

SWCLC Southwest California Legislative Council

MEETING AGENDA

Monday February 27, 2023

Presiding: Erik McLeod, 2023 Chair

Legislative Consultant: Chris Collier, Rincon Strategies

More information available at www.southwestca.org

Call to Order, Roll Call & Introductions:

11:30am

Chair Report

Legislative Report #2

1. Overview of filed legislation
2. Local member committee assignments
3. Bills to consider
 - a. SBX1 2 (Skinner) Energy: transportation fuels: supply and pricing: maximum gross gasoline refining margin.
 - b. ABX1 2 (Fong) Motor Vehicle Fuel Tax Law: suspension of tax.
 - c. AB 306 (Sanchez) Office of Small Business Advocate: one-stop capital shop online platform.
 - d. AB 627 (Jackson) Heavy-duty trucks: grant program: operating requirements.
 - e. SB 75 (Roth) Courts: Judgeships.
 - f. SB 399 (Wahab) Employer communications: intimidation.
 - g. SB 525 (Durazo) Minimum wage: health care workers.
 - h. SB 616 (Gonzalez) Paid sick days: accrual and use.
 - i. AB 1228 (Holden) Fast food restaurant franchisors and franchisees: joint liability.
 - j. AB 742 (Jackson) Law enforcement: police canines.

Chambers/Tribal/Legislative Reps Announcements

Adjourn- Next Meeting 3/20

The Southwest California Legislative Council Thanks our Partners:

Southwest Riverside County Association of Realtors
Metropolitan Water District of Southern California
Elsinore Valley MWD
Western MWD
CR&R Waste Services
Abbot Vascular
Temecula Valley Chamber of Commerce
Murrieta/Wildomar Chamber of Commerce
Lake Elsinore Valley Chamber of Commerce
Menifee Valley Chamber of Commerce

Hemet San Jacinto Chamber of Commerce
Southwest Healthcare Systems
Temecula Valley Hospital
Economic Development Coalition
The Murrieta Temecula Group
Southern California Edison
The Gas Company
California Apartment Association
Western Municipal Water District

2023 SWCLC Meeting Dates

*All meetings at **11:30am** at 26529 Jefferson Ave, Murrieta, CA 92562*

January 23rd

February 27th

March 20th

April 17th

May 15th

June 19th

July 17th

August 21st

September 18th

October 16th

November 27th (Executive Council only)

2023 Policy Platform

Labor and Employment *(Job Creation & Retention)*

1. Review and evaluate measures that reform the costs of the state's public pension system for the sake of the state's overall fiscal health.
2. Monitor and review alternatives to (1) any proposed state minimum wage increases and (2) any local or state living wage ordinances.
3. Monitor and provide recommendations to the current workers' compensation reform measures to positively affect businesses.
4. Consider and review responsible healthcare policy proposals that maximize free market forces, minimize mandates upon insurers and providers, and results in increased availability of healthcare coverage affordable for employers, employees and individuals.
5. Monitor and support measures that reform, [or enhance](#), our state's educational system and encourage local workforce preparedness.
6. Advocate against the unwarranted and frivolous lawsuits on our businesses, consumers, taxpayers, and communities.
7. Monitor proposals that undermine the current process of guaranteeing secret-ballot elections for unionization such as card check.
8. Promote rules and regulations regarding employment status that protect workplace flexibility, and protect public safety and consumer choice.

Pro-business Leadership *(Job Creation & Retention)*

1. Expand community outreach for the SWCLC by:
 - a. provide speakers to address City Council meetings and other local groups upon request
 - b. encourage members to participate in Project Leadership and similar efforts to develop future leaders
 - c. include reference to the SWCLC in self-introductions at all Chamber and business functions as appropriate
 - d. drive community, civic and business leaders to SWCLC website and social media updates
 - e. include appropriate groups in SWCLC Calls-to-Action
2. Review and evaluate local, statewide, and when appropriate, federal issues pertaining to the SWCLC's policy priorities and communicate the information to all chambers' membership.
3. Continue to enhance working relationships with local, state and federal representatives and their staffs.
4. Consider and review legislation that promotes standards of corporate governance that guide boards of directors and corporate officers in managing their corporations in a competent, ethical manner.
5. Monitor land use, planning, housing and zoning issues that affect the Southwest California regional business community.
6. Review and evaluate efforts to enhance educational opportunities, expansions and quality in the Southwest California region, including measures to encourage and support entrepreneurial business growth.

Taxation and Government Reform (*Budget & Tax Reform*)

1. Review and evaluate reform measures to the state budget—that promotes real economic growth and job creation.
2. Encourage cooperation among government agencies, and work to streamline and reduce unnecessary or conflicting requirements of regulatory agencies.
3. Review and evaluate cost effective ways to privatize government services and public contracts while maintaining or improving standards.
4. Review and evaluate state and local fee & tax increases and new fee & tax categories affecting the regional business community.
5. Support and promote, when appropriate, the preparation of cost/benefit analysis ensuring economic impacts are weighed before the imposition of regulatory statutes.
6. Ensure that regulations on business are kept to a minimum and do not put regional businesses at a competitive disadvantage.
7. Encourage the protection of private property rights.
8. Support state programs that secure tax credits for targeted work training programs.
9. Consider and review policies that promote the outsourcing of essential public services by government agencies.
10. Support practical business accounting procedures at the state level when trying to balance the State Budget.
11. Review and evaluate social welfare policies that are expansive and unregulated throughout all levels of government.

Public Safety

1. Support policies that aid law enforcement in their duties to keep our residential and business communities safe.
2. Review policies that will clarify regulatory policies and management of specific public safety issues, i.e. e-cigarettes, homelessness, cannabis, etc.
3. Maintain a working relationship with the Riverside County District Attorney regarding crime prevention, fraud, and threats against businesses either through direct attacks or through employed human resources. Such working liaison might include working with the District Attorney's task force on crime in Riverside County as related to impacts on business.
4. Monitor, and take positions when necessary, on potential legislation that will:
 - a. Create a higher risk, more permissive environment for criminal penalties;
 - b. Decrease control over cyber-attack activities;
 - c. Allow **geographic** release of convicted felons resulting in damage to the business environment and regional quality of life;
 - d. Reduce the ability of businesses to seek protective relief from unwanted misdemeanor level activities of employees [possession of marijuana or certain drugs in the workplace, working while under the influence etc.].

Healthcare

1. Support the attraction and retention of medical technology industry to Southwest California.
2. Monitor and support policies that encourage continued medical discoveries and

- innovations that improve quality of care.
3. Continue efforts to contain the costs of premiums.
 4. Conform to federal law while supporting measures to allow employers to mitigate the impact of providing healthcare coverage.
 5. Work to curb the expansion of litigation in the healthcare system.
 6. Support wellness, disease management/pandemic, and behavioral healthcare programs.
 7. Support reform of the state hospital construction regulatory review process. Work to improve the timeliness of hospital construction and to ensure costs associated with such construction are kept at reasonable rates.

Infrastructure Improvements (*Infrastructure & The Environment*)

1. Review and evaluate policies that ensure the Southwest California region maintains a reputation as an attractive prosperous location for business; to balance employment and housing needs with natural resource preservation; and to plan and construct the community infrastructure necessary to support current and future business needs.
2. Monitor land use, planning, housing and zoning issues that affect the Southwest California regional business community.
3. Review and evaluate development projects within the Southwest California region.
4. Encourage an adequate supply of appropriate housing to meet the needs of the Southwest California region.
5. Review and evaluate reliable, stable, and competitively priced energy supplies for California's businesses and consumers.
6. Review and evaluate water management and flood control policies that improve water quality as the result of comprehensive approaches that will reduce contaminants from water sources in a cost effective manner.
7. Review and evaluate policies that promote safe, clean, high quality, adequate and reliable water supplies supporting the needs of economic growth and quality of life in the Southwest California region.
8. Review and evaluate policies that promote the Southwest California region as the frontrunner of technological advances in any infrastructure improvements throughout the region.

Environment (*Infrastructure & The Environment*)

1. Support policies that recognize the importance of balancing environmental issues including green, solar and water programs and their impacts on the public and private sector.
2. Monitor policies that ensure long-term positive impacts on environmental stability and the economic vitality of the Southwest California region.
3. Encourage responsible environmental regulations and the potential impacts on local governments and agencies.
4. Monitor and support efforts to reform the CEQA, [and/or other regulatory entities](#), that will reduce the regulatory and compliance burden to cities and businesses in Southwest California.

Transportation (*Infrastructure & The Environment*)

1. Review and evaluate public and private sector transportation improvement plans that

impact congestion on freeways, streets and roads, and ensure mobility within the Southern California region.

2. Review and evaluate legislative and regulatory proposals that impact the automobile, trucking, rail, aviation, and maritime industries.
3. Review and evaluate legislation and regulatory proposals that might place the Southern California logistics industry at a competitive disadvantage.

Tourism and Business Expansion (*Job Creation & Retention*)

1. Support a strong relationship with the Economic Development Coalition (EDC) of Southwest California, Visit Temecula Valley, Explore Murrieta, the Southwest California Manufacturing Council, InSoCalConnect and the Cities of Temecula, Murrieta, Lake Elsinore, Menifee, and Wildomar in order to promote and enhance the Southwest California region.
2. Support and promote policies to increase travel spending to the Southwest California Region, in order to help stimulate the local economy and provide jobs throughout the region.
3. Review and evaluate policies that ensure that the Southwest California region maintains a reputation as an attractive and prosperous location for doing business.
4. Promote economic development opportunities in the Southwest California region for business retention, expansion and attraction.

Immigration Reform (*Job creation & Retention, Healthcare, Public Safety*)

1. Support efforts that create a guest worker program that is comprehensive, addressing both future economic needs for workers and the status of undocumented workers already in the United States.
2. Support the creation of an effective employment verification system that is fast and reliable while understanding enforcement ramifications at the local, state and federal level.
3. Support policies that ensure all workers enjoy the same labor law protections.
4. Support policies that expand temporary visa programs for essential workers, creating paths to permanent residence for these workers and providing a way to earn legal status for the millions of undocumented workers already in the United States.

Legislative Report #2

SBX1 2 (Skinner) Energy: transportation fuels: supply and pricing: maximum gross gasoline refining margin.

Summary: This bill would establish a maximum gross gasoline refining margin at an unspecified amount per gallon and would authorize the commission to annually adjust the maximum gross gasoline refining margin, as provided. The bill would authorize the commission to petition the court to enjoin a refiner from exceeding the maximum gross gasoline refining margin. The bill would require the penalties collected to be deposited into the Price Gouging Penalty Fund, which the bill would create in the State Treasury. The bill would require moneys in the fund, upon appropriation by the Legislature, to be returned, as refunds, to residents of the state.

Recommendation: OPPOSE – Sets an arbitrary cap on the amount of profits that a refiner operating in the state of California can earn over a quarterly basis. This measure would further diminish supply, discourages operational efficiencies, and would limit the amount of capital a refiner could reinvest into their infrastructure to support California’s long-term climate goals. CalChamber “job killer” bill.

Platform Citation: Taxation 4. Review and evaluate state and local fee & tax increases and new fee & tax categories affecting the regional business community.

ABX1 2 (Fong) Motor Vehicle Fuel Tax Law: suspension of tax.

Summary: This bill would suspend the imposition of the tax on motor vehicle fuels for one year. The bill would require that all savings realized based on the suspension of the motor vehicle fuels tax by a person other than an end consumer, as defined, be passed on to the end consumer, and would make the violation of this requirement an unfair business practice, in violation of unfair competition laws, as provided. The bill will also backfill funding from the General Fund for transportation projects that rely on revenue from the gas tax.

Recommendation: SUPPORT – Would bring immediate relief to California residents and businesses by suspending the 59.9 cent per gallon gas tax for one year.

Platform Citation: Taxation 4. Review and evaluate state and local fee & tax increases and new fee & tax categories affecting the regional business community.

AB 306 (Sanchez) Office of Small Business Advocate: one-stop capital shop online platform.

Summary: This bill would enact the One-Stop Capital Shop Act that would require the office to serve as the lead state government entity for helping California small businesses become finance-ready relative to state programs utilizing certain federal funds. The bill would also require the office to launch the One-Stop Capital Shop online platform to assist small businesses in accessing safe funding opportunities and to reduce barriers in access to affordable capital. The bill would require platform to include certain elements, including a small business loan marketplace that allows small businesses and technical and financial assistance providers to access information on public and private loan products and credit enhancement opportunities.

Recommendation: SUPPORT – This bill improves small businesses' access to state funding opportunities by requiring the Office of the Small Business Advocate to launch a "one-stop

capital shop" online platform that will list all state small business funding opportunities, in addition to affordable private programs. This will provide small businesses a centralized and easily navigable hub from which to apply for state grants and access capital.

Platform Citation: Pro-Business Leadership 6. Review and evaluate efforts to enhance educational opportunities, expansions and quality in the Southwest California region, including measures to encourage and support entrepreneurial business growth.

AB 627 (Jackson) Heavy-duty trucks: grant program: operating requirements.

Summary. This bill would prohibit, on and after January 1, 2030, a person from operating a diesel-fueled heavy-duty truck on the city streets or county roads located in the Counties of Riverside or San Bernardino, as specified. This bill would require the California Pollution Control Financing Authority to establish a program to provide grants to operators of diesel-fueled heavy-duty trucks to replace a diesel-fueled truck with a new truck using a specified power source or to retrofit the diesel-fueled truck by replacing the diesel engine with a power source using a qualifying technology.

Recommendation: OPPOSE – This bill will ban the use of diesel fuel heavy duty trucks in our region by 2030. This is substantially sooner than CARB’s current plan of removing diesel heavy duty trucks in and around ports and railways by 2035 and throughout the state by 2045.

Platform Citation: Transportation 2. Review and evaluate legislative and regulatory proposals that impact the automobile, trucking, rail, aviation, and maritime industries.

SB 75 (Roth) Courts: Judgeships.

Summary. Existing law allocates additional judgeships to various counties in accordance with uniform standards for factually determining additional need in each county, as approved by the Judicial Council. This bill would authorize 26 additional judgeships, subject to appropriation. This bill would require the Judicial Council to determine the allocation of those positions, pursuant to that uniform criteria.

Recommendation: SUPPORT – This bill would add 26 new judges to California’s dangerously understaffed court system. The text specifically mentions Riverside County’s desperate need for more judges, and it has been unanimously endorsed by the Riverside Board of Supervisors.

Based on the Judicial Council’s 2022 Judicial Needs Assessment, 98 new judicial positions are still needed in California, and of those, 52 positions are needed in San Bernardino and Riverside counties, representing 55% of the overall need in the State.

Platform Citation: Public Safety. 1. Support policies that aid law enforcement in their duties to keep our residential and business communities safe.

SB 399 (Wahab) Employer communications: intimidation.

Summary. This bill, except as specified, would prohibit an employer from requiring its employees to attend an employer-sponsored meeting or participate in any communications with the employer or its agents or representatives, the purpose of which is to communicate the employer’s opinion about religious matters, political matters, or certain rights guaranteed by the United States Constitution and California Constitution, as defined. The bill would require the Division of Labor Standards Enforcement, upon the filing of a complaint by an employee, to

enforce the bill's provisions. The bill would also authorize any employee who the employer has subjected, or threatened to subject, to adverse action on account of the employee's refusal to attend an employer-sponsored meeting to bring a civil action, as specified, and to petition for injunctive relief.

Recommendation: OPPOSE – This bill would effectively prevent employers from requiring employees to attend meetings where any sort of political discussion will take place, including about legislation. It would also open companies up to civil suits.

Platform Citation: Labor and Employment 7. Monitor proposals that undermine the current process of guaranteeing secret-ballot elections for unionization such as card check.

SB 525 (Durazo) Minimum wage: health care workers.

Summary. Existing law generally requires the minimum wage for all industries to not be less than specified amounts to be increased until it is \$15 per hour commencing January 1, 2022, for employers employing 26 or more employees and commencing January 1, 2023, for employers employing 25 or fewer employees. Existing law makes a violation of minimum wage requirements a misdemeanor. This bill would require a health care worker minimum wage of \$25 per hour for hours worked in covered health care employment, as defined, subject to adjustment, as prescribed. The bill would provide that the health care worker minimum wage constitutes the state minimum wage for covered health care employment for all purposes under the Labor Code and the Wage Orders of the Industrial Welfare Commission.

Recommendation: OPPOSE – By mandating a higher minimum wage, this bill will inevitably raise health care employer costs and healthcare costs throughout the state. It also sets a dangerous precedent for singling out certain industries for increased minimum wage levels.

Platform Citation: Labor and Employment 2. Monitor and review alternatives to (1) any proposed state minimum wage increases and (2) any local or state living wage ordinances.

SB 616 (Gonzalez) Paid sick days: accrual and use.

Summary. This bill would modify the employer's alternate sick leave accrual method to instead require that an employee have no less than 56 hours of accrued sick leave or paid time off by the 280th calendar day of employment or each calendar year, or in each 12-month period. The bill would modify that satisfaction provision to authorize an employer to satisfy accrual requirements by providing not less than 56 hours or 7 days of paid sick leave that is available to the employee to use by the completion of the employee's 280th calendar day of employment.

Recommendation: OPPOSE – Would more than double the mandated paid sick day requirements for all California businesses from 3 to 7. This ties the hands of employers and will lead to an increase in costs.

Platform Citation: Labor and Employment 3. Monitor and provide recommendations to the current workers' compensation reform measures to positively affect businesses.

AB 1228 (Holden) Fast food restaurant franchisors and franchisees: joint liability.

Summary. This bill would require that a fast-food restaurant franchisor share with its fast-food restaurant franchisee all civil legal responsibility and civil liability for the franchisee's violations of prescribed laws and orders or their implementing rules or regulations. The bill would

authorize enforcement of those provisions against a franchisor, including administratively or by civil action, to the same extent that they may be enforced against the franchisee.

Recommendation: OPPOSE – This was a provision of last year’s AB 257 that was stripped in last-minute negotiations to get AB 257 passed. This bill ignores existing labor rules and will take away franchisee independence, harming local restaurants throughout California.

Platform Citation: Labor and Employment 6. Advocate against the unwarranted and frivolous lawsuits on our businesses, consumers, taxpayers, and communities.

AB 742 (Jackson) Law enforcement: police canines.

Summary. This bill would prohibit the use of an unleashed police canine by law enforcement to apprehend a person, and any use of a police canine for crowd control. The bill would prohibit law enforcement agencies from authorizing any use or training of a police canine that is inconsistent with this bill.

Recommendation: OPPOSE – Prohibiting the use of police canines would remove a non-lethal and highly effective law enforcement tool, hindering public safety. Riverside County Sheriff has come out against this bill.

Platform Citation: Public Safety. 1. Support policies that aid law enforcement in their duties to keep our residential and business communities safe.