

# CALIFORNIA LEGISLATIVE SUMMARY

## October 2021



In 2021, the California State Legislature introduced over 2,700 legislative measures. The commercial real estate industry tracked 571 of these bills.

Of the 1,204 bills that reached the Governor's Desk he signed 1,038 and our industry was engaged on a total of 145 of these bills; below is a summary of the more notable bills that made it to the Governor's desk and some that were stalled out in the process but may come back.

### SIGNED BY THE GOVERNOR

[AB 332](#) (ES&TM) Hazardous waste: treated wood waste: management standards.

**Position:** SUPPORT

**Summary:** Stops tenant improvements from becoming more difficult and expensive by providing an option to dispose of treated wood waste if certain criteria are met, in order to avoid the unnecessary and cost prohibitive management of these materials.

[AB 480](#) (Carrillo-D) Hazardous materials.

**Position:** NEUTRAL

**Summary:** Until recent amendments this bill had the potential to shut down operations for spilling a single drop of covered materials. However, we recently removed our opposition from this bill as our amendments were taken to defining "emergency response" as a means to guide and differentiate releases relative to quantity and the need for activated emergency response personnel from outside a facility.

[AB 537](#) (Quirk-D) Communications: wireless telecommunications and broadband facilities.

**Position:** SUPPORT

**Summary:** Facilitates the installation of faster broadband networks.

[AB 701](#) (Gonzalez-D) Warehouse distribution centers.

**Position:** OPPOSE.

**Summary:** This bill eliminates jobs and increases expenses in warehouses and logistic centers by micromanaging how companies set performance standards. It will create more private right of action based on vague standards, increase PAGA litigation, and is based on fundamental misunderstandings of performance metrics.

[AB 819](#) (Levine-D) California Environmental Quality Act: electronic filing and posting.

**Position:** SUPPORT

**Summary:** Codifies existing best practices by requiring lead agencies to post and submit electronically certain California Environmental Quality Act (CEQA) notice and other environmental review.

[AB 1124](#) (Friedman-D) Solar energy systems.

**Position:** SUPPORT

**Summary:** Reduces costs for solar system permit fees that apply to systems atop carports, patio covers and parking lot shade structures, and multifamily housing projects.

[SB 1](#) (Atkins-D) Coastal resources: sea level rise.

**Position:** OPPOSE

**Summary:** Gives the California Coastal Commission authority over sea level rise which could be used to advance the “managed retreat” policy, which shutting down future coastal development including desperately needed housing in coastal areas where there is already an affordability crisis.

[SB 63](#) (Stern-D) Fire prevention: vegetation management: fire hazard severity zones.

**Position:** SUPPORT

**Summary:** Support this bill as it would require, among other things, for Cal Fire to complete maps for moderate and high fire severity zones and would require HCD and the SFM to expand application of the WUI standards to homes in high fire severity zones (already required in Very High Fire Severity Zones)

[SB 95](#) (Skinner-D) Employment: COVID-19: supplemental paid sick leave.

**Position:** OPPOSE

**Summary:** Paid sick leave mandate. This bill imposes a significant cost onto small employers, who the State has already acknowledged are suffering due to this pandemic. This paid sick leave mandate would essentially negate any financial relief small employers may receive through the proposed COVID grant programs.

[SB 433](#) (Allen-D) California Coastal Act of 1976: enforcement: penalties.

**Position:** OPPOSE

**Summary:** Impacts new construction and housing by extending the California Coastal Commission’s existing authority to impose administrative civil penalties to all violations of the Coastal Act.

[SB 606](#) (Gonzalez-D) Workplace safety: enterprise-wide and egregious violations.

**Position:** OPPOSE

**Summary:** Increases costs to businesses by creating two new categories of California Division of Occupational Safety and Health (Cal/OSHA) violations: “egregious” and “enterprise-wide.” The new categories of violations carry significant monetary penalties against employers.

[SB 727](#) (Leyva-D) Labor-related liabilities: direct contractor.

**Position:** OPPOSE

**Summary:** Potentially impacts tenant improvement and new construction costs by expanding existing direct contractor liability to include liquidated damages and penalties in circumstances where the direct contractor fails to meet payroll monitoring and corrective action requirements.

## **VETOED BY THE GOVERNOR**

[AB 416](#) (Kalra-D) Deforestation-Free Procurement Act: public works projects: wood and wood products.

**Position:** OPPOSE

**Summary:** This bill would have greatly increased the cost of wood products for construction.

[SB 660](#) (Newman-D) Initiative, referendum, and recall petitions: compensation for signatures.

**Position:** OPPOSE

**Summary:** Would make it more difficult for business groups to qualify an initiative by disallowing the use of signature gathering companies.

## DEAD/TWO YEAR BILLS (MAY BE BACK!)

[AB 65](#) (Low-D) California Universal Basic Income Program: Personal Income Tax.

**Position:** OPPOSE

**Summary:** Imposes a 1 percent surcharge on income greater than \$2 million to finance a California universal basic income program that would give eligible Californians \$1,000 a month.

[AB 71](#) (Rivas, Luz-D) Homelessness funding: Bring California Home Act.

**Position:** OPPOSE

**Summary:** Massive tax increase on individuals and companies to fund homeless programs. Bill has been superseded by the Governor's budget using some of the excess state tax revenue for these purposes.

[AB 113](#) (Boerner Horvath-D) Income taxes: credits: electric vehicles.

**Position:** SUPPORT

**Summary:** Tax credit for installing EV Chargers.

[AB 255](#) (Muratsuchi-D) COVID-19 Emergency Small Business Eviction Relief Act.

**Position:** OPPOSE

**Summary:** Would negatively impact commercial leases and undermine legitimate contracts and create unnecessary lawsuits. Bill has been superseded by more than a dozen state and federal programs that directly fund small businesses to assist with COVID shutdown economic hardship.

[AB 310](#) (Lee-D) Wealth tax.

**Position:** OPPOSE

**Summary:** Imposes a first-in-the-nation wealth tax by removing the prohibition on the taxation of personal property in the California Constitution and imposing a wealth tax of 1 percent on net household wealth of more than \$50 million and 1.5 percent on household wealth of more than \$1 billion.

[AB 377](#) (Rivas, Robert-D) Water quality: impaired waters.

**Position:** OPPOSE

**Summary:** A virtually impossible water runoff standard that would require property owners to process and clean rainwater coming off of roofs to be "drinkable."

[AB 385](#) (Flora-R) Labor Code Private Attorneys General Act of 2004.

**Position:** SUPPORT

**Summary:** Reforms PAGA which is a major cause of employer lawsuits.

[AB 743](#) (Ramos-D) Insurance: business interruption: coverage for COVID-19.

**Position:** SUPPORT

**Summary:** Provides that with respect to coverage for business interruption due to an order of civil authority (local/state/federal government), a rebuttable presumption applies that COVID-19 was present on property located and caused physical loss or damage to that property which was the direct cause of the insured's business interruption and losses.

[AB 889](#) (Gipson-D) Business entities: landlords: reporting requirements.

**Position:** OPPOSE

**Summary:** Require a limited liability company or corporation that owns rental property to report the identity of the “beneficial owner” of that entity to the Secretary of State. Bill is expensive and unneeded as the state already requires any owner of residential property or a party signing a rental agreement on behalf of the owner to disclose the name, telephone number, and street address of the person who is authorized to manage the property.

[AB 904](#) (Grayson-D) Income taxes: credits: manufacturers’ machinery and equipment.

**Position:** SUPPORT

**Summary:** This bill will enact tax credits for manufacturing machinery and equipment in order to try to save and keep manufacturing companies in California.

[AB 1329](#) (Nazarian-D) Building codes: earthquakes: functional recovery standard.

**Position:** OPPOSE

**Summary:** Requires adoption of stricter seismic regulations. Says if the state does not adopt regulations by Jan 2026, all new construction is considered Risk Category IV.

[AB 1395](#) (Muratsuchi-D) The California Climate Crisis Act.

**Position:** OPPOSE

**Summary:** Mandates expensive regulations by directing the CA Air Resources Board to establish a new climate reduction target of 90% below 1990 levels by 2045 with no clear understanding of how such a huge reduction can happen or the impact on the economy.

[AB 1001](#) (Garcia, Cristina-D) Air pollution and mitigation measures for air and water quality impacts.

**Position:** OPPOSE

**Summary:** Requires facilities applying for a permit to prepare duplicative environmental impact report, as well as requires Air Districts to pass new rules that would apply to a greatly expanded list of facilities.

[AB 1192](#) (Kalra-D) Employment information: worker metrics.

**Position:** OPPOSE

**Summary:** Would require employers to report data regarding wages, benefits, scheduling, and safety for their entire United States workforce. The data would be published on the Labor and Workforce Development Agency's website by employer name. This snapshot of data regarding employees across the entire country will unfairly subject employers to harassment by activists.

[AB 1253](#) (Santiago-D) Personal income taxes: additional tax.

**Position:** OPPOSE

**Summary:** Imposes a wealth tax on individuals and corporations by creating three new personal income tax surcharges on certain incomes.

[AB 1400](#) (Kalra-D) Guaranteed Health Care for All.

**Position:** OPPOSE

**Summary:** This bill would have created an entirely new health care system in the state, which drew concerns from many angles regarding disruption of services, expense, and losing federal funding.

[AB 1547](#) (Reyes-D) Air pollution: warehouse facilities.

**Position:** OPPOSE

**Summary:** A bill that targeted warehouse facilities under the auspices of air pollution. The provisions of the bill would make it almost impossible to site new warehouses and make operations for existing

facilities more difficult. This is one of several bills that targeted the warehousing, goods movement, and retail sectors of the state.

**SB 12** (McGuire-D) Local government: planning and zoning: wildfires.

**Position:** OPPOSE

**Summary:** Would ban building in most of the state. Bill ignores the reality that there is no perfect place to build in California as there are natural disaster in all areas.

**SB 30** (Cortese-D) Building decarbonization.

**Position:** OPPOSE

**Summary:** Building decarbonization bill. Prohibits the design and construction of state buildings to have natural gas hookups. Prohibits state agencies from providing financial or other support for construction projects which are connected to the gas grid. Directs the California Energy Commission to set a zero-emission deadline for new building construction by 2025.

**SB 31** (Cortese-D) Building decarbonization.

**Position:** OPPOSE

**Summary:** Authorizes use of EPIC funds for decarbonization of new/existing buildings. Normally, we would strongly support this approach, except this bill also requires prevailing wage for any project getting such financial assistance, which would increase the costs of many projects to the point that small and medium size businesses would not pursue.

**SB 32** (Cortese-D) Energy: general plan: building decarbonization requirements.

**Position:** OPPOSE

**Summary:** Building decarbonization mandate. Requires cities and counties to incorporate into their general plan elements to decarbonize newly constructed residential and non-residential buildings, a function we believe is better done at the state level through a stakeholder process.

**SB 55** (Stern-D) Very high fire hazard severity zone: development prohibition.

**Position:** OPPOSE

**Summary:** Although well intended, this bill would basically cease new home and commercial building construction in most of the state.

**SB 67** (Becker-D) Clean energy: California 24/7 Clean Energy Standard Program.

**Position:** OPPOSE

**Summary:** This bill seeks to alter the Renewable Portfolio Standard to create accelerated goals.

**SB 104** (McGuire-D) Elective tax: partnership: "S" corporation: credit.

**Position:** SUPPORT

**Summary:** A "work-around" to the federal state and local tax (SALT) limitation. This new section of law would provide a tax credit for five years from January 1, 2021, through December 31, 2025. The credit amount would be 94.9% of the qualified amount. The credit would have a 3-year carryforward for qualified entities.

**SB 260** (Wiener-D) Climate Corporate Accountability Act.

**Position:** OPPOSE

**Summary:** Seeks to create a tracking, reporting, and mandatory goal setting scheme for climate emissions in California. Although the bill is limited to large companies, it will have an impact throughout the economy.

[SB 261](#) (Allen-D) Regional transportation plans: sustainable communities strategies.

**Position:** OPPOSE

**Summary:** Compels the California Air Resources Board (CARB) to set future (2045 and 2050) greenhouse gas (GHG) emissions reduction targets AND vehicle miles travelled (VMT) reduction targets for automobiles and light duty trucks. Addition of these new targets will subject already adopted Transportation Plans and sustainable communities' strategies to future uncertainty, amendment, critique, legal challenge and costly new environmental review.

[SB 345](#) (Becker-D) Energy programs and projects: nonenergy benefits.

**Position:** OPPOSE

**Summary:** Requires that the California Public Utility Commission (CPUC) develop a common definition of "nonenergy benefits." Prioritization of nonenergy benefits over other cost-effectiveness factors may result in increased costs that burden those very customers sought to be benefited by this bill.

[SB 449](#) (Stern-D) Climate-related financial risk.

**Position:** OPPOSE

**Summary:** Targeted large corporations with burdensome reporting requirement on climate change activities. Would have put California further out of conformance with other states and risked pushing more companies to move out of state.

[SB 467](#) (Wiener-D) Oil and gas: hydraulic fracturing.

**Position:** OPPOSE

**Summary:** This bill would have made energy in California more expensive and gutted a major industry that provides jobs and is a huge part of the economy, especially in areas like the Central Valley.

[SB 499](#) (Leyva-D) General plan: land use element: uses adversely impacting health outcomes.

**Position:** OPPOSE

**Summary:** May negatively impact warehousing, manufacturing, retail and goods movement sectors. Requires local land use element for general plans be changed in a way that may impact on the ability to recruit/retain/operate manufacturing, warehouses, and logistics centers.

[SB 687](#) (Hueso-D) Emergency response: trauma kits.

**Position:** OPPOSE

**Summary:** Mandates trauma kits be installed in all new buildings that currently require an AED be installed. Does not account for cost or "Good Samaritan" liability protections for property owners/managers. Requires property managers educate tenants about traumatic emergency medical treatments that we believe should be provided by medical or first responder groups.

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