



2021 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



UCAN – the United Chamber Advocacy Network, is a coalition of seven local chambers of commerce working together since 2018 to amplify the voice of their 10,000 plus combined membership across four counties in the greater Sacramento region.

UCAN primarily engages with the state legislature and administration to advance members concerns identified by chamber leadership and through an annual survey of chamber members.

While our members continue to be concerned about the negative impact of high taxes, burdensome regulations, and an adverse business climate, without a doubt, the top concern of UCAN chamber leaders in 2021 is reopening California businesses shutdown by COVID restrictions and rebooting our economy...ASAP.

Since mandatory stay-at-home orders were first issued in March of 2020 to address the spread of COVID-19, California's small business economy – particularly hospitality, bars, and restaurants, and storefront retail – have been decimated. While federal and state funds have been targeted to provide relief to our small businesses, as DeeDee Myers, Director of the Governor's Office of Business and Economic Development noted, "there will never be enough funding to meet the demand..."

UCAN Leadership: Reopen CA!

During a virtual planning meeting in November, leaders from all seven UCAN chambers convened to identify priorities 2021:

Recover and Reopen CA Business: Chambers agreed that resources to help businesses recover and clear policies to reopen the economy are essential for the survival of our small business members and our local economies. Moreover, we must allow local communities greater flexibility to manage state and county COVID health directives by zip code, industry sector, and other metrics.

Repeal AB 5: In its attempt to take employees out of independent contractors, AB 5 took a meat cleaver to California's economy by limiting the ability of individuals to work for themselves as independent contractors. With the approval of Prop 22, which maintained independent contractor status for "gig workers," combined with multiple "carve-outs" for specific industries, much of the original scope of AB 5 has been significantly reduced. UCAN leaders believe it is time to repeal AB 5 and develop common-sense guidance to the state's independent contractors and provide flexibility to individuals seeking to make a living and start a business during this time of economic uncertainty.

Recapture Sales Tax: Local communities anticipate revenue shortfalls due to a loss of sales tax revenue as a result of increased online sales at the expense of local brick and mortar stores. The state should look for ways to redirect sales tax revenue to help local cities and counties offset these losses.

Suspend Burdensome Taxes and Regulations: While California's economy struggles to reopen, UCAN chamber leaders will advocate for the state legislature to reduce burdensome taxes and regulations including pausing scheduled increases in the minimum wage, cutting the franchise tax, and rejecting costly policies such as increased sick leave and other employer mandates.

"There will never be enough funding to meet the demand..."

- DeeDee Myers, Director of the Governor's Office of Business and Economic Development

UCAN Chamber Members: Recovery Assistance, Relief from Taxes, Regulations

Over 240 chamber members responded to our survey conducted in late January and early February. Members were asked about potential actions the state legislature should consider in 2021 with respect to COVID relief for business, taxes, and housing.

In significant numbers, UCAN members supported additional relief to small business in the form of grants, access to capital, reduced taxes, regulations, and COVID liability protection.

Members opposed a potential sales tax on services and, by a fewer amount, opposed a corporate tax increase to fund homeless programs.

Finally, members demonstrated modest support for relaxed regulations and fees to encourage housing production and significantly opposed to policies mandating the exclusive use of electricity in new home and commercial construction.

QUESTION	YES	NO	UNDECIDED
<u>COVID Relief</u>			
Support additional grant funds	86%	6%	8%
Support low/no interest loans	87%	5%	8%
Support business consultations	81%	5%	14%
Support tax, regulatory relief	85%	2%	12%
Support liability relief	74%	7%	18%
<u>Taxes</u>			
Support sales tax on services	10%	77%	13%
Support corp tax increase to address homelessness	22%	58%	21%
<u>Housing</u>			
Relax regulations, fees	59%	26%	15%
Electrification	7%	77%	16%

2021 UCAN Policy Priorities

Recover and Reopen CA Business

Provide financial resources to help business recover and unambiguous policies to reopen the economy.

Repeal AB 5

Repeal AB 5 and develop common-sense guidance to independent contractors and provide flexibility to individuals who seek to make a living and start a business.

Recapture Sales Tax

Redirect sales tax revenue to help local cities and counties offset losses from online sales.

Rollback Burdensome Taxes and Regulations

As California's economy struggles to reopen and recover decrease burdensome taxes and regulations.

AB 820 (Cooley) - The Small Business Recovery Act

Assemblymember Ken Cooley has introduced UCAN sponsored legislation to incentivize California banks to lend to small business adversely impacted by COVID restrictions.

AB 820 would exempt from tax the interest revenue that California's banks generate from lending to qualified small businesses.

In a recent hearing before the Assembly Jobs and Economic Development Committee, James Watson, President, and CEO of the California Manufacturing and Technology Center, noted access to capital is the top priority for manufacturers in California, post-COVID.



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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What UCAN Chamber Members are saying...

COVID Shutdowns...

We have been completely closed since March 17, 2020. I have had to continue to pay rent, utilities, and loan payments, and other obligations... I have done my best to keep and pay as many of our 42 employees as I can. Businesses need more help.

- Vince Hodges, Roseville

COVID Recovery: Grants...

Yes, I think it has been unconscionable to force businesses to close their doors (and source of income) without providing them with support. People who spent YEARS building their businesses have been wiped clean through no fault of their own.

- Natasha, Folsom

COVID Recovery: Low-cost loans...

Obviously, a grant is preferred, but low-cost funds would help those who need to recapitalize would not pay a penalty for trying to help by keeping employees, staying in business, and donating much-needed community help. The way out of this will take hard work and funding to catch business bank accounts up.

- Cris, El Dorado Hills

COVID Recovery: Regulatory Relief...

The number one new business killer in the state is CEQA. Many of California's problems are root in CEQA litigation. Most of the litigation has nothing to do with environmental protection. A broad coalition can be formed to reform CEQA. Convince the Governor that only Nixon could go to China. Convince him that reforms that fix most of California's problems like housing, fire protection, jobs, and homelessness can be accomplished through CEQA reform without having effects on the environment.

- Rodney, El Dorado County

Liability Relief...

As this is written, the State of California is advertising for plaintiffs for workplace safety complaints related to COVID. Employers should have an easy set of guidelines under which they have a complete "safe harbor" and limitation on any liability. Employers are still working in the dark a full year after this started.

- Chris, Rancho Cordova

Of all the COVID-19 questions, this may be the most important issue that can be resolved at the state level.

- Eileen, Folsom

Tax on Services...

This would be a drastic change in the entire professional services industry which would be passed onto consumers. It is the double whammy of bad policy.

- Zac, Yuba City

Corporate Tax for Homeless Programs...

Emphatically no way! 1. You can't tax enough money to solve the homeless issue 2. Government is the last entity to solely rely on to solve homelessness 3. California will certainly lose businesses to neighboring states if they increase taxes.

- Justin, Rancho Cordova

Electrification...

Natural gas is clean. Switching to electric heating will mean more fossil fuels burning to create electricity. With the oncoming growth in electric vehicle use, creating another huge electric demand will put a strain on an already fledgling system and be counterproductive at this time.

- Zac, Yuba City

People can't afford to buy homes now and the state wants to increase the cost to build them?

- Rick, Elk Grove