

Government Affairs Committee

First Quarter 2022 Update

STATE OF CALIFORNIA

Policy/Issue	Description	Status / Timing
AB 701 - Warehouse Distribution Centers	This law, signed by the Governor last fall, will likely impact many warehouses across the state as it requires specified employers to provide descriptions of quotas and prevents an employer from taking adverse action against an employee for failure to meet a quota that does not permit rest.	Monitor
Taxpayer Protection and Government Accountability Act	If successful, this measure will give voters the right to vote on all future state taxes and holds politicians accountable for new fees and other increased costs paid by working families and all California residents.	Monitor
Proposition 15 (Split Roll Tax) / Housing Affordability and Tax Cut Act of 2022	This bill seeks to split the tax rolls differently as compared to the bill proposed in 2020 as it now focuses on properties worth \$4MM or more as compared to those worth under \$4MM. For properties valued at \$5MM or more, an additional 1.2% "surcharge" each year would be added onto the regular property tax. For a \$5MM home, apartment complex or commercial property this could result in an extra \$60K per year. For properties between \$4MM and \$5MM, a formula is used to compute the additional tax. The revenue from this split-roll property tax increase would go to fund increases in both the homeowners' property tax exemption and renters' tax credit.	Monitor
Solar PV/Battery Regulations	California adopted the first set of building codes in the US that will require solar photovoltaic (PV) and battery storage for many non-residential and multi-family buildings as part of the 2022 Energy Code. The new codes also expand the existing single-family home requirement to design new homes so that battery storage can easily be added to an existing system.	To be effective for permit applications submitted on or after 7/1/23

LOCAL AND REGIONAL

Policy/Issue	Description	Status / Timing
Reach Codes	A Reach Code is a local building energy code that "reaches" beyond state minimum requirements for energy use in building design and construction. In May 2021, the SF City Council adopted "Reach Codes" for new residential developments that require all-electric appliances and higher standards for EV charging stations and is exploring similar "Reach Codes" for commercial properties. 13 other cities in San Mateo County and 48 other cities and counties throughout California have adopted "Reach Codes" with a focus on research laboratory facilities.	Monitor
South San Francisco Parcel Tax	This measure is known as the "South San Francisco Early Care for All Parcel Tax" and calls for an annual parcel tax on commercial office space at the rate of \$2.50 per SF beginning July 1, 2023. The measure defines "Commercial Office Parcel" as any parcel that is developed and used by a business entity primarily for operations or services that are professional, scientific or technical. Warehousing, industrial and retail activities are excluded from the proposal and the tax would not be imposed on any commercial space less than 25,000 SF. Supporters of the measure hope to qualify for the November 2022 ballot. A simple majority vote of 50% + 1 is necessary.	Monitor
Downtown Congestion Pricing - SF County Transportation Authority (SFCTA)	SFCTA's congestion pricing study may result in the collection of fees estimated to be between \$7-\$14 per motorist crossing the area bounded by Van Ness/Laguna/Fulton/Division/14th St./Mariposa and the Bay Bridge.	Monitor
Oakland Business License Tax (BLT) Proposed Increase	The Oakland City Council voted to put a measure on the 2022 ballot to increase revenue from the City's BLT which would replace a payroll tax with a gross receipts tax likely impacting major businesses and headquartered companies. The proposal creates a new administrative headquarters tax for large national firms. This tax would apply in lieu of the regular payroll-based administrative headquarters tax for firms with more than 1,000 employees nationally and \$1 billion in revenue. The tax rate would be \$15 per \$1,000 of Oakland-based payroll.	Monitor
Shared Spaces Legislation	SF's Board of Supervisors passed permanent Shared Spaces Program legislation. The program continues streamlined permit process and balances commercial activities with public space and transportation demands.	Monitor
Plan Bay Area 2050	The Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) Executive Board adopted this plan for the nine Bay Area counties to focus on the economy, the environment, housing and transportation.	Adopted