

CBPA Weekly Update– March 12, 2021

March 13, 2021

SCAQMD WAREHOUSE INDIRECT SOURCE RULE OPPOSED

Last week, joining a broad chorus of opposition, California Business Properties Association representing over 400 individual companies and every major commercial real estate association sent a letter in opposition to the South Coast Air Quality Management District's (SCAQMD) proposed Warehouse Indirect Source Rule (ISR).

On behalf of the commercial, industrial, and retail real estate sectors, CBPA expressed concerns that the draft ISR Warehouse Actions and Investments to Reduce Emissions "WAIRE Points," as too complicated, too costly, duplicative of existing efforts, and expressed doubts that the rule will achieve the stated desired outcomes.

California already regulates mobile sources pursuant to its waiver under federal Clean Air Act, and this power is unique in the nation. The California Air Resources Board (CARB) has used this power to adopt the country's strictest emission laws, including adopting the world's first mandate to manufacture and sell zero-emission commercial vehicles.

CARB has also stated its intent to adopt regulations by the end of 2021 that will require nearly every equipment type at warehouses to operate in a zero-emission mode.

On behalf of the commercial real estate industry, CBPA strongly requested that SCAQMD not engage in duplicative rulemaking that will have a disastrous effect on the economy of the state, make goods more difficult and expensive to get to consumers, and will have marginal – if any – environmental benefit.

CBPA, NAIOP, ICSC, BOMA, and a host of other business groups also sent a joint letter opposing this rulemaking. [Click here](#) to see the letter.

SUPPORT FOR TAX RELIEF

Our industry is pleased to support AB 879 (Rubio; D-Baldwin Park) legislation that would provide much-needed tax relief to California businesses affected by the pandemic, while also generating revenue for the state.

The bill would require the Franchise Tax Board and California Department of Tax and Fee Administration to administer a tax amnesty program from February 1, 2022, through March 31, 2022, for all tax years prior to January 1, 2021.

The bill relieves pressure for tax hikes on corporate taxpayers by bringing in additional state revenue without increasing taxes and provides an avenue for taxpayers to remit owed taxes without costly and onerous penalties.

The measure is sponsored by the California Taxpayers Association a group we are pleased to collaborate with on many issues throughout the year, including joining forces to defeat last year's split roll property tax measure, Proposition 15.

SUPPORT FOR PAGA REFORM BILL

Our industry is supporting AB 385 (Flora; R-Ripon), a CalChamber sponsored measure that will provide much-needed relief to businesses facing litigation during COVID-19 by amending the Labor Code Private Attorneys General Act (PAGA) so that an employee who files a civil claim that is subject to an arbitration agreement may not pursue a PAGA claim when the employer chooses not to enforce the arbitration agreement.

According to the Chamber, thousands of PAGA lawsuits are filed every year. An employee can bring a PAGA claim against employers for any Labor Code violation as long as that employee alleges, they experienced one violation. For instance, an employee who alleges they missed one rest break can then sue for missed meal breaks, overtime wages, business expense reimbursements, wage statement penalties, waiting time penalties, and more on behalf of all California employees.

When COVID-19 hit California in 2020, employers had to change their business operations to comply with safety orders and protect employees from unnecessary exposure. California's Labor Code was not designed to address a pandemic and many of the laws are difficult to satisfy in a remote work environment, leaving employers unfairly exposed to PAGA litigation.

California presently leads the nation as far as COVID-19 employment-related lawsuits, with many having been filed against small businesses.

COVID-19 has been devastating to California's business community. Those that have survived the last year continue to struggle to keep their doors open. AB 385 is an innovative solution to help employers and employees address workplace violation claims quickly and efficiently.

NON-ENERGY BENEFITS BILL OPPOSED

The commercial real estate industry, along with a group of allied business groups, is opposing SB 345 (Becker; D-Menlo Park) a bill that would continue the rise of energy costs and expense of complying with energy regulations. The bill requires the CA Public Utility Commission (CPUC) to come up with a definition for "non-energy benefits" in all distributed energy resource programs.

The CPUC is charged with evaluating cost effectiveness of programs, which is consistent with its core function of ensuring ratepayers are charged reasonable rates for reliable utility services. Environmental and other benefits are already incorporated as a co-benefit of programs at the CPUC. There exist many energy efficiency programs administered by the CPUC. Each time a program is designed to reduce consumption, it not only decreases the load on the energy grid and reduces customer bills, but it also reduces externalities such as carbon emissions from the decrease in necessary procurement that results from energy efficiency programs. For example, the CPUC often considers greenhouse gas (GHG) costs as a function of a GHG price multiplied by total avoided energy that results from a program.

The CPUC's core expertise is in setting appropriate rates and ensuring oversight over the state's regulated utilities to ensure appropriate and cost-effective utility service.

Its functions are fundamentally economic ones; ensuring that California's ratepayers are not paying more than they need to for reliable services.

We oppose this bill because 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. Incorporating environmental benefits into all the CPUC's demand response programs could cause unforeseen difficulties, including unnecessary increases in rates with marginal environmental benefit.

EARTHQUAKE RESILIENCE WEBINAR

A new webinar series educating property owners and business leaders on the importance of earthquake resilience is now available to members of the CBPA, BOMA, NAIOP, ICSC, IREM and other leading business organizations. The next complimentary program is next Wednesday March 17th from 11 a.m. to 12:30 p.m. [Click here](#) for more information.

"Earthquake resilience should be part of every business plan in California," says Tracy Hernandez, Founding CEO of the Los Angeles County Business Federation. "Becoming resilient to all kinds of disasters makes good business sense."

"Earthquakes can have devastating impacts on vulnerable buildings, people and our economy, but they don't have to be disasters," says U.S. Resiliency Council Executive Director [Evan Reis, PE, SE](#), who hosts the video program. "These webinars show investing in resilience is good economics, sound business, and responsible public policy."

The Resilience Advantage webinar series is a cooperative effort of the [Los Angeles Area Chamber of Commerce](#), [Los Angeles County Economic Development Corp.](#), [Los Angeles County Business Federation](#), and the [U.S. Resiliency Council](#). The series is sponsored by [Optimum Seismic, Inc.](#)

The complete video recording and associated resources from our first set of webinars can be found [here](#).