



2020
State Policy
Agenda

El Dorado County
Joint Chamber Commission

Elk Grove
Chamber of Commerce

Folsom
Chamber of Commerce

Rancho Cordova
Chamber of Commerce

Roseville Area
Chamber of Commerce

Yuba-Sutter
Chamber of Commerce



“The best social program ever devised by man is a job...”

This quote is usually attributed to Ronald Reagan as he was campaigning for President in 1980. However, the phrase was originally attributed to Pete Wilson when he was Mayor of San Diego in a speech to the Century City Chamber of Commerce in 1977. The quote was once again claimed by another former California Governor, Edmund G. Brown, Jr., when, speaking before a group of business leaders, said, “Gov. Reagan recognizes the truth, expressed by my friend Pete Wilson, mayor of San Diego, that the best social program yet devised by man is a job.”

This truth, expressed by three former Governors of California, two Republicans and one Democrat (who served twice as Governor) is still true today.

Private sector employers – especially small business owners and operators – are the engine of California’s economy. Private sector employers in California account for 85% of the state’s jobs and provide nearly \$860 trillion in payroll. Employers with fewer than 50 employees account for over 86% of California’s jobs and over 31% of the state’s private sector payroll.

Yet, just as many individual Californians feel left out of California’s robust economy, many small business owners and operators feel under duress from their own government due to an increasing tax burden, expanding regulations and additional requirements and obligation as employers – all of which limit certainty, which is essential for adequate business planning and long term success.

Perhaps no other new law created more uncertainty for small business in 2019 than the debate and passage of Assembly Bill 5, authored by Assemblymember Lorena Gonzalez (D-San Diego). AB 5 is full of specific exemptions for individual professions and lines of business, yet establishes new, multiple layers of compliance and requirements for small business owners and independent contractors alike.

UCAN Chamber Member Survey

Looking ahead to 2020, the United Chamber Advocacy Network - the Elk Grove, Folsom, Rancho Cordova, Roseville Area, Yuba-Sutter Chambers of Commerce and the El Dorado County Joint Chamber Commission - have once again surveyed their members to identify their top state-level concerns. Using the 2020 UCAN State Policy Agenda as a guide, the UCAN chambers will identify positions on state legislation and advance those positions before our state legislative delegation, policy committees, and the administration

Below is a summary of the survey responses we received from nearly 200 individual members across seven chamber organizations:

Top Issues impacting your bottom line

(each had the chance to select three)

Taxes	69%
Regulations	37%
CA Biz Climate	30%
Wage mandates	29%
HR/Labor compliance	24%

How will AB 5 impact your business?

Positively	4%
Negatively	58%
No impact	38%

2020 Ballot Measures

Split Roll Tax

(re-assess business properties outside of Prop 13)

Support	9%
Oppose	84%
No opinion	7%

In their own words...

In addition to the percentage responses, we encouraged individual chamber members to share their personal perspective concerning these priority issues. Below is a sample of some of the responses we received:

Taxes

Between workman's compensation, liability insurance and payroll taxes I make roughly 7 cents for every dollar that my business brings in after I pay my employees. The state literally makes more money from my business than I do.

AB 5

Many of my small business customers will either have to raise their prices or close their doors in order to convert their current independent contractors to employees.

HR/Labor Compliance

Labor compliance laws have been passed by the legislature with little regard for how they will be implemented and complied with. This causes inconsistency in implementation at a business level driving up cost internally to support it.

CA Business Climate

As a state, California has high taxes and poor business practices. I have lost 11 business customers that have left the state or closed down from the business climate in this state .One customer was about 8% of my business and they left for Texas.

Split Roll Tax

We are barely scraping by. We just bought our own small building because we couldn't afford rent, and now you want to increase it by 40%

Homelessness

Homelessness is an issue that affects my clients in many ways. They are required to spend funds to clean up after the homeless at least weekly, sometimes daily. The lack of housing and easy access to substance abuse seem to be the most pressing issues that are contributing to the increase in homelessness in many California communities.

Homelessness

Governor Gavin Newsom dedicated his recent State of the State address exclusively to the issue of Homelessness. Given this and the fact that many respondents to UCAN survey expressed significant concerns about the homelessness issue, the UCAN leadership team agreed to prioritize this issue in 2020.

To quote Governor Newsom, "it is...a disgrace, that the richest state in the richest nation—succeeding across so many sectors—is failing to properly house, heal, and humanely treat so many of its own people."

Two excerpts from his speech were consistent with several comments expressed by individual chamber members in the recent UCAN survey:

"We must also expand the kinds of services it can pay for, specifically addiction treatment; we need to stop tolerating open drug use on our streets."

This means a commitment—right now, this year—to major reform that will eliminate red tape, and delays for building critically needed housing – like affordable, multifamily homes—especially near transit and downtowns."

We agree with the sentiment to reduce red tape and unnecessary delays to construct additional housing, however, we believe these housing policy reforms must be extended to ALL parts of the state and not limit them to areas near transit and downtowns. That simply doesn't work for most of California, especially if all locales must share in providing housing and moving homeless people into shelter and self-sufficiency."

UCAN 2020 State Policy Agenda



Since we've established that "the best social program available is a job," the UCAN chambers and their members want to be part of the solution to addressing many of California's challenges by expanding their businesses and creating opportunity for others.

The best way to do so, without costing more taxpayer dollars, is to reduce the unnecessary burdens our state government places on employers – particularly small business owners and operators – to improve our state for all Californians.

We invite our state lawmakers to join with the UCAN chamber organizations – the Elk Grove, Folsom, Rancho Cordova, Roseville and Yuba-Sutter Chambers of Commerce and the El Dorado County Joint Chamber Commission – to support and advance the 2020 UCAN State Policy Agenda, as outlined below:

“Fix” AB 5

Unfortunately, Assembly Bill 5 (Gonzalez) made a bad problem even worse by creating greater uncertainty and inconsistency. The UCAN Chambers encourage our legislature to revise AB 5 to create a simple system of compliance that allows ALL small businesses and non-profits to utilize independent contractors in a flexible manner without undue burdens on the employer or the independent contractor.

Reduce our tax burden

Support policies to reduce the burden of taxes and regulatory fees on California's businesses including sales taxes, payroll taxes and energy/utility taxes, as well as fees associated with compliance with environmental, human resource and other regulatory actions. Oppose proposals to tax services and proposals to establish “split roll” taxes that will increase taxes on business property.

Remove regulatory barriers

Support policies to eliminate unnecessary and duplicative regulatory compliance, increase accessibility and transparency of the regulatory process, provide for analysis of economic impacts of regulation and encourage the use of the legislature's oversight responsibility to eliminate outdated and redundant regulations.

Encourage employment

Oppose policies that increase the cost of hiring and retaining employees and further inhibit employers' flexibility in managing their workforce. In addition, support policies to equip young people with the education and skills necessary to succeed in the workplace.

Improve California's business climate

Support for the policy proposals referenced above will help improve California's overall business climate. However, just having the right policies in place isn't enough. A positive attitude is key to winning in business, just as it is in life. Business owners and operators believe the state government is a partner in their economic success. For this to happen, elected officials and state employees must work to ensure that all levels of government commit to the success of private enterprise.

Oppose “Split Roll Tax” Measure on November Ballot

84% of chamber members responding to the UCAN member survey indicated they opposed the “Split Roll Tax” measure scheduled to appear on the November 2020 ballot. UCAN chambers and their members know that such a proposal will increase property taxes for business property owners and increase rents for small business owners and pieces for their customers. Defeating this ballot measure is a clear priority for UCAN chambers in 2020.

Reduce barriers to housing construction

In addition to the high cost of California real estate, government at all levels adds significantly to the high cost of housing through regulations, taxes and fees. To increase California's housing supply, state lawmakers should look beyond providing subsidies and focus on streamlining processes and identify ways to reduce onerous regulations and costly burdensome taxes and fees – in all areas of our communities.

Transition our homeless neighbors to self sufficiency

To address homelessness, we support proposals to increase transitional housing and provide needed services, including mental health and substance abuse treatment and workforce development training. Individuals must be housed and not left to live on our streets and in our public places.

For more information contact David Butler at DButler.amgroup.us

WE INVITE YOU TO JOIN US!

The UCAN chambers will work with our advocates at Advocacy and Management Group in Sacramento to monitor legislative proposals and assist chamber leaders and chamber members in supporting bills that align with our shared priorities and oppose bills that are inconsistent with our unified agenda.

To learn more, contact one of the UCAN chambers directly.

Visit amgroup.us/ucan or email ucan@amgroup.us

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