to sponsor events such as the BottleRock event and pay for retailer advertising, subject to a number of conditions, even though the events are conducted by a business with retailer and winery licenses.

Wine Institute has developed a guidance document with more detail on the above legislation. Download by clicking here.

CALIFORNIA

Joint Select Committee on Wine to Hold Information Hearing Nov. 3

California's Senate and Assembly Select Committee on Wine is holding an information hearing on issues impacting the state's wine industry on Tuesday, Nov. 3, 2015 at 2:00-4:30 p.m. in the Sonoma State University
Student Center. Topics intended for discussion include drought related issues, such as water conservation, and the future of the industry in the areas of higher education and housing for farmworkers. Assemblymember Bill Dodd and state Senator Lois Wolk will hear from a panel of industry experts.

CALIFORNIA VINTAGE

2015 California Winegrape Harvest Report

Early, light and exceptional quality were the recurring comments from vintners around the state regarding the 2015 winegrape harvest. The Wine Institute press release was posted on 160 news websites. See the release here.

TOURISM

Wine Tourism Day Nov. 7

The third annual Wine Tourism Day will take place Nov. 7, 2015. Wineries, hotels, restaurants, and other wine tourism businesses across North America and beyond are offering special events to the public on this day to celebrate the importance (and fun) of wine tourism. Wineries or other wine-
associated business that would like to host an event for Wine Tourism Day on Nov. 7, 2015 should visit the [Host an Event page for complete details](#). All wine tourism events will be promoted.

### WINE INSTITUTE CALENDAR

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Location</th>
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<tbody>
<tr>
<td>2015</td>
<td>Wine Institute Board Meeting, The Lodge at Pebble Beach</td>
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<tr>
<td>2016</td>
<td>Evening Legislative Reception, Sacramento</td>
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<tr>
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<td>Legislative Briefings &amp; Wine Institute Board Meeting, Sacramento</td>
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<td>Washington Meeting, Washington, D.C.</td>
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<td></td>
<td>Wine Institute Annual Meeting of Members &amp; Board Meeting, Four Seasons Resort The Biltmore, Santa Barbara</td>
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