



After coming out of multiple years of COVID economic shutdowns, California Business Properties Association (CBPA) was able to continue to successfully defend the commercial real estate industry again thwarting a back log of aggressive bills in the legislature.

CBPA let the effort to stop the ban of warehouses, mandates on aspects of your leases, all while finding major successes in the regulatory arena shaping both the new solar mandate and EV code and proactively pushing forward the Taxpayer Protection Act, a proposition intended for the 2024 ballot to fix holes recently punched in Prop. 13 protections by the courts.

FIGHTING PROP 13 LOOPHOLE TAX MEASURES – CBPA has identified over a dozen measures trying to take advantage of the lower vote threshold the blown into Prop. 13 tax protections by the Court. In the city of Los Angeles alone, property owners would suffer under an \$800M annual real estate document tax. Together with Measure SP, a parcel tax of \$227 million annually, property owners are facing more than \$1B in tax increases in a single city. To help protect our members across the state from such outrageous tax increases, the CBPA PAC has invested more than \$700K to defeat these measures (including Santa Monica, South San Francisco, and San Francisco).

SPLIT ROLL TAX DEFEAT! – CBPA helped raise more than \$70M needed to defeat of Proposition 15 (Split Roll) in 2020. That success help thwart another attempt at a split roll measure in 2022 by showing our industry would not only put-up stiff resistance but would follow-through with post-election activity and a positive advocacy campaign to support the ever popular with voters, Prop. 13.

TAXPAYER PROTECTION ACT 2024 – That protection of Prop. 13 has led to a proactive campaign to advocate for the commercial real estate industry through going on the offensive with the Taxpayer Protection Act of 2024. After the defeat Split Roll in 2020 our industry decided to go on offense and proactively work to fix Prop. 13 and prevent the need to fight a tax increase on the statewide ballot every election cycle. If passed by voters, the Act will close significant loopholes created by recent court decisions (Upland) and other governmental actions, reinstating the will of the voters and restoring historic protections against new and higher property taxes. The Taxpayer Protection Act has qualified for the 2024 November ballot and CBPA is a co-chair of the effort.

GOODS MOVEMENT ALLIANCE - CBPA has helped create the Goods Movement Alliance, a new coalition to urge common sense solutions on fixing supply chain issues at all levels of government. As California continues to face challenges from overcrowded ports, labor shortages, and traffic congestion, the need for coordinated response from California's leaders in the business community has never been more urgent. GMA is committed to driving solutions that will address the short- and long-term problems in the goods movement sector.

THWARTING ORGANIZED RETAIL CRIME - CBPA has long been a leader in protecting private property rights, but recent changes in state law has made protecting your property more difficult than ever. Addressing Organized Retail Crime through reform of Prop. 47 and other laws that will reduce impacts on your properties and tenants is a high priority. This year CBPA supported statewide funding for more law enforcement focus on ORC and a number of legislative bills, including one that passes to make reselling of stolen goods online more difficult, with AB 331. Unfortunately, AB 2390 which would have created more penalties for thief was stopped in the legislative process. We will continue to fight for proposed legislation in the future legislative sessions.

BILL TARGETING WAREHOUSES STOPPED – CBPA was instrumental in making the successful case that AB 2840 should be rejected by the Legislature. Our industry strongly opposed the bill as it unreasonably targeted one building type, warehouses, effectively limiting development in most urban areas. Current law already requires extensive disclosure of information by all project types through regional air quality regulations and the CEQA process. This bill sought to layer a set-back rule specifically for warehouses creating a *de-facto* ban. We are pleased the Legislature held this bill in committee.

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CALIFORNIA COMMISSION ON DISABILITY ACCESS VP – Through previous legislation we helped establish the California Commission on Disabled Accessibility that promotes and facilitates disability access compliance. CBPA works directly with the Governor’s Office to name our industry representative to this board, which until recently was CBPA board member Doug Wiele. Doug was elevated to Vice President of the Commission this year for a second time and has served throughout this year representing your interests. CBPA has now nominated Sarahann Shapiro to succeed Doug Wiele.

TRAUMA KIT DEAL – CBPA worked very hard with legislators to find negotiate a deal on a lingering issue that has come back year after year and found a place that could work for all parties on installation of Trauma Kits in private buildings. After the 6th time this bill was introduced, we were able to remove several areas of concern including a lack of liability protection for building owners and a requirement that building managers train tenants in the use of tourniquets. The trauma kit law mirrors the AED laws already in place, also negotiated by CBPA and apply only to new buildings with over 200 occupants.

STOPPING MANDATED PARKING COST IN LEASES – AB 2206 attempted to fix the parking cash out program between employers and their employees by mandating that the parking cost be broken out in a lease between said employer and property owner/manager. While this would have done little to fix employers reimbursing the employees for parking costs not used, it would have been an incredible burden and horrible precedent on commercial real estate moving forward, as the only reason the legislature has gotten involved in your leases before is for health and safety concerns. We are pleased that the language to mandate breaking out the cost of parking in your leases was amended out of the bill.

UNPLUGGED MORE EV CHARGING MANDATES - We opposed multiple pieces of legislation including SB 1482 and AB 1738, wanting to increase electric vehicle charging station mandates past the 2021 code cycle limit. We are pleased to report both bills, as well as other EV Charging focused proposals, were either killed throughout the process, vetoed by the Governor or amended to match up with the 2021 codes cycle mandates, preventing the legislature from putting a cost burden without demand or feasibility on your properties.

LEGISLATIVE/POLITICAL EVENTS – CBPA members and leadership participated in several high-level events which provided access to peers and policymakers. Starting in February CBPA hosted the Industry Awards Dinner and celebrated the association’s 50th Anniversary with over 200 attendees in the first in person event post-Covid. In August, we hosted the California Commercial Real Estate Summit where over 50 CBPA real estate leaders met with Gubernatorial staff and over 1/2 of the Legislature. From a kickoff reception with over 30 legislators attending, to local break out dinners with elected officials, and waving the commercial real estate flag in the new Swing Space advocating for the industry, this event was a tremendous success.

LEGISLATION – On behalf of the commercial real estate industry, CBPA tracked over 1,000 pieces of legislation in the CA State Capitol this legislative session and directly engaged on over 400 bills. A full listing of bills, positions, and outcomes can be provided separately.

REGULATIONS – On behalf of the commercial real estate industry, CBPA engaged regulatory agencies ranging from the California Energy Commission to the Division of the State Architect to the Department of Water Resources. In the last year, CBPA staff or members served on advisory commissions including the CEC, Green Building Code and BSC. With new standards being released on solar and EV for non-residential buildings, we are pleased to announce that the regulations, in most cases of commercial real estate, are in decent shape. For example, the solar regulations have many exemptions including feasibility and roof space and filling your property with tenants to determine remaining roof space for solar and not vice versa. A full description of these codes and regulations can be provided separately.

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