

MEETING AGENDA
Monday March 20, 2023

Presiding: Erik McLeod, 2023 Chair
Legislative Consultant: Chris Collier, Rincon Strategies

Call to Order, Roll Call & Introductions:

Chair Report

Legislative Report #3

AB 362 (Lee) - Real property taxation: land value taxation study.

AB 524 (Wicks)- Discrimination Family Caregiver Status

SB 12 (Stern) - California Global Warming Solutions Act of 2006: emissions limit.

SB 253 (Wiener) - Climate Corporate Data Accountability Act.

SB 261 (Stern) - Greenhouse gases: climate-related financial risk.

SB 602 (Archuleta) - Trespass.

SB 703 (Niello) - Employment: work hours: flexible work schedules.

Chambers/Tribal/Legislative Reps Announcements

Adjourn- Next Meeting 4/17 at 11:30am

2023 SWCLC Meeting Dates

April 17th

June 19th

August 21st

October 16th

May 15th

July 17th

September 18th

November 27th (Exec)

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

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

Legislative Report #3

AB 362 (Lee) - Real property taxation: land value taxation study.

Status: Referred to Com. on REV. & TAX.

Summary: The California Constitution provides that all property is taxable, and requires that it be assessed at the same percentage of fair market value, unless otherwise provided by the California Constitution or federal law. Existing law governs the methods and procedures for assessing real property.

This bill would require the California Department of Tax and Fee Administration to conduct or commission a study on the efficacy of a statewide land value taxation system as an alternative to the current appraisal methods utilized for real property taxation. The bill would require the study to be provided to the Legislature by January 1, 2025. The bill would make related findings and declarations.

Analysis: A land value tax would dismantle Proposition 13 protections that have provided tax certainty for property owners and revenue stability for local governments for more than four decades. Time and resources should not be wasted studying an idea that has already been thoroughly debated and rejected due to the damaging consequences that would result from its implementation.

Recommendation: OPPOSE

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

AB 524 (Wicks) – Discrimination: Family caregiver status

Status: Re-referred to Com. on JUD.

Summary: Existing law, the California Fair Employment and Housing Act (FEHA), which is enforced by the Civil Rights Department, prohibits various forms of employment discrimination and recognizes the opportunity to seek, obtain, and hold employment without specified forms of discrimination as a civil right. The act also makes it an unlawful employment practice for an employer, among other things, to refuse to hire or employ a person because of various personal characteristics, conditions, or traits. This bill would prohibit employment discrimination on account of family caregiver status, as defined, and would recognize the opportunity to seek, obtain, and hold employment without discrimination because of family caregiver status as a civil right, as specified.

Analysis: This bill will create a new protected class of ‘family caregiver’, with a very broad definition that almost any employee can claim. This will expose business owners to significant litigation risk. We opposed a similar bill in 2022.

Recommendation: OPPOSE (Opposed same in 2022)

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

SB 12 (Stern) - California Global Warming Solutions Act of 2006: emissions limit.

Status: From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (March 15). Re-referred to Com. on APPR.

Summary: This bill instead would require the state board to ensure that statewide greenhouse gas emissions are reduced to at least 55% below the 1990 level by no later than December 31, 2030. By expanding the scope of a crime, this bill would impose a state-mandated local program.

Analysis: SB 12 unnecessarily expands the current law that has already been accepted. With only 7 years until 2030, an undue burden will be placed on the business community that has already planned under the assumption of the levels to be reached under the CA Global Warming Solutions Act of 2006. We keep moving the goalposts, making investment and planning ever harder to do.

Recommendation: OPPOSE

Platform Citation: Environment- 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.

SB 253 (Wiener) - Climate Corporate Data Accountability Act.

Status: From committee: Do pass and re-refer to Com. on JUD. (Ayes 4. Noes 2.) (March 15). Re-referred to Com. on JUD.

Summary: This bill would require the state board, on or before January 1, 2025, to develop and adopt regulations requiring United States partnerships, corporations, limited liability companies, and other business entities with total annual revenues in excess of \$1,000,000,000 and that do business in California, defined as "reporting entities," to publicly disclose to the emissions registry, as defined, and verify, starting in 2026 on a date to be determined by the state board, and annually thereafter, their greenhouse gas emissions, categorized as scope 1, 2, and 3 emissions, as defined, from the prior calendar year, as provided. The bill would require the state board, on or before January 1, 2030, to review, and update as necessary, these deadlines to evaluate trends in scope 3 emissions reporting and to consider changes to the deadlines, as provided. The bill would require reporting entities to disclose their greenhouse gas emissions in a manner that is easily understandable and accessible to residents of the state. The bill would require reporting entities to ensure that their public disclosures have been independently verified by the emissions registry or a third-party auditor, approved by the state board, with expertise in greenhouse gas emissions accounting. The bill would require the state board, in developing these regulations, to consult with the Attorney General, other government stakeholders, investors, stakeholders representing consumer and environmental justice interests, and reporting entities that have demonstrated leadership in full-scope greenhouse gas emissions accounting and public disclosure and greenhouse gas emissions reductions. The

bill would also require the state board to establish auditor qualifications and a process for approval of auditors that ensures sufficient auditor capacity, as well as timely reporting implementation, as required. The bill would further require the state board to contract with an emissions registry to develop a reporting and registry program to receive and make publicly available the required disclosures.

Analysis: Requiring reporting and limiting emissions associated with a company's entire supply chain will require that large businesses stop doing business with small and medium businesses that will struggle to accurately measure their greenhouse gas emissions, let alone meet ambitious carbon emission requirements. Further, the inability to meet the emission objectives may fall outside of the sphere of influence of small and medium businesses as the technology to transition to carbon neutrality may not yet even exist for their line of business. Yet, they will be subject to increasing costs and the potential loss of market opportunity. Forcing companies to make these decisions would have the effect of consolidating market share in the largest of companies rather than fostering competition and growth of smaller industries.

Recommendation: OPPOSE

Platform Citation: Environment- 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.

SB 261 (Stern) - Greenhouse gases: climate-related financial risk.

Status: From committee: Do pass and re-refer to Com. on JUD. (Ayes 4. Noes 2.) (March 15). Re-referred to Com. on JUD.

Summary: This bill would require, on or before December 31, 2024, and annually thereafter, a covered entity, as defined, to prepare a climate-related financial risk report disclosing the entity's climate-related financial risk and measures adopted to reduce and adapt to climate-related financial risk disclosed. The bill would require the covered entity to submit to the state board, and make available to the public on its own internet website, a copy of the report and to submit to the Secretary of State a statement affirming, not under penalty of perjury, that the report discloses climate-related financial risk. The bill would also set forth the duties of the Climate-Related Risk Disclosure Advisory Group, as specified, including the duty to collect and review climate-related financial risk reports received in the prior calendar year and the duty to annually prepare a public report that contains specified information, including a review of the disclosure of climate-related financial risk contained in climate-related financial risk reports and an analysis of the systemic and sectorwide climate-related financial risks facing the state. The bill would also require the Office of Planning and Research to serve as the administrative staff for the advisory group. By expanding the scope of crimes, this bill would impose a state-mandated local program.

Analysis: The measure is premature given the amount of activity happening at the federal and international levels. Both the executive and legislative branches have served notice that changes will be happening soon in this area. The Securities and Exchange Commission is already

reviewing their guidance documents on the topic and expects to provide an update shortly. There is a very real risk that compliance with SB 261 will not align with federal or the Task Force's own recommendations. The recommendations also assert that any national level requirements should preempt those at state or local levels, noting that "The Task Force's recommendations were developed to apply broadly across sectors and jurisdictions and should not be seen as superseding national disclosure requirements". The measure not only lacks compliance acknowledgement for entities subject to a federal level requirement, but it also jumps the gun by superseding national disclosure requirements that are imminent.

Recommendation: OPPOSE

Platform Citation: Taxation and Government Reform- Encourage cooperation among government agencies, and work to streamline and reduce unnecessary or conflicting requirements of regulatory agencies

SB 602 (Archuleta) - Trespass.

Status: Set for hearing April 11.

Summary: This bill would authorize a single request for assistance to be made and submitted electronically, in a notarized writing on a form provided by the law enforcement agency, to a peace officer for a time period determined by local ordinance or 12 months, whichever is shorter, and identified by specific dates, during which there is a fire hazard or the owner, owner's agent, or person in lawful possession is absent from the premises or property. This bill would also authorize a single request for assistance to be made and submitted electronically, in a notarized writing on a form provided by the law enforcement agency, to a peace officer for a period of not more than 3 years when the premises or property is closed to the public and posted as being closed and would require the notice ending assistance before the 3 years has passed to be in writing. The bill would allow a request for peace officer assistance to continue after a change in ownership or transfer of lawful possession if the transferee notifies the relevant law enforcement or the city of the change. The bill would authorize local governments to accept electronic submissions of requests for peace officer assistance

Analysis: SB 602 will streamline the process to request assistance from law enforcement to prevent or discourage trespassing on private property. SB 602 will make it easier to work with law enforcement to remove/prevent unwanted individuals on private property.

Recommendation: SUPPORT

Platform Citation: Public Safety- Review policies that will clarify regulatory policies and management of specific public safety issues, i.e. e-cigarettes, homelessness, cannabis, etc.

SB 703 (Niello) - Employment: work hours: flexible work schedules.

Status: Referred to Com. on L., P.E. & R.

Summary: This bill would enact the California Workplace Flexibility Act of 2023. The bill would permit an individual nonexempt employee to request an employee-selected flexible work schedule providing for workdays up to 10 hours per day within a 40-hour workweek and would allow the employer to implement this schedule without the obligation to pay overtime compensation for those additional hours in a workday. The bill would prescribe a method for

calculating the payment of overtime for hours worked in excess of the permitted amounts and would establish requirements for termination of these agreements. The bill would except from its provisions employees covered by collective bargaining and public employees, as specified. The bill would require the Division of Labor Standards Enforcement in the Department of Industrial Relations to enforce this provision and adopt regulations.

Analysis: SB 703 would provide employees more flexibility because the employee could request an alternative workweek schedule on an individualized basis. It would also relieve employers of the administrative cost and burden of adopting an alternative workweek schedule per division. Pursuant to SB 703, at the request of the employee, an employer would be able to implement a flexible work schedule that allows the employee to work up to ten hours in a day or 40 hours in a week, without the payment of overtime. Employers should be able to provide their employees more flexibility and negotiate through a written agreement, revocable by either party, a daily/weekly schedule that satisfies the needs of both the employee(s) and the employer.

Recommendation: SUPPORT

Platform Citation: Labor and Employment- Promote rules and regulations regarding employment status that protect workplace flexibility, and protect public safety and consumer choice.