

2025 LEGISLATIVE ENGAGEMENT ON BEHALF OF OFFICE, RETAIL & INDUSTRIAL REAL ESTATE | SEPTEMBER 16, 2025

With the legislative session now wrapped up, here's a look at what CBPA accomplished on behalf of our members and the commercial real estate industry.

BY THE NUMBERS – BROAD ENGAGEMENT ACROSS OFFICE, INDUSTRIAL, AND RETAIL REAL ESTATE

- **Legislative volume:** More than 2,700 bills introduced this year.
- **CBPA tracking:** Monitored 400+ bills, directly engaged on more than 200.
- **Results:** Successfully killed or amended 50+ bills and helped move several to the Governor's desk.
- **Prop 36 Funding:** Supported successful efforts to help fund Retail Theft Initiative
- **Sponsored bills:** Three introduced—one currently on the Governor's desk.
- **Targeted threats:** Engaged on over a dozen bills aimed squarely at commercial property owners, including:
 - Commercial and rent control proposals
 - Price control measures
 - Leasing mandates that could trigger costly lawsuits and new liabilities
 - A statewide vacancy tax proposal
- **Negotiated outcomes:** Secured a deal to narrow emergency leasing price controls.
- **Building code reform:** Achieved a pause in the update cycle as part of CEQA reform, saving members millions.
- **Warehouse/AB 98 fix:** Saw 16 of 19 issues raised last year addressed in cleanup bills.
- **Overall impact:** CBPA engaged on every threat, ensuring commercial real estate was carved out or harmful measures were stopped outright.

BIG PICTURE: DEFENDING COMMERCIAL REAL ESTATE

This year, CBPA spearheaded multiple coalitions to protect and strengthen the commercial real estate industry. **We led the Warehouse/AB 98 cleanup effort, securing 16 critical fixes now on the Governor's desk.** We mounted a **successful opposition campaign against AB 380, commercial rent control**, negotiating key amendments and stopping it from advancing, and built a **broad coalition to defeat SB 789, the proposed statewide vacancy tax, in its first policy committee.**

CBPA also helped block AB 1157, a sweeping rent control expansion, and removed commercial property provisions from five separate leasing bills.

On the proactive side, CBPA successfully **advanced AB 1384 (Nguyen; D-Elk Grove), clarifying unlawful detainer timelines, to the Governor's desk.** We also championed the building code pause included in the CEQA reform package, delivering significant cost savings and predictability for our members. Together, these actions underscore CBPA's role as both a strong defender against harmful policies and a constructive leader advancing real solutions.

LEADING WITH SOLUTIONS

CBPA showed proactive leadership by sponsoring three bills and advocating in support for funding Proposition 36, showing we don't just oppose bad policy, we also champion good ideas:

- **Prop. 36 Funding:** Advocated for funding the retail-theft initiative which was overwhelmingly approved by voters and supported financially on the ballot by our industry. More work needed next year. **\$100M approved as part of budget.**
- **AB 1384 (Nguyen; D-Elk Grove):** Clarifies unlawful detainer law so "good cause" delays apply only to residential cases, keeping commercial cases on the 5-7 day track. **Passed Legislature, now on Governor's desk.**
- **AB 588 (Patel; D-San Diego):** Established lithium battery safety standards for EV infrastructure to create uniform guidelines and reduce jurisdictional conflicts. **Failed to advance.**
- **AB 1435 (Nguyen; D-Elk Grove):** Proposed tax credits to spur redevelopment of vacant retail centers. Generated significant earned media, positioning CBPA as a constructive policy leader. **Failed to advance.**

While AB 588 and AB 1435 ultimately stalled, sponsoring these measures helped strengthen relationships with legislators, elevate CBPA's role in policy discussions, and highlight our industry as a source of practical solutions.

WAREHOUSE / AB 98 FIX

Two identical cleanup bills remained at the end of session: **AB 735 (Carrillo; D-Palmdale)** stalled at the Senate Desk, while **SB 415 (Reyes; D-San Bernardino)** **advanced to the Governor and we support its signature.**

Since last October, CBPA drove the push to fix AB 98—spotting flaws, drafting a detailed redline, and coordinating industry lobbying. The result: **16 key fixes secured** and fully adopted into the final bills.

Even with these improvements, AB 98 remains overly prescriptive, creates litigation risks, and makes warehouse development—and the jobs and economic growth it supports—more difficult. This bill stands as a cautionary tale of last-minute gut-and-amend policymaking. **More reform will be needed in 2026 and beyond.**

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FINAL WEEKS OF SESSION – NAVIGATING DEALS AND THE 72-HOUR RULE

In the closing weeks, CBPA remained fully engaged in high-profile negotiations, often with little time to respond:

- **Longterm Bay Area Transit Funding:** Directly supported advocacy efforts to stabilize funding in SF Bay Area with a district-based communications effort. Resulting measure **SB 63 (Wiener) is on Governor's Desk.**
- **AB 417 (Carillo):** Led by partners at CALED this bill that provides additional financing for Economic Development projects. **Support, on Governor's Desk.**
- **AB 226 (Calderon)** FAIR Plan reform for commercial and residential insurance. **Support, on Governor's Desk.**
- **VMT fix (budget trailer):** Supported CBIA's effort to correct VMT flaws; stalled but remains a shared priority. CBIA was the only business group to get a 2-year vehicle in play. This issue **VMT must be fixed or it may negate reforms in the CEQA package.**
- **SB 352 (Reyes):** Last-minute gut-and-amend as part of the "energy deal" creating a DOJ "Environmental Justice Bureau." CBPA quickly built a 20+ member coalition to oppose; **bill is on Governor's Desk.**
- **SB 522 (Wahab):** Eliminated the 15-year just-cause exemption for rebuilt units. Oppose, **bill held up on the Floor.**
- **SB 36 (Umburg):** Expanded emergency price-gouging to neighboring counties. Harmful provisions struck from bill; **moved to neutral.**
- **AB 446 (Ward):** "Surveillance pricing" restrictions risking litigation over lawful discounts. Oppose, **held as a two-year bill.**
- **SB 79 (Wiener):** Although we like the concept of the bill, late amendments allow residential development on transit-agency parcels in industrial areas, conflicting with AB 98 setback requirements. Opposed, bill is **on Governor's Desk.**
- **SB 423 (Gonzalez):** Attempted rewrite of transfer tax statute as a Measure ULA "fix." CBPA opposed due to flawed drafting, exclusion of commercial protections, and heightened litigation risks. **Bill pulled from consideration by author.**

DEFENDING AGAINST DIRECT THREATS TO MEMBERS

This year, CBPA responded decisively to some of the most aggressive proposals targeting commercial real estate—and protected the industry from costly new burdens:

- **AB 380 (Gonzalez):** Initially imposed sweeping emergency rent caps on commercial leases. Narrowed to only month-to-month leases, harmful provisions removed and ultimately **held in Senate Appropriations** after CBPA highlighted risks to the economy and state facilities.
- **SB 789 (Menjivar):** Proposed a statewide vacancy tax. Amended down to a study, then **held in Senate Appropriations.**
- **AB 1157 (Kalra):** Expanded residential rent control. **Held in committee.**
- **SB 667 (Archuleta):** Limited train length from operating in California. **Oppose, held in committee.**

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PROTECTED AGAINST NEW COMMERCIAL LEASING MANDATES AND TAXES

Major leasing threats were neutralized before they could impact our industry by working with authors to remove commercial from bills focusing on residential:

- **SB 789 (Menjivar):** Vacancy tax gutted, **bill stopped in committee.**
- **AB 747 (Kalra):** Commercial provisions removed.
- **AB 863 (Kalra):** Commercial provisions removed.
- **AB 1248 (Haney):** Commercial provisions removed.
- **SB 436 (Wahab):** Commercial provisions removed.
- **SB 262 (Wahab):** Commercial provisions removed.
- **SB 522 (Durazo):** Amended to remove commercial impact.

By keeping commercial real estate out of scope, CBPA shielded members from costly new mandates and litigation risks.

BACKED HOMEBUILDERS IN CEQA REFORM / VMT ISSUE / BUILDING CODE PAUSE

This year brought the **most significant CEQA reforms in decades**—a game-changing win for both residential and commercial real estate. Thanks to CBIA's leadership, CBPA was able to help ensure commercial provisions were included, despite a Legislature reluctant to provide benefits to landlords.

- **AB 130:** Full CEQA exemptions for large categories of mixed-use infill projects, cutting timelines by up to two years and requiring 30-day decisions.
- **SB 131:** Limits CEQA review for “near miss” projects to the specific issue at hand, cutting litigation risk.
- **Cost savings:** Together, AB 130 and SB 131 are projected to reduce compliance costs by 10–20% and create 50,000+ new jobs by 2030.
- **Urban revitalization:** Less red tape for mixed-use projects with retail/office, boosting investment in commercial corridors.

One major drawback to this package is that **Vehicle Miles Traveled (VMT) language in this package create uncertainty and significant costs and must be fixed** – some estimates show that all potential benefits of this reform could be supplanted by the VMT penalties. In a late-session effort to fix, CBIA was the only group to get a budget item placed into a two-year bill (SB 508) to address this issue which the Governor and legislative leaders pledged to revisit next year. CBPA will continue to support CBIA and our homebuilder members in this fight.

MAJOR WIN FOR COMMERCIAL - BUILDING CODE PAUSE – AB 130

A long-standing CBPA priority. The CEQA package contains a new three-year commercial; and six-year for housing; code cycle pause that will save owners 3–6% in compliance costs immediately, growing more over time, and provide more predictability and protections from major jumps in code compliance. **Signed into law and already positively impacting code adoptions.**

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GOODS MOVEMENT AND INDEPENDENT SOURCE RULES (ISR)

Due to the major impact on our members by limiting the ability to expand or modernize properties if doing so would increase emissions, regardless of whether cleaner or offsetting measures are available, we have worked with other stakeholders to stop ISR proliferation in the legislature and at regulatory agencies as well as other bills that would impact industrial development. We opposed all the following:

- **AB 914 (Garcia)** Indirect source rule expansion. **Oppose, bill failed to advance.**
- **SB 318 (Becker)** CARB centralized permitting. **Oppose, bill failed to advance.**
- **SB 526 (Menjivar)** Aggregate facility mandates. **Oppose, bill failed to advance.**
- **AB 1305 (Arambula)** Air-permit data mandates. **Oppose, bill failed to advance.**
- **AB 1409 (Gipson)** Port chassis inspections. **Oppose, bill failed to advance.**
- **SB 79 (Wiener; D-San Francisco)** Late amendment that would allow residential encroachment into land zoned industrial and trigger AB 98 setback issues. **Bill is on Governor's desk.**

PRICE CAPS / RENT CONTROL

In addition to the leasing bills mentioned above, 2025 saw several bills that targeted residential and commercial real estate through rent caps and price controls. CBPA spent significant time working on all these measures:

- **AB 380 (Gonzalez)** Commercial rent control. **Negotiated amendments removed our opposition, then bill was held in Senate Appropriations.**
- **SB 709 (Menjivar)** Self-storage rent caps. Amended to disclosure only; **after promise by author to not pursue further next year, we went Neutral.**
- **AB 1157 (Kalra)** Permanent rent control expansion. **Bill failed to advance.**
- **AB 246 (Bryan)** L.A. rent freeze mandate. **Concerns addressed; Neutral.**
- **AB 1147 (Wicks)** Residential rent control. **Bill failed to advance.**

WATER / CEQA / LIABILITY

Several bills that would have directly impacted CBPA members as well as the great business community, we worked with allied groups to stop or fix the following bills:

- **SB 601 (Allen)** Water discharge liability expansion. **Bill failed to advance.**
- **SB 222 (Wiener)** Climate disaster civil actions. **Bill failed to advance.**
- **AB 52 (Aguiar-Curry)** CEQA tribal veto expansion. **Bill failed to advance.**
- **AB 1313 (Papan)** Stormwater expansion. **Bill failed to advance.**
- **SB 682 (Allen)** PFAS product ban. **Significantly amended; Neutral.**



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IN CONCLUSION

These are just the major highlights of the 2025 Session. CBPA represents a coalition of every major commercial real estate organization in the nation and works to coordinate the activity of these federated groups – and individual members of CBPA – to cover the many issues introduced each year in the California State Legislature and Regulatory agencies.

CBPA's small staff in Sacramento cannot do this without collaboration from all the local associations and chapters of the affiliated associations you see below, as well as significant support from many individual companies. Thank you for your continued support of these statewide advocacy efforts on behalf of the commercial real estate industry! CBPA is the only association in Sacramento that focuses on commercial real estate issues and work hard to identify issues early and get them fixed and/or bring together partners through collaboration and education for mutual benefit.

We are celebrating 53 Years of Service in 2025! Established in 1972, CBPA proudly serves as the legislative and regulatory advocate for property owners, tenants, developers, retailers, contractors, land use attorneys, brokers, and other professionals in the commercial real estate industry representing their legislative and regulatory interests in California's Capital and in Washington, D.C.

CBPA is the largest commercial real estate consortium with over 10,000 industry members and is the designated legislative advocate for ICSC, the California Chapters of the Commercial Real Estate Development Association (NAIOP Cal), the Building Owners and Managers Association of California (BOMA Cal), the Retail Industry Leaders Association (RILA), the Association of Commercial Real Estate – Northern and Southern California (ACRE), and AIR CRE.