



# Policy Director Tim Taylor's End of 2025 Session Report

Rebuilding lives and properties devastated by the Los Angeles wildfires were front-and-center issues throughout the 2025 legislative session, as was the precarious teetering of the insurance industry that exacerbated the fire's depredation.

There was also a clarion call to make California more affordable. Toward that goal, NFIB had a stellar year on four big issues of lasting importance for small businesses:

- NFIB focused on removing regulations that directly drove up the price of gasoline at the pump by attempting to **repeal CARB's new low carbon fuel standard** that CARB itself scored at an incredible 47 cent increase a gallon.
- NFIB also championed **preserving Proposition 13 rights** by fighting a bill which would have undermined the local special taxes vote threshold contained in the marque 1978 tax protection proposition. The bill was wisely vetoed by the governor.
- Additionally, NFIB successfully fought to preserve the provisions of a consecrated Private Attorneys General Act (PAGA) deal and **defeated an absurd bill** that would have allowed anyone to sue an entity for having caused the L.A. wildfires, whether or not the plaintiff was an aggrieved party and whether or not the defendant had actually caused the wildfires.
- Furthermore, NFIB successfully championed a bill which will now provide farmers and ranchers the ability to more ably predict and plan for their **water supply needs**.

Add the above to two huge victories coming out of last November's election: NFIB succeeding in, once again, criminalizing **crime** by backing the commonsensical Proposition 36 and stopping a statewide increase in the **minimum wage** via Prop 32. On balance, the 2025 legislative year was successful for building on the November 2024 election's momentum. More Specifically ...

## Wildfires

Knowing the legislative year would be viewed through the prism of the wildfires and the restoration of its victims, NFIB led a coalition of business groups to do their part in helping California recover. The insurance market had already been perilously underfunded as

thousands of homeowners had been forced to seek fire insurance via the state-run Fair Plan.

NFIB supported [Assembly Bill 609 \(Wicks\)](#), a bill which exempts certain requirements of CEQA to better enable victims to more quickly rebuild their homes. It was folded into the state budget and was in fact a good bill, but it has not yet led to the desired result. To date, only 15 permits have been issued in Altadena for homeowners to rebuild their lost homes.

Additionally, NFIB supported [Assembly Bill 265 \(Caloza\)](#), a bill which established the Business Recovery Fund Act and would have appropriated \$100 million to the Small Business Recovery Fund. Governor Newsom vetoed the bill.

## Water

NFIB legislative successes are most often viewed through the lens of killing bad bills which might curtail our members' ability to run their businesses. This year, however, we can also lay claim to having supported a good bill that was signed into law which was initially pinged by our own DWR (Don Weiland Resources).

[Senate Bill 72 \(Caballero\)](#) will, for our NFIB agriculture members, provide a more stable, long-term strategic view of water resilience planning. For a decade, farmers have not been able to access all of the water on their own land due to the passage of the Sustainable Groundwater Management Act (SGMA) in 2014. While the new law does not undo the provisions of the SGMA, it does update targets pertaining to new water storage, recycling, conservation, desalination, storm water capture, and it requires DWR (Department of Water Resources) to do cost/benefit analyses and make recommendations. NFIB believes it will give farmers more **water security and predictability** and enable them to have more peace of mind when forecasting their future water needs.

## Proposition 13 Protections

Another outstanding success came as a result of our boots-on-the-ground NFIB Leadership Day at the Capitol. [Senate Bill 512 \(Perez\)](#), a bill we were lobbying against, would have codified **Proposition 13 workarounds** enabling localities to initiate local special taxes with a majority vote. It was vetoed by Governor Newsom. Proposition 13 remains the marque safeguard for homeowner wealth-creation in the state. The team effort in lobbying against this bill *en masse* absolutely made the difference.

## Lawsuit Abuse

[Senate Bill 690 \(Caballero\)](#), which we supported rather than opposed, was the other bill we lobbied for during our Day at the Capitol. It was made into a two-year bill, meaning that it will be taken up again next year. The bill would **protect small businesses** by neutering the 1967 California Invasion of Privacy Act's antiquated 'opt-in' requirement. The new CCPA (The California Consumer Privacy Act) is an opt-out model and protects consumer data like health data, geo-location, biometric data and more in a modern framework.

NFIB also opposed three devastatingly bad bills early in the legislative year, all of which failed to advance.

- [Senate Bill 222 \(Wiener\)](#) would have created **a new legal theory** in the canon of western civilization, that anyone, whether aggrieved or not, could sue an entity for having caused a 'climate catastrophe' without having to prove that the entity actually caused the catastrophe. Remarkably, the "plaintiff" would not even have to be an aggrieved party to bring a lawsuit. Additionally, lawsuits could be filed going back in time to 1950, presumably before the non-aggrieved plaintiffs were even born. The downstream costs of such transfers of wealth masquerading as 'justice' would devastate our economy in untold ways and make running a business in California virtually impossible. The bill would have also extorted the insurance industry into going along with the scheme and punishing it, if it did not. This travesty of a bill failed in policy committee.
- [Senate Bill 310 \(Wiener\)](#), which would have **unwound a PAGA deal** that was made with multiple entities, also failed.
- [Also failing was Senate Bill 799 \(Allen\)](#), which would have allowed private plaintiffs to engage in **bounty-hunting against taxpayers** for having committed 'fraud.' It is essentially the ADA of 'tax fraud' and could have led to small businesses being sued out of existence by multiple private plaintiffs and trial court attorneys. It would have even allowed multiple suits for the same purported violations. NFIB vigorously opposed the bill.

## Losses

Two measures NFIB supported, but which failed to advance were:

- [Senate Bill 2 \(Jones\)](#), which would have repealed the California Air Resources Board's Low Carbon Fuel Standard amendments passed on November 8, 2024. CARB's own estimate was that the new standard would drive up **gasoline prices** at the pump by 47 cents a gallon. This massive potential price hike in the state that already has the highest gas prices in the country would devastate small business owners, their

employees and drive up the cost of goods consistent with market-driven cost increases in the supply chain.

- [Senate Bill 84 \(Niello\)](#), which would have simply given small business owners 120 days to fix an **Americans with Disabilities Act (ADA) violation** before being able to be sued by a trial court attorney. The bill passed through the Senate with bipartisan support but was never set for policy committee in the Assembly. We expect the Senator to take another run at this simple, effective and reasonable bill.

Five measures NFIB and its coalition partners vigorously opposed but were signed into law nevertheless were:

- [Assembly Bill 288 \(McKinnor\)](#) allows the California Public Employment Relations Board (PERB) to assume the proper role of the **National Labor Relations Board** if the NLRB has not scheduled an election or made a decision within six months or 'ceases to function.' Currently the NLRB has plenary powers on such matters and so AB 288 is clearly preempted by federal law. Creating a secondary enforcement schema that overlaps the federal model is clearly unconstitutional whether or not the state believes that the NLRB is 'taking too long.' A temporary injunction has been issued negating the force of the new law.
- [Senate Bill 82 \(Umberg\)](#) narrows the claims that could go to **arbitration** in connection with a contract and limits dispute resolution solely to disputes pertaining to the "use, payment or provision" of the good, service, money or credit. What falls within the scope of 'dispute resolution'? This ambiguity could lead to thousands of new cases litigating a host of disputes reasonably related to a sale, lease or credit contract, and whether they are or are not within the scope of arbitration. "Arbitration is a critical means for reducing litigation that wastes the time and resources of consumers, the courts and businesses. Small businesses in particular rely upon arbitration to keep costs low, as the expense of even one court trial can wipe out a small business."
- [Senate Bill 261 \(Wahab\)](#) creates a **shopping list for trial court attorneys** by requiring the labor commissioner to post a copy of an order, decision or award on the division's website even if an order was issued due to a good faith dispute between an employer and employee. This bill is not about unpaid wage judgments but rather about making it easier for trial court attorneys to find employer targets.
- [Senate Bill 294 \(Reyes\)](#) creates the new "Workplace Know Your Rights Act" and requires employers to provide written notice to each employee of their individual "workers' rights."

- [Senate Bill 590 \(Durazo\)](#) expands the eligibility for **paid family leave** benefits to those deemed to be a ‘family member’ by an employee. This bill, now law will take effect on July 1, 2028.

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