



California

As of the September 22 point between the September 14 end-of-the-2023 session and the October 14 deadline for the governor to sign or veto legislation put on his desk.

Of the 3,030 bills introduced in 2023, NFIB narrowed to 58 the number of measures most helpful or harmful for small businesses. Their status follows. Descriptions are taken, with some editing, from the first sentence of the bill, or from letters of opposition or support.

Bad for Small Business Bills Signed into Law (So far)

- [SBX1-2 \(Skinner\)](#) -- The bill would require the [California Energy] commission, if the commission establishes the **maximum gross gasoline refining margin**, to establish a penalty for exceeding the maximum gross gasoline refining margin, as provided.
- [AB 421 \(Bryan\)](#) -- This bill would revise the ballot title and summary and ballot label requirements for statewide referendum measures by instead requiring that the ballot title and summary be posed in the form of a question asking whether the state should **keep or overturn the law** that is proposed to be overturned.

Bad for Small Business Bills Sent Filed with the Secretary of State for Voter Approval/Rejection (Resolutions Do Not Require Approval of the Governor)

- [ACA 1 \(Aguilar-Curry\)](#) -- This measure would create **an additional exception to the 1% limit** that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.
- [ACA 13 \(Ward\)](#) -- The California Constitution provides that a proposed constitutional amendment and a statewide initiative measure each take effect only if approved by a majority of the votes cast on the amendment or measure. This measure would further provide that an initiative measure that includes one or more provisions that would amend the Constitution to **increase the voter approval requirement** to adopt any state or local measure would be approved by the voters only if the proportion of votes cast in favor of the initiative measure is equal to or greater than

the highest voter approval requirement that the initiative measure would impose. NFIB and its coalition's letter of opposition can be [read here](#). **Held at desk until November 1.**

Good for Small Business Resolutions Filed with the Secretary of State That Do Not Need Voter Approval (Resolutions do not require the signature of the governor)

- [Assembly Constitutional Resolution 80 \(Villapudua\)](#) -- This measure would declare May as Small Business Month. NFIB's coalition letter of support can be [read here](#).

Bad for Small Business Bills Awaiting the Governor's Decision

- [AB 524 \(Wicks\)](#) -- 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. NFIB and its business coalition partners have sent a [veto-request letter](#) to the governor.
- [AB 594 \(Maienschein\)](#) -- This bill would authorize a public prosecutor, as defined, to prosecute an action, either civil or criminal, for a **violation of specified provisions** of the Labor Code. NFIB and its business coalition partners have sent a [veto-request letter](#) to the governor.
- [AB 647 \(Holden\)](#) -- This bill would instead require the **successor grocery employer** to hire from the list for 120 days after the grocery establishment is fully operational and open to the public and retain each eligible grocery worker for at least 120 days after their commencement date, except as specified.
- [AB 1076 \(Bauer-Kahan\)](#) -- This bill would codify existing case law by specifying that the statutory provision voiding **noncompete contracts** is to be broadly construed to void the application of any noncompete agreement in an employment context, or any noncompete clause in an employment contract, no matter how narrowly tailored, that does not satisfy specified exceptions.
- [AB 1213 \(Ortega\)](#) -- This bill would require that if a **denial of treatment** requested by a treating physician is subsequently overturned by independent medical review or by the Workers' Compensation Appeals Board, any temporary disability paid or owing from the date of the denial until the treatment is authorized would not be included in the calculation of the aggregate disability payments.
- [AB 1356 \(Haney\)](#) -- Unnecessarily expands the requirements under California's WARN Act in two ways. First, it increases the **amount of notice time** from 60 days to 75

days without justification. Second, recent amendments change the definition of “covered establishment” so that instead of applying to single locations with 75 or more employees, it now covers any business that employs 75 or more employees between all of their locations. NFIB and its business coalition partners have sent a [veto-request letter](#) to the governor.

- [AB 1228 \(Holden\)](#) -- The deal neutering the power of the newly created Fast Food Council if the fast-food industry withdraws its 2024 referendum.
- [SB 71 \(Umberg\)](#) -- This bill would **increase the small claims court jurisdiction** over actions brought by a natural person, if the amount does not exceed \$25,000, except as specified, and would also increase the amount in controversy permitted in other specified actions within the jurisdiction of the small claims court.
- [SB 362 \(Becker\)](#) -- The bill would require a data broker to register with, pay a registration fee to, and provide information to, the agency instead of the Attorney General and would require the agency to maintain the **informational internet website**. NFIB’s letter of opposition to the senator can be [read here](#). NFIB’s veto-request letter to the governor can be [read here](#).
- [SB 365 \(Wiener\)](#) -- This bill would additionally prohibit a trial court from **staying proceedings** during the pendency of an appeal of an order dismissing or denying a petition to compel arbitration. NFIB and its business coalition partners have sent a [veto-request letter](#) to the governor.
- [SB 497 \(Smallwood-Cuevas\)](#) -- This bill would create a **rebuttable presumption in favor of the employee’s claim** if an employer engages in any action prohibited by this provision within 90 days of the protected activity specified in this provision. NFIB and its coalition’s letter of opposition can be [read here](#).
- [SB 525 \(Durazo\)](#) -- This bill would require a health care worker **minimum wage of \$21 per hour** starting June 1, 2024, for hours worked in covered health care employment, as defined, subject to adjustment, as prescribed.
- [SB 553 \(Cortese\)](#) -- This bill would also authorize a collective bargaining representative of an employee, as described above, to seek a **temporary restraining order** and an order after hearing on behalf of the employee and other employees at the workplace, as described. NFIB and its coalition’s [letter of opposition here](#).
- [SB 616 \(Gonzalez\)](#) -- 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. NFIB and its business coalition partners have sent a [veto-request letter](#) to the governor.

- [SB 627 \(Smallwood-Cuevas\)](#) -- This bill would prohibit an employer from **closing a covered establishment** unless the employer gives a displacement notice, as prescribed, to the covered workers and their exclusive representative, if any, 60 days before the closure takes effect.
- [SB 723 \(Durazo\)](#) -- This bill would **redefine “laid-off employee”** to mean any employee who was employed by the employer for 6 months or more and whose most recent separation from active employment by the employer occurred on or after March 4, 2020, and was a result of a public health directive, government shutdown order, lack of business, reduction in force, or other economic nondisciplinary reason. NFIB and its coalition’s letter of opposition can be [read here](#).
- [SB 799 \(Portantino\)](#) -- This bill would restore eligibility [for **unemployment benefits**] after the first 2 weeks for an employee who left work because of a trade dispute. NFIB joined the California Business Roundtable and other groups in sending this [veto-request letter](#) to the governor and 109 other business associations on another [veto-request letter](#).

Bad for Small Business Bills NFIB Helped Stall

- [AB 135 \(Haney\)](#) -- This bill would express the intent of the Legislature to enact statutory changes, relating to the **Budget Act of 2023**.
- [AB 259 \(Lee\)](#) -- This bill would, for taxable years beginning on or after January 1, 2024, and before January 1, 2026, **impose an annual tax** at a rate of 1.5% of a resident of this state’s worldwide net worth in excess of \$1,000,000,000, or in excess of \$500,000,000 in the case of a married taxpayer filing separately. NFIB and its coalition partners sent this [letter of opposition](#) to Assemblymember Alex Lee, who authored the measure.
- [AB 362 \(Lee\)](#) -- 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.
- [AB 518 \(Wicks\)](#) -- This bill 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 individual related by blood or whose association with the employee is the

equivalent of a family relationship.

- [AB 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.
- [AB 1156 \(Bonta\)](#) -- This bill would **define “injury,”** for a hospital employee who provides direct patient care in an acute care hospital, to include infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases. NFIB and its coalition’s letter of opposition can be [read here](#).
- [AB 1359 \(Schiavo\)](#) -- The bill would permit **accrued paid sick days** to carry over to the following year of employment for those employees, subject to certain conditions, and would prohibit a covered health care facility from limiting an employee’s use of accrued paid sick days.
- [AB 1516 \(Kalra\)](#) -- This bill would require the Labor and Workforce Development Agency to convene a working group to study and evaluate topics related to the minimum wage in California. The bill would require the working group to submit to the Legislature, on or before July 1, 2024, a report that outlines recommendations for **raising the minimum wage** for all workers in California.
- [AB 1690 \(Kalra\)](#) -- This bill would state the intent of the Legislature to guarantee accessible, affordable, equitable, and high-quality health care for all Californians through a comprehensive **universal single-payer health care program**.
- [AB 1714 \(Wood\)](#) -- This bill would define **“public utility”** to include a corporation providing broadband service to the public or a portion of the public.
- [AB 1757 \(Judiciary Committee\)](#) -- The bill would authorize a civil action by a person who is unable to obtain equally effective communication or **full and equal enjoyment of an internet website**, the content of an internet website, or goods and services offered to the public on an internet website.
- [ACA 3 \(Lee\)](#) -- This measure would authorize the Legislature to impose **a tax upon all forms of personal property or wealth**, whether tangible or intangible, and would require any tax so imposed to be administered and collected by the Franchise Tax Board and the Department of Justice, as determined by the Legislature in statute. .

- [ACA 11 \(Ting\)](#) -- This measure would **abolish the State Board of Equalization** and instead require the Legislature to create a state tax agency by statute for purposes of carrying out those powers, duties, and responsibilities previously vested in the State Board of Equalization by the California Constitution and by statute.
- [SB 397 \(Wahab\)](#) -- This bill would require the state board, upon appropriation by the Legislature, to establish a program to install and maintain **electric vehicle service equipment** at safety roadside rests.
- [SB 399 \(Wahab\)](#) -- 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. NFIB and its coalition's letter of opposition can be [read here](#).
- [SB 729 \(Menjivar\)](#) -- This bill would require a health care service plan contract or health insurance policy that is issued, amended, or renewed on or after January 1, 2024, to provide coverage for the diagnosis and **treatment of infertility** and fertility services. NFIB and its coalition's letter of opposition can be [read here](#).
- [SB 809 \(Smallwood-Cuevas\)](#) -- This bill would require that information to also include either all laws and regulations that impose restrictions or prohibitions for **employment on the basis of a conviction**, if any, or all the specific job duties of the position for which a conviction may have a direct and adverse relationship that has the potential to result in an adverse employment action, as described. NFIB and its coalition's letter of opposition can be [read here](#).
- [SCA 7 \(Umberg\)](#) -- This measure, the Right to Organize and Negotiate Act, would ensure that all Californians have the **right to join a union** and to negotiate with their employers, through their legally chosen representative, and the right to protect their economic well-being and safety at work. NFIB and its coalition's letter of opposition can be [read here](#).

Good for Small Business Bills Just Sent to Governor

- [AB 258 \(Reyes\)](#) – Existing law sets out certain provisions for the Office of Small Business Advocated within the Governor's Office of Business and Economic Development (GO-Biz). This bill would recast those provisions concerning the advocate's responsibility to **post the above-described information on the Go-Biz internet website** or the advocate's website, and would instead require the advocate

to establish on the GO-Biz or advocate's internet website an internet web portal entitled "The Front Door."

- [AB 1355 \(Valencia\)](#) -- Authorizes employer to supply individuals with **electronic statements** or materials relating to claims for benefits if the individual opts into receipt of electronic statements or materials. NFIB's letter of support can be [read here](#).

Good for Small Business Bills That Stalled

- [AB 23 \(Muratsuchi\)](#) -- This bill would amend Proposition 47 by reducing the threshold amount for **petty theft and shoplifting** from \$950 to \$400.
- [AB 335 \(Alanis\)](#) -- This bill would require the Milton Marks "Little Hoover" Commission on California State Government Organization and Economy to submit a report to the Legislature describing the reported **retail thefts**, as specified.
- [AB 509 \(Fong\)](#) -- This bill would include in the definition of "**educational assistance**" a payment made by an employer on or after January 1, 2024, and before January 1, 2034, paid or incurred by the employer, whether paid to the employee or to a lender, of principal or interest on a qualified education loan, as defined, relating to interest on education loans, incurred by the employee for education of the employee. NFIB's letter of support can be [read here](#).
- [AB 778 \(Ta\)](#) -- This bill, for taxable years beginning on or after January 1, 2023, would exempt corporations incorporated in this state from the **minimum franchise tax** until the first taxable year in which the corporation has gross receipts of \$20,000. The bill would also exempt a limited partnership, limited liability partnership, and limited liability company from the annual tax until the first taxable year in which the business has gross receipts of \$20,000.
- [AB 1198 \(Grayson\)](#) -- This bill would require the Energy Unit [with the Governor's Office of Business and Economic Development (GO-Biz)] to identify, among other things, nonratepayer-funded energy industry resources, including grants, tax credits, loans, and technical assistance, across local, state, and federal departments and agencies that are available to assist businesses and workers in the transition to a net-zero-powered economy.
- [AB 1278 \(Rodriguez\)](#) -- This bill would allow an **injured employee** to authorize their primary treating physician to request an electronic copy of any notification that an injury is subject to an MPN [medical provider network] or that an employee is

required to transfer treatment to an MPN.

- [AB 1708 \(Muratsuchi\)](#) -- This bill 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. Coalition member's letter of support can be [read here](#).
- [SB 271 \(Dodd\)](#) -- This bill would require an original manufacturer, as defined, of a powered wheelchair 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. NFIB's letter of support can be [read here](#).
- [SB 316 \(Niello\)](#) -- This bill 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.
- [SB 330 \(Niello\)](#) -- This bill would require the notice, for **alleged violations of the Labor Code** other than those specified provisions relating to safety in employment, to instead include a statement setting forth the relevant facts, legal authorities, and authorities supporting each alleged violation. NFIB and its coalition letter of support can be [read here](#).
- [SB 366 \(Rubio\)](#) -- The bill would require the department [Water Resources], in coordination with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing **the state's water needs** and meeting specified water supply targets established by the bill for purposes of "The California Water Plan."
- [SB 375 \(Alvarado-Gil\)](#) -- This bill would authorize an employer to claim, for the 2023 and 2024 calendar years, a COVID-19 regulatory **compliance credit** in a specified amount. NFIB's letter of support can be [read here](#).
- [SB 581 \(Caballero\)](#) -- The bill would prohibit a **litigation financier** from taking certain actions, including paying or offering commissions, referral fees, or other forms of consideration to a legal representative, medical provider, or any of their employees for a referral to that financier, or making false or misleading statements. NFIB's letter

of support can be [read here](#).

- [SB 592 \(Newman\)](#) -- This bill would **prohibit the imposition of punishment** or liability for costs upon a person who has relied upon a published opinion letter or an enforcement policy, as defined, of DLSE that is displayed on the internet website of the division, except for restitution of unpaid wages, for violations of statutes or regulations in judicial or administrative proceedings if the person pleads and proves specified facts. NFIB and its coalition's letter of support can be [read here](#).
- [SB 647 \(Bradford\)](#) -- This bill would require that the clerk of the superior court allow access to **public information that identifies criminal defendants** to a person who certifies specified conditions under penalty of perjury. The bill would also permit the clerk of the court to audit persons who have accessed public record information upon reasonable written notice given at least 10 business days in advance.
- [SB 703 \(Niello\)](#) -- 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. NFIB and its coalition's letter of support can be [read here](#).