



May 13, 2021

TO: ALL MEMBERS CA STATE ASSEMBLY

*****FLOOR ALERT – AB 255 – OPPOSE
UNLESS AMENDED**

FR: California Business Properties Association
 AIR Commercial Real Estate
 Bay Area Council
 Building Owners and Managers Assn of CA
 California Asian Pacific Chamber of Commerce
 California Bankers Association
 California Builders Alliance
 California Building Industry Association
 California Business Roundtable
 California Credit Union League
 California Downtown Association
 California Land Title Association
 California Mortgage Bankers Association

California Retailers Association
 Chico Builders Association
 Hollywood Chamber of Commerce
 Institute of Real Estate Management
 International Council of Shopping Centers
 Los Angeles County Business Federation
 L.A. Area Chamber of Commerce
 NAIOP of California
 Orange County Business Council
 Placer County Contractors' Association
 Sacramento Regional Builders Exchange
 United Chamber Advocacy Network
 Western Electrical Contractors Association Inc.

RE: AB 255 (Muratsuchi) Negates Valid Business-to-Business Contracts – OPPOSE UNLESS AMENDED

The above-named groups, representing a wide variety of both property owners and commercial tenants, regretfully oppose AB 255 (Muratsuchi) unless it is amended to address a number of technical and substantive issues.

Although amendments taken in the Assembly Judiciary Committee (May 5 version) did address some concerns in the bill, and we appreciate the work the committee staff and the author's office put into it, there remain issues that need to be addressed.

While we agree with the author that the state mandated COVID-19 shelter-in-place orders have had negative impacts on businesses of all types, we do not agree with the approach this bill takes to address the issue. All other relief measures provide state and/or federal funds, which the state has received in the billions. AB 255 contains no state funding assistance and instead shifts the burden to assist from one business from another.

The state's own COVID-19 Small Business Relief Grant (SB 87) allows small businesses the ability to receive state assistance while prioritizing their own fiscal needs. With more funding that program can immediately help the same businesses targeted in AB 255 without creating negative unintended consequences. And since that program, the Governor has announced BILLIONS more in tax relief and direct funding for small businesses. These programs will accomplish what AB 255 seeks to do without a complicated court proceeding.

The state has acknowledged that it has an important role to play in helping BOTH tenants and property owners recover from the economic impacts of this pandemic and have worked to fund a variety of programs that allow companies to receive assistance and cover their expenses. Unfortunately, AB 255's differing approach from these other measures, while well-intentioned, creates unacceptable and unintended consequences and sets bad precedent.

For these reasons we respectfully **OPPOSE AB 255 UNLESS AMENDED** to address the issues in the attached mock-up.