



Commercial Real Estate Legislative/Regulatory Year End Summary

Updated October 19, 2023

Now that the deadline for the Governor to act on legislation has passed, the final tally of bills that were signed into law sits at 890. The Governor vetoed 156. Below is a summary of bills that will impact our industry.

BAD BILLS SIGNED INTO LAW

SB 253 (Wiener; D-San Francisco) - Redundant Greenhouse Gas Reporting

SB 253 was heavily opposed by a massive coalition of business groups. The bill requires any business entity with total annual revenues more than \$1 billion to publicly report their annual greenhouse gas (GHG) emissions. These disclosures will include corporate supply chains (scope 3), which can include more than 90% of a corporation's carbon emission.

SB 616 (Gonzalez; D-Long Beach) – Costly Sick Leave

Sick Leave Expansion on All Employers. The bill increases the number of job-protected paid leave hours employees can take each year under state law. Current law allows employers to limit employees' paid leave use per year to 24 hours or 3 days, whichever is greater. SB 616 increases the permitted annual use cap to the greater of 40 hours or 5 days.

AB 1572 (Friedman; D-Burbank) – Water Restrictions

Limits irrigation of turf that may have a beneficial use (municipal, multifamily and industrial). Could limit approaches and design techniques that mitigate heat impacts and urban heat islands. Restricts local water agencies from adopting reasonable regulations.

SB 723 (Durazo; D-Los Angeles) - Extension of Employee Rights to Recall Rights Under COVID-19 Regs

Extends from December 31, 2024 to December 31, 2025, the sunset date on the existing "right to recall" rights for employees in the hospitality and service industry, and adds to these provisions a presumption that a separation due to a lack of business, reduction in force, or other economic, nondisciplinary reason is due to a reason related to the COVID-19 pandemic, unless the employer establishes otherwise by a preponderance of the evidence.

ATTACK ON PROPOSITION 13

In the final three weeks of session a major attack was launched to further weaken Proposition 13.

ACA 1: Makes it easier to raise taxes

- Lowers 2/3s vote for almost all special tax measures to 55%
- Put on ballot by a one-sided partisan vote of the Legislature.



ACA 13: Makes it harder to fix Proposition 13

- Aimed specifically at the Taxpayer Protection Act (TPA)
- Changes the rules to make it harder to restore 2/3s vote
- Put on ballot by a one-sided partisan vote of the Legislature
- In coordination with ACA 13 the Gov and Legislative Leaders have petitioned for removal of TPA from the ballot arguing these issues are too important for voters to decide.

PROTECTING PROPOSITION 13:

Our industry has successfully placed a ballot initiative on the November 2024 ballot that will protect proposition 13, the [Taxpayer Protection Act](#) (TPA). However, Governor Newsom, Speaker Rivas and Former Democratic Party Chairman John Burton have petitioned the California Supreme Court to remove TPA from the ballot stating this issue is too complex for voters to weigh in.

TPA: Restores taxpayer protections recently Eroded by Court Decisions

- Restores 2/3s Vote for All Special Taxes & Protects Against Split Roll
- Put on ballot through 1.4M voter signatures
- Supported by Real Estate/Business Groups

BAD BILLS VETOED:

SB 799 (Portantino; D-Burbank - Disastrous Unemployment Insurance for Striking Workers –VETOED! (WILL BE BACK NEXT YEAR)**)**

SB 799 was opposed by a large coalition of business groups. The bill, which was heavily backed by organized labor would have been disastrous for businesses large and small and would have ballooned California's already high federal unemployment insurance debt. The measure aimed to provide Unemployment Insurance (UI) benefits to individuals who left work and chose to go on strike during a labor dispute.

SUPPORTED/AMENDED BILLS SIGNED INTO LAW:

SB 416 (Laird; D – Santa Cruz) –Building and Renovation Projects: LEED Certification - **SIGNED INTO LAW**

Requires LEED certification for new state buildings, does not apply to existing leased properties. This bill is currently on the Governor's Desk awaiting action.

AB 225 (Grayson; D – Concord) Real Estate Environmental Hazards Booklet – **SIGNED INTO LAW**



Will inform buyers and tenants on the potential hazards within the area they live, including wildfire risks, climate change and sea level rise. The bill will also provide an opportunity for a public private partnership to pay for the update if resources are not made available by the state.

[AB 70 \(Rodriguez; D – Pomona\) - Emergency Response: Trauma Kits - SIGNED INTO LAW](#)

Will require that trauma kits be installed next to AED stations during certain building renovations. BOMA California took a neutral position as the measure includes liability protection language negotiated in 2021 for building owners and follows the same limited installation requirements.

[AB 883 \(Mathis; R – Tulare\) Business Licenses – Expedition for Veterans - SIGNED INTO LAW](#)

Expands expedition requirements under the United States Department of Defense SkillBridge program to expedite license applications for veterans transitioning back into civilian life, making it easier for our service members to obtain licenses in fields requiring licensure, like real estate. AB 883 will directly and positively impact a veteran's transition and hasten their ability to earn an income and support their families.

SIGNIFICANT BILLS THAT WERE HELD BUT MAY BE BACK NEXT YEAR:

[AB 1000 – Warehouse Buffer Zone - \(Reyes; D-San Bernardino\)](#)

This bill proposes a statewide setback of 1,000 feet from “sensitive receptors” for all new or expanded logistics use facilities 100,000 square feet or larger in California.

[AB 1748 – \(Ramos; D-San Bernardino\) – Our Alternative to the Reyes Warehouse Bill](#)

AB 1748 will provide a requirement for local agencies to implement a 300-foot minimum setback for qualifying logistic facilities and other landscape buffer requirements next to sensitive receptors.

Regulatory Successes

BOMA California maintains a presence as part of the building code process to provide early input to regulatory agencies on technical matters, identify major initiatives that will impact BOMA California members, and to redirect measures that are introduced as legislative measures:

- **UNIFORM BUILDING STANDARDS:** BOMA California worked to help the Building Standards Commission approval a Uniform Building Re-Use/Rehab Standards. A policy strongly supported by industry and local code enforcement agencies, the BSC approved regulations proposed by the State Fire Marshal, adopting additional chapters of the 2021 International Existing Building Code by reference. This code change will provide additional compliance methodologies and options for California design professionals working on alterations, changes of occupancy, and additions to existing buildings, and will be available for use by the industry for permits submitted on or after July 1, 2024.



- **CARBON REPORTING/REDUCTION REPORTING:** In response to strong objections from BOMA California and local building officials, the BSC significantly reduced the stringency of their proposed mandate for “embodied carbon” reporting and reduction which initially proposed a trigger for carbon reporting on new buildings as small as 25,000 sf. After strong objections from industry this threshold was later raised to only include new buildings greater than 100,000 sf.
- **ELECTRIC VEHICLE CHARGING MANDATE:** On both the legislative and regulatory front, BOMA California has been able to keep EV charger mandates at the levels that were negotiated and adopted in 2021, despite strong pushes to significantly increase the mandated number of charging unit installations through legislation and regulatory effort.

However, in response to a proposal from the Governor’s Office a proceeding to require EV-Charging retrofit when a commercial building alters or adds to its existing parking facility when that retrofit includes an upgrade to the building’s electrical panel(s) is now under consideration. A similar mandate has been required in exiting residential facilities for the past three years. BOMA California representatives have suggested several edits to this proposal to increase clarity. For example, no such retrofit would be required if the parking lot is simply being refinished/restriped. Also, exemptions for significant cost impact and infeasibility have been added to these new regulations due to our advocacy and engagement.

- **ROOFTOP SOLAR FOR COMMERCIAL:** As well BOMA California has been able to protect major victories earned engaging with state agencies on the solar mandate for non-residential buildings, keeping the focus on new construction only, applying reasonable rooftop ratios, and providing numerous exemptions.

More information on both EV Charger and Rooftop Solar regulations can be found in the following join report from BOMA California: [Title 24 Non-Residential: Solar, Batteries and EV Charging](#).