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Legislative Update

June 14, 2021

The 2021-2022 session of the California State Legislature is six months old, but NFIB has already won a big victory for small business and is successfully advancing other legislation beneficial to Main Street enterprises while also aiding in the defeat of measures that would do harm.

The following is a list of bills and their status under the following subcategories:

- Victory
- Victories by Defeat or Amendment
- Beneficial for Small Business Bills
- Bad Bills NFIB is Working to Stop
- NFIB-Monitored Bills Dead or Inactive
- Pro-Small-Business Bills on Hold
- Other Pro-Small-Business Bills in Legislative Limbo
- The One That Got Away

Special Note: NFIB continues to push for a State and Local Taxes (SALT) work-around for small business. Sen. Mike McGuire had proposed [Senate Bill 104](#), but it has given way to a budget item endorsed by Gov. Gavin Newsom which had been part of his January budget proposal.

Victory

NFIB lobbied extensively for the passage of [Assembly Bill 80](#), which conforms state tax law to the federal government's regarding the forgivability of PPP loans.

Status: Gov. Gavin Newsom signed AB 80 into law April 29.

Victories by Defeat or Amendment

In Congress and state legislatures across the nation, the majority of NFIB's lobbying time is consumed by stopping bad-for-small-business legislation. So far in this session of the California Legislature, NFIB has helped defeat, stall, or amend the following measures.

- [Assembly Bill 995](#), would have nearly double the requirement to provide paid sick leave from three days per year to five days per year. NFIB was part of a coalition that

sent [this letter](#) of opposition to all Assembly members. More employee leave is not needed at a time when businesses are recovering from a year of shutdowns and having to contend with other leave mandates recently imposed.

Status: Sent to the inactive file at the request of the author.

- NFIB and its coalition partners succeeded in diluting the financially toxic potency of [Assembly Bill 570](#), which sought to allow dependent parents and stepparents to be added to employer-sponsored health plans. The estimated cost on employers was pegged at \$1 billion. After accepting the coalition's suggested amendments, dependent parents can only be added to individual policies, not on employer-sponsored plans.

Status: Passed Assembly 58-16. In Assembly Health Committee

- [Assembly Bill 1371](#) "would prohibit an online retailer that sells or offers for sale and ships purchased products in or into the state from using single-use plastic packaging that consists of shipping envelopes, cushioning, or void fill to package or transport the products, on and after January 1, 2023." NFIB teamed up with 25 other business associations to issue a Floor Alert opposing AB 1371. [Click here](#) to read the Alert.

Status: Refused passage on third reading in the Assembly

- [Assembly Bill 1400](#) called for instituting a single-payer, health-care system in California that would have cost more than the entire state budget to pay for and forced tax increases on everyone.

Status: Removed from consideration by the author.

- [Assembly Bill 1003](#) would have added the charge of grand theft to the law on wage theft.

Status: NFIB successfully lobbied for amendments clarifying that the only conduct that may be punishable by criminal action is intentional conduct done with the intent to defraud employees and knowingly withhold wages from them. That is in line with other criminal wage-related statutes.

- [Assembly Bill 1119](#) would have expanded the list of protected characteristics under the Fair Employment and Housing Act (FEHA) to include 'family responsibilities' and are duplicative of other provisions of California law that will lead to increased litigation. A priority bill for NFIB, we succeeded in having it held in committee. which would add new mandates under the Fair Employment and Housing Act (FEHA) that

Status: Dead for the year but could come up again in 2022.

Beneficial for Small Business Bills

- [Senate Bill 657](#)—Receipt of legally required notices for employees who work from home.
Status: Passed Senate 36-0. In Assembly Labor & Employment Committee

Bad Bills NFIB is Working to Stop

- [Senate Bill 606](#) establishes a rebuttable presumption that an employer who has multiple worksites has committed an enterprise-wide violation.
Status: Passed Senate 28-7. Up for consideration in the Assembly Labor and Employment Committee.
- [Senate Bill 335](#) would increase workers' compensation costs by reducing the time an employer has to deny liability for a workers' compensation claim from 90 to 45 days; reducing the time an employer has to deny liability for a workers' compensation claim for specified presumptive injuries from 90 to 30 days; and requiring that a compensation claim which has been unreasonably delayed or refused have its award increased by 10 percent.
Status: Passed Senate 29-10. In Assembly Insurance Committee.
- [Assembly Bill 1177](#) would create a state-owned bank. NFIB has joined other groups in opposition to the idea.
Status: Passed Assembly 48-24. In Senate.

NFIB Monitored Bills Dead or Inactive

- [Assembly Bill 255](#), which would provide commercial rent relief protections for small businesses affected by the COVID-19 pandemic.
Status: Moved to inactive file by request of author
- [Assembly Bill 16](#) establishing the Tenant, Small Landlord, and Affordable Housing Provider Stabilization Program.
Status: No action since January 13. **(Dead)**

Pro-Small-Business Bills on Hold

Their potential conflict with provisions of the federal American Rescue Plan Act (ARPA) prevented the following bills from being considered.

- [Assembly Bill 62](#), which provides a tax credit for complying with Cal/OSHA's COVID-19 regulations.

- [Assembly Bill 91](#), which would reduce the Minimum Franchise Tax fee from \$800 to \$400 and to \$200 for microbusinesses.
- [Assembly Bill 632](#), another bill reducing the Minimum Franchise Tax fee based on gross revenues.
- [Assembly Bill 664](#), suspending the Minimum Franchise Tax Fee until the governor lifts the state of emergency.
- [Assembly Bill 259](#), a tax credit for alcohol licenses.
- [Assembly Bill 1146](#), which would enact the California Property Tax Small Business Rent Relief Act, authorizing a county to establish a local property small business rent forgiveness and tax relief program.
- [Senate Bill 74](#) would invest \$2.6 billion in grants to help small businesses and nonprofits with financial losses sustained because of the pandemic. NFIB has sent [a letter of support](#) to a bipartisan group of legislators pushing for passage of the Keep California Working Act.

Other Pro-Small-Business Bills in Legislative Limbo

- [Assembly Bill 879](#) would establish a tax amnesty period.
- [Assembly Bill 385](#)—would establish certain conditions before a Private Attorneys General Act (PAGA) case could be filed, and [Assembly Bill 530](#) would allow for employer notification of PAGA lawsuit.
- [Senate Bill 440](#)—would mitigate some of the insurance risks from wildfires.
- [Assembly Bill 230](#)—would provide employees with greater workplace flexibility in setting their schedules by enacting the Workplace Flexibility Act of 2021.
- [Assembly Bill 513](#)—transmission of documents for employees who telecommute.
- [Assembly Bill 1028](#)—employee remote work flexible schedule.

The One That Got Away

- In spite of the best efforts of NFIB and its 109 coalition partners, [Senate Bill 95](#) was signed into law by Governor Newsom. It mandates the addition of up to 80 hours of employer-paid COVID-19 sick leave. And it's retroactive to January 1, 2021.

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