

**MEETING AGENDA**  
**Monday March 11, 2024**

**Presiding: Matthew Dobler, 2024 Chair**  
**Legislative Consultant: Chris Collier, Rincon Strategies**

**Call to Order, Roll Call & Introductions:**

**Chair Report**

**Legislative Report**

- AB 2200 (Karla) Guaranteed Health Care for All.
- AB 2827 (Reyes) Invasive species: prevention.
- AB 2943 (Zbur) Crimes: shoplifting.
- SB 1116 (Portantino) Unemployment insurance: trade disputes: eligibility for benefits.
- AB 1867 (Sanchez) Personal Income Tax Law: deductions: homeowners' insurance premiums.
- AB 1928 (Sanchez) Worker classification: employees and independent contractors.
- AB 2873 (Garcia) Breaking Barriers to Employment Initiative: grants.
- AB 2922 (Garcia) Economic development: capital investment incentive programs.
- SB 230 (Seyarto) Income tax: health savings accounts.
- SB 936 (Seyarto) California Environmental Quality Act: exemption: road and safety improvement projects.
- SB 968 (Seyarto) Planning and zoning: regional housing needs allocation.
- SB 1086 (Seyarto) Sales and Use Tax Law: motor vehicle fuel tax: sales price: gross receipts.
- AB 2448 (Jackson) Electric Vehicle Economic Opportunity Zone: County of Riverside.
- AB 2294 (Schiavo) New Employee Credit (Including Cal Chamber Coalition Request)
- SB 983 Coalition Letter

Chambers/Tribal/Legislative Reps Announcements

Adjourn- Next Meeting 4/15 at 11:30am

**2024 SWCLC Meeting Dates**

**April 15**  
**May 13**  
**June 10**

**August 12**  
**October 7**

*All meetings at 11:30am at 26529 Jefferson Ave, Murrieta, CA 92562*

**The Southwest California Legislative Council Thanks our Partners:**

Southwest Riverside County Association of Realtors  
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Menifee Valley Chamber of Commerce  
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Southwest Healthcare Systems  
Temecula Valley Hospital  
Economic Development Coalition  
The Murrieta Temecula Group  
Southern California Edison  
The Gas Company  
California Apartment Association  
Western Municipal Water District

**Thank you to our Lunch Sponsor:  
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## Legislative Report

### **AB 2200** (Karla)

#### **Guaranteed Health Care for All.**

**Summary:** Would, under the California Guaranteed Health Care for All Act, create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. The bill, among other things, would provide that CalCare cover a wide range of medical benefits and other services and would incorporate the health care benefits and standards of other existing federal and state provisions, including the federal Children's Health Insurance Program, Medi-Cal, ancillary health care or social services covered by regional centers for persons with developmental disabilities, Knox-Keene, and the federal Medicare program. The bill would make specified persons eligible to enroll as CalCare members during the implementation period, and would provide for automatic enrollment. The bill would require the board to seek all necessary waivers, approvals, and agreements to allow various existing federal health care payments to be paid to CalCare, which would then assume responsibility for all benefits and services previously paid for with those funds. (Based on 02/07/2024 text)  
Status - 02/08/2024 - From printer. May be heard in committee March 9.

#### **Recommendation – Oppose**

**Citation** – Taxation and Government Reform: Review and evaluate cost effective ways to privatize government services and public contracts while maintaining or improving standards.

**Analysis** - The California Guaranteed Health Care for All program, or CalCare, does not align with SWCLC Policy Platform due to our emphasis on free market principles and cost containment for businesses. CalCare's universal single-payer model could impose significant financial burdens on businesses, potentially leading to increased taxes or fees. Additionally, the program's comprehensive coverage and centralized approach might reduce healthcare choice and flexibility, conflicting with the SWCLC's goals of minimizing mandates and fostering a competitive healthcare market. The council could also be concerned about the potential for increased litigation within the healthcare sector, detracting from the overall economic health and effectiveness of the region's healthcare system.

## **AB 2827 (Reyes)**

### **Invasive species: prevention.**

**Summary:** Would find and declare that it is a primary goal of the state to prevent the introduction, and suppress the spread, of invasive species within its borders. The bill would require, in carrying out this goal, state agencies, in collaboration with relevant stakeholders, to, among other things, develop and implement strategies to detect, control, monitor, and eradicate invasive species to protect the state's agriculture, environment, and natural resources. The bill would require the Department of Food and Agriculture, in consultation with other relevant state agencies, to allocate funds, if available, to implement and enforce these provisions. (Based on 02/15/2024 text)  
Status - 02/16/2024 - From printer. May be heard in committee March 17.

### **Recommendation – Support**

**Citation – Environment:** Monitor policies that ensure long-term positive impacts on environmental stability and the economic vitality of the Southwest California region.

**Analysis -** The SWCLC should support this bill focused on combating invasive species due to its commitment to environmental preservation and sustainability, as outlined in our policy platform. Protecting the state's agriculture, environment, and natural resources directly aligns with the council's objectives to support policies that balance environmental concerns with economic impacts. The emphasis on developing strategies to detect, control, monitor, and eradicate invasive species resonates with the SWCLC's stance on encouraging responsible environmental regulations and efforts to maintain the economic vitality of the Southwest California region.

## **AB 2943 (Zbur)**

### **Crimes: shoplifting.**

**Summary:** Existing law divides theft into grand theft and petty theft. Existing law punishes petty theft as a misdemeanor while grand theft is punished as either a misdemeanor or a felony. Existing law lists specific types of theft which are grand theft and all other cases of theft as petty theft. Existing law authorizes a person to be charged with grand theft if the property taken exceeds \$950 over the course of distinct but related acts. This bill would clarify that those related acts include acts committed against multiple victims or in counties other than the county of the current offense. This bill contains other related provisions and other existing laws. (Based on 02/15/2024 text)  
Status - 02/16/2024 - From printer. May be heard in committee March 17.

**Recommendation – Support**

**Citation** – Public Safety, Support policies that aid law enforcement in their duties to keep our residential and business communities safe

**Analysis-** SWCLC should strongly support this bill enhancing the definition of grand theft, as it seeks to reduce the public safety threat for both employees and consumers by increasing the ability to arrest and prosecute retail crimes. By expanding the definition of grand theft to include aggregate acts against multiple victims or in various counties, the bill directly combats organized retail crime, which is a significant concern for businesses. This legislative move would potentially deter theft rings, protect regional businesses, and support a safer economic environment, aligning with the SWCLC's objectives of fostering a secure and prosperous business climate.

**SB 1116 (Portantino)**

**Unemployment insurance: trade disputes: eligibility for benefits.**

**Summary:** Current law provides for the payment of unemployment compensation benefits and extended benefits to eligible individuals who meet specified requirements. Under current law, unemployment benefits are paid from the Unemployment Fund, which is continuously appropriated for these purposes. Current law makes an employee ineligible for benefits if the employee left work because of a trade dispute and specifies that the employee remains ineligible for the duration of the trade dispute. Existing case law holds that employees who left work due to a lockout by the employer, even if it was in anticipation of a trade dispute, are eligible for benefits. This bill would restore eligibility after the first 2 weeks for an employee who left work because of a trade dispute. (Based on 02/13/2024 text)

Status - 02/21/2024 - Referred to Com. on L., P.E. & R.

**Recommendation – Oppose**

**Citation** - Labor and Employment: Monitor and provide recommendations to the current workers' compensation reform measures to positively affect businesses.

**Analysis** - The SWCLC ought to oppose the bill extending unemployment benefits to employees involved in trade disputes due to concerns over increased financial burdens on the Unemployment Fund and local businesses within our membership area. This extension could incentivize prolonged trade disputes, potentially destabilizing the labor market and increasing operational costs for employers. Such a stance aligns with the SWCLC's commitment to policies that sustain economic stability and support a business-friendly environment.

## **AB 1867** (Sanchez)

### **Personal Income Tax Law: deductions: homeowners' insurance premiums.**

**Summary:** The Personal Income Tax Law, in modified conformity with federal income tax laws, generally allows various deductions in computing the income that is subject to the tax imposed by that law. This bill, for taxable years beginning on or after January 1, 2024, and before January 1, 2029, would allow a deduction in computing income for the amount paid or incurred by a taxpayer during the taxable year as premiums on a homeowners' insurance policy on the taxpayer's primary residence, as defined. This bill contains other related provisions and other existing laws. (Based on 01/18/2024 text)

**Status** - 01/29/2024 - Referred to Com. on REV. & TAX

#### **Recommendation – Support**

**Citation** – Taxation and Government Reforms Review and evaluate reform measures to the state budget that promotes real economic growth and job creation.

**Analysis** - Allowing deductions on personal income tax for homeowners' insurance premiums is worth SWCLC support due to its potential positive impact on homeowners and the regional economy. By reducing the tax burden on homeowners, the bill aligns with the council's goals of fostering economic growth and enhancing the quality of life for residents in the Southwest California region. Support is also an extension of the SWCLC's broader agenda to encourage policies that support economic vitality and provide tangible benefits to the community and its members.

Support – HJTA

Oppose – AFSCME, CTA

## **AB 1928** (Sanchez)

### **Worker classification: employees and independent contractors.**

**Summary:** Current law, as established in the case of *Dynamex Operations W. v. Superior Court* (2018) 4 Cal.5th 903 (*Dynamex*), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Current law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for those purposes. Current law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring

entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. This test is known as the "ABC" test, as described above. This bill would repeal the above-described provisions that codify the ABC test. The bill would declare that its purpose is to suspend and nullify the California Supreme Court's decision in *Dynamex* and provide that this decision does not apply for purposes of California law. (Based on 03/04/2024 text)  
Status - 03/04/2024 - From committee chair, with author's amendments:  
Amend, and re-refer to Com. on L. & E.

**Recommendation – Support**

**Citation** – Labor and Employment: Promote rules and regulations regarding employment status that protect workplace flexibility, and protect public safety and consumer choice.

**Analysis** – Repeal of the ABC test established by *Dynamex* aligns with our focus on promoting rules and regulations that protect workplace flexibility and encourage entrepreneurship. By opposing stringent classifications that limit the ability to classify workers as independent contractors, the bill supports the SWCLC's broader agenda to foster a pro-business environment conducive to innovation and economic growth. This stance is consistent with our advocacy for policies that minimize mandates on businesses and protect employer choice, highlighting the council's commitment to maintaining a flexible and dynamic labor market.

**AB 2873 (Garcia)**

**Breaking Barriers to Employment Initiative: grants.**

**Summary:** The California Workforce Innovation and Opportunity Act makes programs and services available to individuals with employment barriers and establishes the California Workforce Development Board (board) to assist the Governor in the development, oversight, and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. Current law establishes the Breaking Barriers to Employment Initiative, which establishes a grant program administered by the board to support prescribed workforce preparation, education, and training programs. Current law specifies that the initiative's funding is subject to appropriation by the Legislature, as specified. This bill would delete the above-described provisions specifying the purpose of the initiative. The bill would instead specify that it is the intent of the Legislature, subject to appropriation, to provide permanent funding to the initiative to ensure its continued operation and effectiveness in addressing

racial, ethnic, and social economic disparities in the labor market. (Based on 02/15/2024 text)

Status - 02/16/2024 - From printer. May be heard in committee March 17

**Recommendation – Support**

**Citation** – Labor and Employment: Monitor and support measures that reform, or enhance, our state’s educational system and encourage local workforce preparedness.

**Analysis** – This bill supports our goals of enhancing workforce preparedness and addressing labor market disparities. By providing permanent funding to the Breaking Barriers to Employment Initiative, the bill seeks to improve workforce development, education, and training programs, thereby fostering a more dynamic and skilled workforce. This initiative supports the council's objectives of promoting economic growth and workforce development to fulfill the needs of the 21st-century economy, emphasizing the importance of a stronger regional labor market.

**AB 2922 (Garcia)**

**Economic development: capital investment incentive programs.**

**Summary:** Prior law, until January 1, 2024, authorized a county, city and county, or city to establish a capital investment incentive program, pursuant to which the county, city and county, or city was authorized to pay, upon request, a capital investment incentive amount that does not exceed the amount of property tax derived from that portion of the assessed value of a qualified manufacturing facility, as defined, that exceeds \$150,000,000 to a proponent of a qualified manufacturing facility for up to 15 years. This bill would reestablish the authorization for capital investment incentive programs until January 1, 2035. The bill would make conforming changes. (Based on 02/15/2024 text)  
Status - 02/16/2024 - From printer. May be heard in committee March 17

**Recommendation – Support**

**Citation** – Taxation and Government Reform: Review and evaluate reform measures to the state budget that promotes real economic growth and job creation.

**Analysis** – The reauthorization of capital investment incentive programs reinforces our agenda to promote economic development and business expansion within the region. By offering property tax incentives for qualified manufacturing facilities, this bill encourages significant capital investments, fostering job creation and retention in high-value sectors. This approach not only supports the SWCLC's goals of stimulating the local economy but also enhances



the attractiveness of the Southwest California region as a hub for manufacturing and innovation, contributing to long-term economic growth and stability.

### **SB 230** (Seyarto)

#### **Income tax: health savings accounts.**

**Summary:** The Personal Income Tax Law authorizes various deductions in computing income that is subject to tax under that law. This bill, for taxable years beginning on or after January 1, 2023, and before January 1, 2028, would allow a deduction in computing adjusted gross income in connection with health savings accounts in modified conformity with federal law. In general, the deduction would be an amount equal to the aggregate amount paid in cash during the taxable year by, or on behalf of, an eligible individual, as defined, to a health savings account of that individual, as provided. (Based on 01/11/2024 text)  
Status - 01/29/2024 - Read third time. Passed. (Ayes 28. Noes 4.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk

#### **Recommendation – Support**

**Citation** - Healthcare: Conform to federal law while supporting measures to allow employers to mitigate the impact of providing healthcare coverage.

**Analysis** – This bill promotes healthcare affordability and financial planning for individuals by allowing deductions for health savings accounts (HSAs), aligning with SWCLC healthcare policy goals. By providing tax incentives for contributions to HSAs, the bill encourages residents to save for medical expenses, potentially reducing the overall healthcare burden on employers and the state. This approach supports our objectives of maximizing free market forces in healthcare and increasing the availability of coverage that is affordable for employers, employees, and individuals, fostering a healthier, more financially secure workforce.

**Support** - California Agents & Health Insurance Professionals (CAHIP), American College of Emergency Physicians (California Chapter), California Taxpayers Association, Independent Insurance Agents and Brokers of California, National Association of Insurance and Financial Advisors of California (NAIFA).

**Oppose** - Health Access California

### **SB 936** (Seyarto)

#### **California Environmental Quality Act: exemption: road and safety improvement projects.**

**Summary:** The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant

effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would exempt from CEQA activities or projects undertaken by the Department of Transportation for road and safety improvements at any of the 15 locations in the state highway system with the highest rates of vehicle collisions at any given time, as determined in accordance with data collected by the department. (Based on 02/20/2024 text) Status - 02/29/2024 - Re-referred to Coms. on E.Q. and TRANS

**Recommendation – Support**

**Citation** – Transportation: Review and evaluate public and private sector transportation improvement plans that impact congestion on freeways, streets and roads, and ensure mobility within the Southern California region.

**Analysis** – This bill has potential to streamline infrastructure improvements and enhance public safety without the lengthy CEQA review process. By exempting certain Department of Transportation projects aimed at road and safety improvements in high-collision areas CEQA, the bill facilitates quicker implementation of critical measures that can save lives and reduce traffic-related issues. This approach aligns with the SWCLC's goals of promoting efficient infrastructure development and improving the safety and reliability of transportation networks, which are crucial for the economic vitality and quality of life in the Southwest California region.

**SB 968 (Seyarto)**

**Planning and zoning: regional housing needs allocation.**

**Summary:** Current law requires each council of governments or delegate subregion, as applicable, to develop a proposed methodology for distributing the existing and projected regional housing need to cities, counties, and cities and counties within the region or within the subregion, as provided. Current law requires the consideration of several specified factors in developing the methodology. Current law prohibits certain criteria from being a justification for a determination or reduction in a jurisdiction's share of the regional housing need, including prior underproduction of housing in a city or county from the previous regional housing need allocation, as specified. This bill would permit the council of governments or delegate subregion, in developing the methodology, to consider prior overproduction of housing units in a city or county from the previous regional housing need allocation in a particular income category and to count it as credit toward the future regional housing need allocation of that same income category in the next cycle. The bill would provide that the amount eligible to count as credit toward the next cycle is determined by each jurisdiction's most recent annual progress report, as specified. (Based on 01/24/2024 text)

Status - 02/14/2024 - Referred to Com. on HOUSING

**Recommendation – Support**

**Citation** – Infrastructure Improvement: Monitor land use, planning, housing and zoning issues that affect the Southwest California regional business community.

**Analysis** – We recommend SWCLC support this bill to reform Regional Housing Targets with consideration towards future housing needs. This approach could lead to a more efficient and proactive strategy in addressing the region's housing shortage, particularly in areas that have historically exceeded their goals. It aligns with the SWCLC's interests in fostering sustainable community development and infrastructure improvements, promoting an equitable distribution of housing resources, and ensuring that successful jurisdictions are rewarded for their efforts in mitigating the housing crisis.

**SB 1086 (Seyarto)**

**Sales and Use Tax Law: motor vehicle fuel tax: sales price: gross receipts.**

**Summary:** The Motor Vehicle Fuel Tax Law, administered by the California Department of Tax and Fee Administration, imposes a tax upon each gallon of motor vehicle fuel removed from a refinery or terminal rack in this state, entered into this state, or sold in this state, at a specified rate per gallon. Current sales and use tax laws provide a partial exemption from the taxes imposed by those laws for motor vehicle fuel that is subject to the taxes imposed by the Motor Vehicle Fuel Tax Law. This bill, beginning January 1, 2025, would exclude from the terms “gross receipts” and “sales price” under the Sales and Use Tax Law the amount of any motor vehicle fuel tax imposed pursuant to the Motor Vehicle Fuel Tax Law. (Based on 02/12/2024 text)

Status - 02/21/2024 - Referred to Com. on REV. & TAX

**Recommendation – Support**

**Citation** – Taxation and Government Reform: Encourage cooperation among government agencies, and work to streamline and reduce unnecessary or conflicting requirements of regulatory agencies.

**Analysis** – The potential to reduce the overall tax burden on consumers and businesses associated with the purchase of motor vehicle fuel, by excluding the motor vehicle fuel tax from the calculation of "gross receipts" and "sales price" under the Sales and Use Tax Law, aligns significantly with our platform. This tax relief could stimulate economic activity by lowering transportation costs, which is particularly beneficial for individual consumers as well as businesses reliant on logistics and supply chain operations. It continues our goal of advocating for tax and regulatory reforms that support regional business competitiveness and

economic growth, by reducing unnecessary financial pressures in the Southwest California region.

**AB 2448 (Jackson)**

**Electric Vehicle Economic Opportunity Zone: County of Riverside.**

**Summary:** Would, upon appropriation by the Legislature, establish an Electric Vehicle Economic Opportunity Zone (EVEOZ) for the County of Riverside, administered by the California Competes Tax Credit Committee, for the purpose of creating programs to make electric vehicle manufacturing jobs and education more accessible to lower income communities. The bill would require County of Riverside to assist in determining the geographical boundaries of the EVEOZ. By imposing additional duties on local officials, the bill would impose a state-mandated local program. The bill would authorize the committee to partner with educational institutions, electric vehicle manufacturing businesses, and local and national financial intuitions to develop EVEOZ education, training, and investment programs, as specified. (Based on 02/13/2024 text)  
Status - 02/14/2024 - From printer. May be heard in committee March 15

**Recommendation – Support, Discuss**

**Citation** – Environment, Support policies that recognize the importance of balancing environmental issues including green, solar and water programs and their impacts on the public and private sector.

**Analysis** - Supporting the bill to establish an Electric Vehicle Economic Opportunity Zone (EVEOZ) in the County of Riverside supports the SWCLC commitment to economic development, job creation, and environmental sustainability. By focusing on making electric vehicle manufacturing jobs and education accessible to lower-income communities, the bill promotes inclusive economic growth and supports the transition to a green economy. This initiative not only fosters local workforce preparedness in a high-growth industry but also enhances the region's attractiveness for investments in clean technology, facilitating local economic growth in this industry.

**AB 2294 (Schiavo)**

**Personal Income Tax Law: Corporation Tax Law: New Employment Tax Credit**

**Summary:** The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including, for taxable years beginning on or after January 1, 2014, and before January 1, 2026, a credit for hiring qualified full-time employees, as defined, within a designated census tract or economic development area in an amount equal to 35% of the qualified wages, defined in part as those wages that exceed 150% of minimum wage but do not exceed 350% of minimum wage, paid to those employees multiplied by the applicable percentage for that taxable year. That law disallows this credit for specified businesses. This bill would eliminate the requirement that the new employment be located within a designated census tract or economic development area. The bill would expand the definition of qualified wages to include that amount of wages that exceeds 100% of minimum wage but does not exceed 350% of minimum wage. The bill would expand the definition of qualified employee to include an employee that is a member of a targeted group, as defined.

Status: 02/26/2024 - Referred to Com. on REV. & TAX.

**Recommendation – Support, Discuss**

**Citation** – Taxation and Government Reform: Review and evaluate state and local fee & tax increases and new fee & tax categories affecting the regional business community.

**Analysis** – By expanding the existing New Employee Tax Credit beyond the geographic and compensation restrictions, this bill would go far to relieve tax burden on local businesses and facilitate the hiring of qualified employees, increasing the competitive advantage of our members.

**Supporters:** Cal Chamber

Coalition Letter Requested by Cal Chamber:

Dear Assembly Member:

On behalf of the undersigned, we urge your support of AB 2294 (Schiavo) when this measure is considered on April 1, 2024.

AB 2294 makes necessary changes to the New Employment Credit (NEC). AB 2294 will:

- Eliminate requirement for geographic restrictions.
- Eliminate excluded businesses except those of a sexual nature.
- Mirror NEC hiring categories to that of federal Work Opportunity Tax Credit (WOTC).

- Reduces from 150% to 100% of minimum wage that mirrors changes made in state budget by Governor Newsom for the semiconductor industry and others.

### **The NEC is complicated**

The Legislative Analyst's Office states that the low amounts of credits claimed suggest that the existing tax credit has been challenging or unappealing for businesses to use, and cites that the credits' high wage threshold, small credit amount, complexity, uncertainty, and interaction with other credits contribute to low participation.

Additionally, the statute requires that the employer and employees be located areas that are designated to have the highest unemployment and poverty levels, but only allows employers to generate credits when paying workers more than 150% of minimum wage. Further, if employers do find someone to hire in these designated areas, the employer must obtain a reservation from FTB within 30 days from the date of hire. If the reservation is late or isn't filed until the end of the taxable year, employers will be unable to claim the credit on that employee.

The changes to the NEC made in last year's budget is limited to a narrow business sector and only removes the smallest barrier to the program's effectiveness.

The NEC has clearly failed in its mission. According to a [Franchise Tax Board report](#) in March 2022: "At the time AB 93 was chaptered, the FTB released estimates that \$269 million in credits would be claimed for the 2019 tax year, and \$290 million for the 2020 tax year. As of the date of this report, taxpayers have reported \$3.6 million claimed on 2019 tax year returns, and \$3.9 million claimed on 2020 tax year returns." In other words, taxpayers claim barely 1% of the anticipated credit amounts.

Workforce tax credits in any form are more important now than ever, as many of our most vulnerable and underemployed citizens need to be provided an opportunity for gainful employment. The changes proposed by AB 2294 will expand the types of businesses that hire the category of workers the NEC benefit.

For these reasons, we would encourage your support of AB 2294.



March 8, 2024

To: Members, Senate Energy, Utilities and Communications Committee

**Subject: SB 983 (Wahab) Gasoline Stations and Alternative Fuel Infrastructure - Support**

On behalf of the organizations listed, we proudly support Senate Bill 983 (Wahab), to facilitate and accelerate alternative fuels infrastructure throughout the state. SB 983 is a collaborative approach to discuss the infrastructure challenges the state faces as we work to have a lower-carbon economy.

There are over 10,000 retail gasoline fueling stations in California. More than 95% of those stations are operated by small business owners of both branded and independent stations. Almost 9,000 stations in California are connected to convenience stores that provide communities with access to a wide variety of food and beverage options. More than 60% of station owners are first generation, foreign-born immigrants, which is the highest of any industry in the United States. These stations provide nearly \$6 billion in annual wages and contribute nearly \$10 billion in taxes to state and local governments.

Convenience stores and fueling stations are a critical part of California's transportation fueling infrastructure for consumers. California should facilitate and accelerate alternative fuel infrastructure as the state estimates about 1,200,000 electric vehicle chargers will be needed by the year 2030, and currently only about 80,000 public chargers that have been installed statewide. According to the California Energy Commission, only 66 retail hydrogen refueling stations for light-duty vehicles are open in the state with an additional 34 hydrogen refueling stations in permitting, construction, or commissioning phases. In furtherance of the state's goal, identifying barriers on permitting and siting for stations to ensure the ability to add electric vehicle charging and hydrogen infrastructure at station sites is vital.

As the state pursues achieving its climate goals it is important to increase competition by examining the existing infrastructure and barriers to deploying new infrastructure and provide recommendations on how alternative fuel infrastructure can be incorporated. The task force established by SB 983 consists of the necessary stakeholders to provide recommendations to the legislature on how the state can overcome some of the infrastructure challenges as Californians are driving an ever-diverse range of vehicles.

For the reasons stated above, we are proud to support SB 983.

Thank you,

Alessandra Magnasco  
Governmental Affairs and Regulatory Director  
California Fuels and Convenience Alliance

Robert Speigel  
Vice President, Government Relations  
California Manufacturing and Technology Association

Brady Van Englen  
Policy Advocate  
California Chamber of Commerce