



Good, Bad, and Ugly Legislation of the 2023 Session

The 2023 session of the California State Legislature is deciding 2,920 bills. From that, NFIB California has whittled down to 47 the number of proposals helpful or harmful for small businesses, and from that list the following 14 Good, Bad, and Ugly measures and their status as of May 18, when they were to have passed their chamber's appropriations committee to remain alive.

Good

- [Assembly Bill 509 \(Fong\)](#) -- The Personal Income Tax Law excludes from the gross income of an employee amounts paid or incurred by an employer for **educational assistance** to the employee, as specified, up to \$5,250 during a calendar year. This bill would include in the definition of "educational assistance" a payment made by an employer on or after January 1, 2024. **STATUS:** Held in the Assembly Appropriations Committee.
- [Assembly Bill 778 \(Ta\)](#) would exempt a limited partnership, limited liability partnership, and limited liability company from the annual **minimum franchise tax** until the business has gross receipts of \$20,000 in the first taxable year. **STATUS:** Held in the Assembly Revenue & Taxation Committee.
- [Assembly Bill 1708 \(Muratsuchi\)](#) -- would require a person convicted of **petty theft or shoplifting**, if the person has 2 or more prior convictions for specified theft-related offenses, to be punished by imprisonment in the county jail for up to one year, or for 16 months, or 2 or 3 years. **STATUS:** Voted down in the Assembly Public Safety Committee.
- [Senate Bill 271 \(Dodd\)](#) -- would except as specified, require an original manufacturer of a **powered wheelchair**, as those terms are defined, to provide documentation, parts, embedded software, firmware, and tools used to inspect, diagnose, maintain, and repair the wheelchair to an owner or an independent repair provider for the purposes of providing service on the equipment in the state, on fair and reasonable terms and costs, as defined. **STATUS:** Passed the Senate Appropriations Committee, now faces a floor vote from the whole Senate.
- [Senate Bill 316 \(Niello\)](#) -- would reinstate a provision of law that was repealed by Proposition 47 that provides that a person who has been convicted 3 or more times of **petty theft, grand theft**, or other specified crimes and who is subsequently

convicted of petty theft is subject to imprisonment in a county jail not exceeding one year or in a county jail for 18 months or 2 or 3 years. **STATUS:** Voted down in the Senate Public Safety Committee.

- [Senate Bill 375 \(Alvarado-Gil\) --](#) would authorize an employer to claim, for the 2023 and 2024 calendar years, a COVID-19 regulatory **compliance credit** in a specified amount. **STATUS:** Held in the Senate Appropriations Committee.

Bad

- [Assembly Bill 518 \(Wicks\) --](#) would expand eligibility for benefits under the **paid family leave** program to include individuals who take time off work to care for a seriously ill designated person. **STATUS:** Passed the Assembly Appropriations Committee, now faces a floor vote from the whole Assembly.
- [Assembly Bill 1359 \(Schiavo\)](#) would permit **accrued sick days** to carry over to the following year of employment. **STATUS:** Passed the Assembly Appropriations Committee, now faces a floor vote from the whole Assembly.
- [Senate Bill 525 \(Durazo\)](#) would not only mandate a **minimum wage of \$25 an hour** for health care workers but also on employees of companies that work with health-care facilities. **STATUS:** Passed the Senate Appropriations Committee, now faces a floor vote from the whole Senate.
- [Senate Bill 809 \(Smallwood-Cuevas\) --](#) would make it an **unlawful employment practice** to take adverse action against an employee or discriminate against an employee ... based on the basis of their preemployment arrest or conviction history. **STATUS:** Held in the Senate Appropriations Committee.

Ugly

- [Assembly Bill 259 \(Lee\) --](#) would create a **wealth tax** of 1.5% on Californians' worldwide net worth. **STATUS:** Sent to both Assembly Revenue & Tax Committee and the Assembly Judiciary Committee. No action taken by either.
- [Assembly Bill 747 \(McCarty\) --](#) This bill would modify the **definition of "ownership interest"** to require the partnership interest, membership interest, or capital stock to be more than a 10% interest of the total partnership interest, more than a 10% interest of the total membership interest, or more than 10% of the total shares of ownership of the entity, respectively. **STATUS:** Returned for a second reading in the Assembly Appropriations Committee.

- [Senate Bill 616 \(Gonzalez\) --](#) 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. **STATUS:** Passed the Senate Appropriations Committee, now faces floor vote in the full Senate.
- [Senate Bill 627 \(Smallwood-Cuevas\) --](#) would prohibit a chain employer from closing a covered establishment unless the chain employer gives a **displacement notice**, as prescribed, to the covered workers and their exclusive representative, if any, 60 days before the closure takes effect. **STATUS:** Passed the Senate Appropriations Committee, now faces floor vote in the full Senate.

For information on other bills NFIB California is fighting for or against, email Grassroots Manager Taylor Criddle at taylor.criddle@nfib.org.