



May 2, 2014

TO: Assemblymember Bob Wieckowski, Chair Assembly Judiciary Committee  
Vice Chair Wagner and all Members of the Assembly Judiciary Committee

FR: California Business Properties Association	California Grocers Association
Building Owners and Managers Association of California	California Retailers Association
California Apartment Association	International Council of Shopping Centers
California Building Industry Association	NAIOP of California
California Chamber of Commerce	

**RE: AB 2565 (Muratsuchi) Lease Contractual Negotiations – OPPOSE UNLESS AMENDED**  
*Set in Assembly Judiciary, Tuesday, May 6*

The above mentioned groups are opposed to AB 2565 (Muratsuchi) which seeks to provide a statutory inducement for installation of electric vehicle charging stations at commercial and apartment properties, unless it is amended to address several issues outlined in this letter and discussed in further detail with the author and sponsor of the bill. We want to thank Mr. Muratsuchi for his willingness to meet with us to better understand our issues and for the fact that he did already significantly amend the bill.

AB 2565 uses language from SB 209 (Chapter 121; Statutes of 2011) in an attempt to give a lessee of a commercial or residential property the ability to install an electric vehicle charging station. However, SB 209 was written to assure that homeowners (property owners) would be able to install EV charging stations at their residence over any “unreasonable” objections made by a homeowner’s association (non-property owner). This makes sense; a homeowner should be able to make this decision for their property. But simply transferring the language to the commercial and residential rental environment creates a significant policy change in that it reverses the roles and gives the power to the party that does not own the property. By the same token, the fine created by SB 209 is meant to dissuade a CID from having undue influence over a residential property owner is again inappropriate for the restrictions and requirements mandated in AB 2565.

Aside from that larger policy issue, operationally, modifications to commercial occupancies by tenants happen on a regular basis, but there are far more issues to consider than when making a change to your own residence, and the property owner is ultimately liable to assure that all facets of state/federal law, regulation, and local ordinances are complied with.

This is complicated by the bill’s use of the term “unreasonable” to judge as to whether or not a property owner is in compliance with its provisions. Even though the bill’s intent is to include all costs of installing and maintaining an EV charger, we are not sure that a future interpretation of the “unreasonable standard” would actually include all costs. Commercial and apartment projects will need to be concerned with a much wider variety of issues ranging from ADA compliance to Cal OSHA Requirements to ongoing operational, and public liability issues. Would including costs for carrying liability insurance, electrical panel upgrades, extension of electrical wiring under sidewalks and parking areas, and required painting and striping be deemed “reasonable?” Also, it is unclear who makes the determination of what is unreasonable.

Finally, the bill seems to be anticipating and addressing a “future need” for EV chargers. However, there is no evidence that in the commercial and apartment setting, installations of EV chargers - especially when tenants are willing to pay for them – are currently not keeping up with the demand of our tenants and customers.

We continue to believe the best way to significantly increase charging station installations in the commercial and apartment setting, beyond current demand levels, is to incentivize them by assuring a reasonable return on investment. There are many ways that can be done – either through subsidies, matches, grants, and/or tax credits, or simple consumer demand. We also believe that once more customer demand exists that entrepreneurial companies will be willing to lease parking spaces and put in chargers as a for-profit venture (just as gas stations service current customers).

Our members want to work with you and the sponsors to address the issues in this bill and the very real fiscal market barriers. If you have any questions about the position of the coalition, please feel free to call Matthew Hargrove, California Business Properties Association, 916-443-4676