

# California Business Properties Association

## 2011 Year-End Wrap-Up



During the 2011 legislative session, CBPA had great success on a number of key issues including securing the veto of a measure aimed at stopping development through layering a statewide economic study component to the already cumbersome environmental process; defeating a union-sponsored measure that would force the hiring of certain employees; passage of online sales tax fairness for retailers; defeat of another split roll property tax bill; passage of moderate regulatory reform; and rollback of a fire code rule that would stymie large industrial development.

CBPA continues to lead the effort to craft a workable “Green Building” code and have worked directly with the Governor’s office to make sure that our industry is able to monetize greenhouse gas savings through pursuit of a revolving loan fund for energy efficiency. Below are just some of the highlights from 2011.

**LEGISLATION** –CBPA engaged on 527 pieces of legislation in the California State Capitol. Of the forty-nine (57) bills deemed “High Priority,” we opposed thirty four. So far only one has been signed by the Governor.

**DEFEAT OF FORCED HIRING BILL** – In a huge win for our industry, we led a coalition of more than 100 entities that defeated AB 350 (Solorio; D-Santa Ana) in the final hour of the year’s legislative session. Sponsored by the most powerful public employee unions, AB 350 sought to require employers with a new contract for property services (building maintenance, licensed security, window cleaners, landscaping, and food cafeteria services) to hire all of the prior contractor’s employees.

**VETO OF ANTI-DEVELOPMENT BILL** - SB 469 (Vargas; D-San Diego) sought to use the statewide CEQA process to force additional economic impact reports on local government for certain types of development. The bill was sponsored by a union and was aimed at large retail, but would have had a very negative impact on all types of development. The Governor vetoed the bill at our member’s strong urging, citing our arguments in his veto message.

**SPLIT-ROLL PROPERTY TAX** – In addition to averting a statewide ballot measure again this year, CBPA has helped keep efforts to eliminate protections of Proposition 13 for commercial real estate at bay. A proposition pushed by several public employee unions, proposes to enact an immediate 55% increase in all private non-residential state property taxes never went to signature. And for the second year in a row a legislative bill that would have automatically reassessed all corporate commercial properties every three years was introduced but died in the Legislature – AB 448 (Ammiano; D-San Francisco).

**SALES TAX COLLECTION FAIRNESS** – After a decade of work trying to resolve the issue of online retailers exemption from sales tax collection, CBPA was central to bringing together a deal that would resolve the disadvantage imposed on traditional brick-and-mortar companies. The coalition pushing this effort represented hundreds of companies and all the major national and state commercial real estate associations and will treat all retailers in the state the same. SB 155 (Calderon; D-Montebello).

**ADA REFORM/CLARIFICATION** – Puts enforcement provisions into the state’s groundbreaking ADA reform bill protecting property owners from frivolous lawsuits. The reform clarifies that a notice of legal rights must be sent to a property owner whether or not the attorney intends to file in state or federal court, and specifically creates a cause for the imposition of discipline by the State Bar on those attorneys who fail to do so. SB 384 (Evans; D-Santa Rosa).

**STATEWIDE PROPOSITIONS** – Plans for business taxation proposals in 2011 put forward by Governor Brown were dropped and no propositions faced a statewide vote. However, CBPA worked on several nascent propositions in order to help avert expensive ballot fights. As part of the Californian’s Against Higher Property Taxes we maintained pressure on groups pushing split roll property tax in order to dissuade moving forward on that issue. CBPA also helped bring together a deal to avert a major battle regarding sales tax collection that was adopted late in the legislative year.

**MANDATORY BENCHMARKING** – CBPA has led the effort to write reasonable regulations implementing the state’s mandatory building benchmarking law. Prior to input from industry experts the draft regulations were very onerous and cumbersome. Because of this effort, issues related to multi-tenanted buildings and shopping centers have been resolved.

**ZERO NET ENERGY/ROOFTOP SOLAR** – Using a CBPA funded study to quantify the actual efficacy of rooftop solar in commercial application, we have engaged in the regulatory process spurred by AB 758 known as the “Comprehensive Energy Efficiency Program for Existing Buildings.” As the state writes this progressive energy policy, which includes a Zero-Net Energy policy goal, is providing realistic modeling on how much on-site energy is needed to offset envelop and plug-load energy needs.

**GREEN BUILDING CODES** – After successfully fending-off several attempts to mandate LEED standards statewide for all commercial buildings, CBPA has helped direct efforts more appropriately to the state’s Building Standards Committee. CBPA led an industrywide effort to engage our experts in the public process and helped shape the nation’s first statewide “green building code” (known as CALGreen). These codes balance environmental issues with economic feasibility and technological achievability to provide industry with a standard it can successfully meet.

**FINANCING FOR ENERGY EFFICIENCY** – Worked to pass a new law to make it more attractive for local governments to offer Property Assessed Clean Energy (PACE) programs and lower the interest rate of loans to business owners for energy and water efficiency improvements to existing buildings. Also worked very hard to reauthorize the state’s Public Goods Charge which is an important source of funding for building owners to access while retrofitting existing buildings.

**TENANT SIGNS** – Fixed a measure that would have prohibited building owners from enforcing tenant sign displays. Assured the bill did not expand to include commercial property – SB 337 (Kehoe; D-San Diego).

**UNLAWFUL DETAINERS** – Killed a measure that would have induced libel/defamation lawsuits as it sought to allow tenants to sue a property owner based on statements made during an unlawful detainer action – AB 934 (Feuer; D-Los Angeles).

**THREE DAY NOTICE EXPANSION** – Killed a measure that proposed to change California’s 3 Day Notice to Pay Rent or Quit law to a 14 Day Notice – AB 265 (Ammiano; D-San Francisco).

**RENT CONTROL** – Killed a measure that would have permitted every city and county to set price controls on newly constructed rental housing – SB 184 (Leno; D-San Francisco).

**ELECTRIC VEHICLE CHARGING** – Passed a measure that provides regulatory certainty to businesses that want to provide EV charging services and will induce more businesses to install EV charging infrastructure in a manner that allows investors to recover capital costs in equipment without unnecessary regulation, and allows properties the flexibility to provide such services for free, charge a per use fee, or negotiate it into a lease – AB 631 (Ma; D-San Francisco).