



**Board of Directors Meeting**  
**Tuesday, June 6, 2017, 8:00 a.m. – 9:45 a.m.**  
**Torrance Area Chamber of Commerce**  
**2300 Crenshaw Blvd. Building B**  
**Torrance, CA 90501**  
**Dan Hoffman, Chairman**

1. Welcome Dan Hoffman, Chair
  - a. Flag Salute
2. Self-Introductions and Sign-In All Participants
3. Approval of Minutes Janice Webb, Secretary
  - a. May 2017
4. Presentations
  - a. El Camino College
  - b. Alex Laing- Crowdfunding
5. Government Affairs Report PEAR Strategies
  - a. Bill Matrix Review
  - b. South Bay Legislatures- Active Bills (2017)
  - c. AB 525 (Aguiar-Curry) State Board of Equalization: Offer in Compromise
  - d. AB 1171 (Obernolte) Personal income taxes: return filing extension
  - e. AB 1148 (Steinorth) Commercial property: disclosures: disability access
  - f. AB 1209 (Gonzalez-Fletcher) Payment of wages: Gender pay differential
6. Office Holders, Administrative Agencies and Community Partners- *Please limit your reports to no more than 3 minutes.*
  - a. U.S. Chamber of Commerce- Jennings Imel
  - b. League of Cities- Jeff Kiernan
  - c. Los Angeles Air Force Base- Carla L. Rosepryor
  - d. Base Support Advisory Council- Michael Jackson

- i. Regional Alliance- Los Angeles Air Force Base Charter
  - e. South Bay WIB- Chris Cagle
  - f. South Bay Council of Governments- Hon. Britt Huff
  - g. Office of Congresswoman Waters- Blanca Jimenez
  - h. Office of Congresswoman Barragan- Morgan Roth
  - i. Office of Congressman Lieu- Nicholas Rodriguez
  - j. Office of Senator Allen- Sam Liu
  - k. Office of Senator Bradford- Nital Patel
  - l. Office of Senator Lara- Tonya Martin
  - m. Office of Assemblymember Burke- Robert Pullen-Miles
  - n. Office of Assemblymember Gipson- Chris Wilson
  - o. Office of Assemblymember Muratsuchi- Andrew DeBlock
  - p. Office of Assemblymember O'Donnell- Allison Gallaher
  - q. Office of Supervisor Hahn- Hon. Mark Waronek
7. [Officeholder representatives, non-chamber members, and guests are respectfully asked to leave the meeting at this point]
8. Chair's Report Dan Hoffman
- a. Sacramento Recap
9. Financial Report George Kivett, Treasurer
10. Committee Reports
11. Announcements All
- a. Special thanks to the Torrance Area Chamber of Commerce for hosting us
  - b. Special thanks to the Aerospace Corporation for today's breakfast
  - c. Next SBACC meeting will be on **Tuesday, August 1, 2017**

## AB 525 (Aguiar-Curry) State Board of Equalization: Offer in Compromise

### Recommended Position

Support

### Background

Current law allows the BOE to accept an offer in compromise (OIC) in satisfaction of a final tax, fee, or surcharge liability, as specified. The OIC program allows the taxpayer to offer to pay a portion of an outstanding tax liability that they believe to be the maximum amount that they can pay within a reasonable time. If the parties agree to the offer, the debt is compromised (reduced) to that amount. As a rule, that the BOE's OIC authority extends only to liabilities generated from a business that has been discontinued or transferred, where the taxpayer making the offer "no longer has a controlling interest or association with the transferred business or has a controlling interest or association with a similar type of business as the transferred or discontinued business."

This applies to the following taxes and fees: Sales and Use Tax Law, Use Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Emergency Telephone Users Surcharge Act, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, and Diesel Tax Law. For amounts to be compromised, the taxpayer must establish that the amount offered in payment is the most that can be expected to be paid or collected from the taxpayer's present assets or income. It must also be shown that the taxpayer does not have reasonable prospects of acquiring increased income or assets in the short term. Finally, the BOE must determine that acceptance of the compromise is in the best interest of the state.

### Summary

Extends the State Board of Equalization's (BOE's) existing offer in compromise (OIC) program (Program) for active businesses from January 1, 2018 to January 1, 2023. First authorized in 2008 and extended twice, the Offer In Compromise Program authorizes the BOE to enter into tax payment arrangements with taxpayers who otherwise may have to sell or discontinue their business because they unknowingly failed to collect taxes from their customers, and are unable to fully remit taxes owed. The program addresses those limited situations in which the agency has determined that it would be in the state's best interest to compromise a tax liability, as the taxpayer lacks the means to pay more than the offered amount now or soon.

According to the BOE, the program has enabled the collection of more than \$14 million since its inception, as participating taxpayers were able to continue doing business and remit taxes.

Given the state's projected economic slowdown, it is prudent to extend the sunset for BOE's offer-in-compromise authority to provide an avenue for taxpayers to reasonably resolve certain types of tax liabilities, and to maximize the state's opportunity to collect taxes that otherwise would be lost if businesses are forced to close their operations.

### History

Date	Action
05/30/17	In Senate. Read first time. To Com. on RLS. for assignment.

Date	Action
05/30/17	Read third time. Passed. Ordered to the Senate.
05/26/17	Read second time. Ordered to third reading.
05/26/17	From committee: Do pass. (Ayes 17. Noes 0.) (May 26).
05/10/17	In committee: Set, first hearing. Referred to APPR. suspense file.
05/03/17	Re-referred to Com. on APPR.
05/02/17	Read second time and amended.
05/01/17	From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (April 24).
03/20/17	In committee: Hearing postponed by committee.
02/27/17	Referred to Com. on REV. & TAX.
02/14/17	From printer. May be heard in committee March 16.
02/13/17	Read first time. To print.

**FISCAL EFFECT:** According to the Assembly Appropriations Committee, annual revenue gain of approximately \$477,500 (General Fund and assorted Special Funds) from a variety of BOE-run tax programs. These revenue estimates are based on the amount of tax revenue collected through the program thus far and an assumption that these tax liabilities would have never been collected without the OIC program.

## AB 1171 (Obernolte) Personal income taxes: return filing extension

### Recommended Action

Support

### Background

In 2015, Congress enacted legislation to shorten the federal tax return due date for partnerships by one month (to March 15th), and extend the due date for "C" corporations by one month (to April 15th), so that the filing deadline for partnerships would precede the due dates of their individual and corporate investors. These new federal due dates are intended to alleviate timing pressures and provide a more logical flow of information for a more efficient tax preparation process.

In 2016, the Legislature enacted AB 1775 (Obernolte), Chapter 348, Statutes of 2016, which similarly shortened the state tax return due date for partnerships by one month and extended the due date for "C" corporations by one month, in conformity with federal due dates for such returns.

Under former state and federal law, the extended due date – the additional time automatically granted to a taxpayer to file a return following the initial due date in March or April – was one month apart between state and federal returns. In the case of state partnerships, the federal extended due date was September 15th and the state extended due date was October 15th. This was done to allow the state return to include information provided in the federal return that was submitted 30 days prior. However, because of AB 1775, those extended due dates are now the same day (September 15) for both federal and state returns.

### Summary

Provides relief from penalties for partnership filings that are filed by October 2017, to alleviate the burden on the accelerated filing deadline for 2016 taxes. This bill extends, from six months to seven months, the maximum number of months that the Franchise Tax Board (FTB) may grant as an automatic extension of time for filing specified partnership returns beginning on taxable year 2017. This bill also makes legislative findings and declarations that FTB will presume reasonable cause if a partnership requests penalty relief and that partnership's 2016 tax return is filed by the extended due date under former law rather than current law.

AB 1171 addresses an issue that has arisen following efforts to conform state law to federal law regarding tax return due dates. That conformity had an interaction with due dates extended for six months under current law, which has misaligned the extended return dates with the historical practice of granting partnerships an additional 30 days.

### History

Date	Action
05/26/17	In Senate. Read first time. To Com. on RLS. for assignment.
05/26/17	Read third time. Urgency clause adopted. Passed. Ordered to the Senate.

Date	Action
05/18/17	Read second time. Ordered to Consent Calendar.
05/17/17	From committee: Do pass. To Consent Calendar. (Ayes 17. Noes 0.) (May 17).
05/11/17	From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (May 8). Re-referred to Com. on APPR.
04/25/17	Re-referred to Com. on REV. & TAX.
04/24/17	From committee chair, with author's amendments: Amend, and re-refer to Com. on REV. & TAX. Read second time and amended.
03/09/17	Referred to Com. on REV. & TAX.
02/19/17	From printer. May be heard in committee March 21.
02/17/17	Read first time. To print.

**FISCAL EFFECT**

The Franchise Tax Board (FTB) states that this bill would not impact state income tax or franchise tax liabilities, but may have an impact on the timing of payments received with returns filed by the extended due date, resulting in unknown revenue loss.

**Support**

California Taxpayers Association (Sponsor) Air Logistics Corporation Associated General Contractors of California California Beer and Beverage Distributors California Building Industry Association California Business Properties Association California Chamber of Commerce California Hotel and Lodging Association California Society of CPAs Council on State Taxation Deloitte LLP Ernst & Young LLP Grant Thornton LLP Kern County Taxpayers Association KPMG LLP National Federation of Independent Business Orange County Taxpayers Association PricewaterhouseCoopers LLP Spidell Publishing, Inc.

**Opposition**

None on file

## AB 1148 (Steinorth) Commercial property: disclosures: disability access

### Recommended Position

Support

### Background

Existing law requires the State Architect to establish a program for the voluntary certification by the state of any person who meets criteria as a Certified Access Specialist (CAsp). This position requires certain knowledge and training on standards governing access to buildings for persons with disabilities. A commercial property owner or lessor to state on every lease form or rental agreement executed on or after January 1, 2017, whether the premises have undergone inspection by a CAsp.

### Summary

ADA Reform. Clarifies the definition of “commercial property” regarding notices concerning construction-related accessibility standards and CAsp inspections that must be included in a lease agreement. Cleans-up legislation meant to add a definition for “commercial property” to last year’s AB 2093. AB 1148 focuses the law on those properties that are offered “*for sale or lease as a public accommodation or facility to which the public is invited, at those premises.*” This language is meant to bring the statute in line with the intent of the bill and exclude those properties not accessible to the public.

Defines the term “commercial property” for purposes of an existing statute regarding disclosures that are required to be made by owners or lessors of commercial property to prospective tenants.

1. Defines “commercial property” to mean property that is offered for sale or lease to persons operating, or intending to operate, a public accommodation or facility to which the public is invited, at those premises.
2. Provides that, for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution, the bill shall go into immediate effect in order “to ensure that Section 1938 of the Civil Code only applies to commercial properties for sale or lease to persons operating, or intending to operate, a place of public accommodation, or facility to where the public is invited, at those premises as soon as possible.”

### History

Date	Action
05/10/17	Referred to Com. on JUD.
04/03/17	In Senate. Read first time. To Com. on RLS. for assignment.
04/03/17	Read third time. Urgency clause adopted. Passed. Ordered to the Senate. (Ayes 78. Noes 0. Page 876.).

Date	Action
03/29/17	Read second time. Ordered to Consent Calendar.
03/28/17	From committee: Do pass. To Consent Calendar. (Ayes 11. Noes 0.) (March 28).
03/06/17	Referred to Com. on JUD.
02/19/17	From printer. May be heard in committee March 21.
02/17/17	Read first time. To print.

**Support**

American Institute of Architects California Council Building Owners and Managers Association of California California Chamber of Commerce California Building Industry Association California Business Properties Association California Self Storage Association Commercial Real Estate Development Association, NAIOP of California International Council of Shopping Centers National Federation of Independent Businesses

**Opposition**

None on file

**AB 1209 (Gonzalez Fletcher) Payment of wages. *Employers: gender pay differentials.***

**Recommended Action**

Oppose

**Background**

Existing law requires a corporation, limited liability company, or common interest development, among others, to file a statement of information with the Secretary of State, providing specified information about the entity. Existing law regulates the terms and conditions of employment, including the payment of wages. Existing law generally prohibits an employer from paying any of its employees at rates less than the rates paid to employees of the opposite sex for substantially similar work, as specified. The persistent gender pay gap has resulted in significant state efforts to curb wage discrimination. In 1949, California enacted the California Equal Pay Act, which targeted wage discrimination against women by prohibiting an employer from paying an employee a wage rate that is less than the rate of an employee of the opposite sex who does comparable work. SB 358 (Jackson) Chapter 546, Statutes of 2015, proposed a number of procedural and substantive changes to the California Equal Pay Act in order to make it easier for a victim of wage discrimination to identify an unlawful wage disparity and seek an appropriate remedy.

**Summary**

Imposes a mandate on California employers to collect data on the mean and median salaries paid to men and women under the same job title or description without also considering any bona fide reason for differences in compensation, to publicly shame California employers and expose them to costly litigation for alleged wage disparity where no violation of the equal pay law exists.

This bill requires certain employers to collect and publish specified data on gender pay differentials. Specifically, this bill:

1. Requires an employer that is required to file a statement of information with the Secretary of State (SOS), and that has 250 or more employees, to collect gender pay differential information on exempt employees or board members, as defined. This information must be published by employers on a public website by July 1, 2020, and must be updated by July 1 each year thereafter.
2. Requires the SOS, once it has been appropriated adequate funds and once it has the appropriate mechanisms in place, to publish a certification on its website that it is prepared to receive the information collected by employers.
3. Requires affected specified employers to submit the information collected to the Secretary of State, upon the publication of the certification.

Labeled a JOB KILLER, as it will create a false impression of wage discrimination or unequal pay where none exists and, therefore, subject employers to unfair public criticism, enforcement measures, and significant litigation costs to defend against meritless claims. It also creates a privacy concern for employees and the disclosure of their wages.

AB 1209 requires employers to provide aggregate data regarding "salaries" and "compensation." It is unclear what such terms include. For example, is "salary" the employee's annual gross salary or

adjusted gross income? Does compensation include wages, salary, bonuses, overtime, company vehicles, travel expenses, vacation, sick leave, 401Ks, stock options, health benefits, etc.? Such a broad category of information, much of which may be dependent upon the employee’s own decisions and actions can also create wage disparity that has nothing to do with the discriminatory intent by the employer.

An employee who requests to work reduced hours may earn a reduced salary. Moreover, if the employee is a “Sales Worker” or performing another job where the employee receives commissions or bonuses based upon his or her performance, this will create a wage disparity. Even though all employees in the equal or substantially similar position are working under the same commission or bonus plan, the employee’s own actions and performance will dictate what the employee earns.

Finally, the wage disparity can also be created by an employee’s personal choices as to pre-tax payroll deductions. One employee may max out all pre-tax deductions for a 401(k), dependent child reimbursement, medical expense reimbursement, college savings, etc., while another employee may not request any such deductions. None of these employee choices and actions will be captured or reflected in AB 1209 to justify a potential wage disparity. Again, this omission on the report will create the false impression of wage discrimination, where none exists.

**Status**

Date	Action
05/10/17	In committee: Set, first hearing. Referred to APPR. suspense file.
04/20/17	From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 2.) (April 19). Re-referred to Com. on APPR.
03/29/17	Re-referred to Com. on L. & E.
03/28/17	From committee chair, with author's amendments: Amend, and re-refer to Com. on L. & E. Read second time and amended.
03/27/17	Referred to Com. on L. & E.
02/19/17	From printer. May be heard in committee March 21.
02/17/17	Read first time. To print.

**FISCAL EFFECT:**

- 1) One-time cost pressures of approximately \$950,000 for SOS to develop the database of gender wage differential information submitted by employers. As drafted, AB 1209 only requires SOS to develop and maintain this database if it has received funds to do so.
- 2) Additional ongoing costs of approximately \$450,000 for SOS to maintain the database once it has been created.

**Support**

Act for Women & Girls Alliance of Californians for Community Empowerment American Association of University Women California Asset Building Coalition California Child Care Resource & Referral

Network California Domestic Workers Coalition California Employment Lawyers Association California Latinas for Reproductive Justice California Partnership California Women's Law Center California Work and Family Coalition Career Ladders Project Center for Popular Democracy Child Care Law Center Legal Aid at Work Mujeres Unidas y Activas National Council of Jewish Women The Opportunity Institute Parent Voices Raising California Together Tradeswomen, Inc. UFCW Western States Council Voices for Progress Western Center on Law and Poverty Women's Foundation of California YWCA San Francisco & Marin

**Opposition**

Agricultural Council of California Brea Chamber of Commerce California Ambulance Association California Attractions and Parks Association California Bankers Association California Chamber of Commerce California Farm Bureau Federation California League of Food Processors California Professional Association of Specialty Contractors California Restaurant Association California Retailers Association Camarillo Chamber of Commerce Cerritos Regional Chamber of Commerce Computing Technology Industry Association El Centro Chamber of Commerce Fresno Chamber of Commerce Gilroy Chamber of Commerce Greater Conejo Valley Chamber of Commerce League of California Cities National Federation of Independent Business North Orange County Chamber of Commerce Oceanside Chamber of Commerce Official Police Garages of Los Angeles Ripon Chamber of Commerce San Valley Gabriel Valley Economic Partnership Santa Maria Valley Chamber of Commerce TechNet Western Growers Association Wine Institute