

2024 YEAR IN REVIEW



RETAIL THEFT ● LABOR ● EPR ● PHARMACY ● TAXES ● PRIVACY ● GIFT CARDS

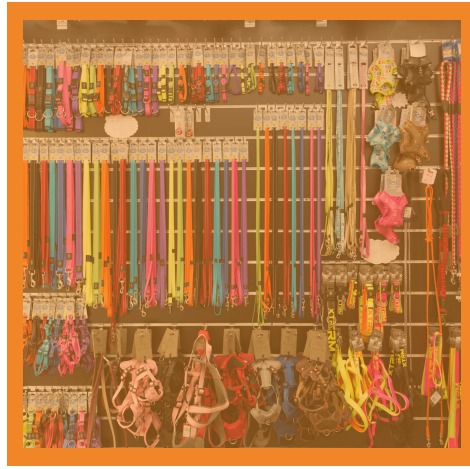


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LETTER FROM THE PRESIDENT

Dear valued members of the California Retailers Association,

As we close out 2024, I am proud to reflect on the significant accomplishments we've achieved together. This year has been transformative for our industry, and your unwavering support has been instrumental in our success.

Legislative Victories

Our most notable achievement was the passage of the most comprehensive retail theft bill package in modern California history. Working closely with Assembly Speaker Robert Rivas, Senate President pro Tempore McGuire and Governor Newsom, we secured crucial legislation to combat organized retail crime. This package includes stricter penalties for organized theft rings and enhanced measures to curb the online resale of stolen merchandise.

We celebrated the historic reform of the Private Attorneys General Act (PAGA). This landmark agreement, embodied in SB 92 and AB 2288, maintains worker protections while limiting frivolous lawsuits that have long burdened our industry.

Advocacy Successes

Our advocacy efforts extended beyond theft prevention. We successfully halted organized labor's top legislative priority – self-checkout legislation. Additionally, we opposed and stopped gift card legislation that would have negatively impacted many of our members.

Looking Ahead to 2025

As we build for success in 2025, we remain committed to stabilizing and strengthening California's economic environment, ensuring that retail continues to be a driving force in our state's economy. We are looking for opportunities to be proactive in important areas such as environmental sustainability and consumer protection. While still protecting from legislation and regulations that make it challenging to conduct business in the state.



**CRA IS THE VOICE OF
CALIFORNIA'S RETAIL
INDUSTRY**

LETTER FROM THE PRESIDENT

Gratitude

I want to express my deepest gratitude to our dedicated staff, whose tireless efforts have made these achievements possible. To our board of directors, led by our 2024 Chair Danielle Hohos of Williams-Sonoma, Inc., your leadership has been invaluable.

Most importantly, thank you to each member of the California Retailers Association. Your trust, engagement and support have empowered us to be the most significant voice representing the retail industry in California's public policy arena.

As we look to the future, I am confident that together we will continue to overcome challenges and seize opportunities for the benefit of California's retail industry.

Here's to a prosperous and successful 2025!

Sincerely,



Rachel Michelin
President and CEO
California Retailers Association



**CRA IS THE VOICE OF
CALIFORNIA'S RETAIL
INDUSTRY**



Highlight of the Year

RETAIL THEFT



The Cal Retailers team shepherded a package of eleven bi-partisan Retail Theft bills through the state legislature and to Governor Gavin Newsom's desk where he signed them into law.

The bills' swift movement made it clear Retail Theft policy priorities underwent a major shift this year. This seismic shift is a testament to the CRA team's strategic and persistent work with state leadership including the Governor's office, Speaker's office, Senate Pro Tem, various members of the legislature and other key stakeholders to ensure the safety of our customers, stores and neighborhoods in which we operate in.

ASSEMBLY BILLS

AB 1779 Permits the consolidation of theft charges occurring in different counties

AB 1802 Makes permanent in the CA Penal Code organized retail theft felony and the five CHP ORC task forces.

AB 1960 Mandatory sentence enhancements for smash & grabs.

AB 1972 Adds Railroad Cargo Theft under the jurisdiction of the CHP ORC Taskforces

AB 2943 Allows for aggregation; expands probable cause; creates a new retail theft felony; doubles the probation time for shoplifting; eliminates the need to prove a defendant knew the goods were stolen; protects retailers from being cited or fined for repeatedly reporting retail theft.

AB 3209 Establishes a "retail theft restraining order" prohibiting a person convicted of ORC, shoplifting, theft, vandalism or assault of a retail employee from entering the store for up to two years.

SENATE BILLS

SB 905 Removes Locked Door Loophole for Car Break-ins.

SB 982 Eliminates the Organized Retail Theft Statute Sunset

SB 1144 Expands requirements for online marketplaces to collect and report information of consumer products by high-volume third-party sellers

SB 1242 Higher penalties on thieves who create fires in stores

SB 1416 Sentencing enhancements for large-scale resale of property



HIGHLIGHT OF THE YEAR LABOR

FixPAGA

There's a Better, Fairer Way for Workers

HISTORIC PAGA REFORM

Signed into State Law:
AB 2288 (Kalra)
SB 92 (Umberg)

California's Private Attorneys General Act - a thorn in the side of CA businesses that cost millions upon millions of dollars. CRA was proud to be part of the Executive Committee that negotiated the legislative deal signed by Governor Newsom in June to reform PAGA. The new laws, which contained an urgency clause, took effect immediately.



A COMMENT FROM A CALIFORNIA STATE LEGISLATIVE REPRESENTATIVE TO CEO RACHEL MICHELIN:

"CRA's members should be very proud - the Association had more accomplishments than any other business association in the state this year."

LABOR'S TOP PRIORITY BILL STOPPED

At the end of the session CRA successfully negotiated with Assembly leadership to keep SB 1446 "the self check-out bill" (Smallwood-Cuevas) from moving to the Assembly floor for a final vote. The bill, which was ultimately held in Rules Committee, would have established staffing ratios for self checkout and set a dangerous AI precedent that would have quickly expanded to warehouse distribution centers and all retailers in the state.

Leveraging Bill Negotiations

The CRA team was able to remove our opposition to SB 1089 (Smallwood-Cuevas) after extensive negotiations resulting in UFCW agreeing to all of the amendments we asked for on a bill impacting grocery and pharmacy closures. The compromise reached on this bill helped on negotiations with other labor bills.



HIGHLIGHT OF THE YEAR

ENVIRONMENTAL SUSTAINABILITY

Giving Retailers a Voice at the Policymaking Table on Complex Issues with Statewide, National and Global Reach

CRA President and CEO Rachel Michelin participated in Advisory Board meetings to monitor and provide input for the retail industry on the SB 54 packaging EPR rulemaking process

SB 54

CRA's Advocacy efforts throughout the year with the author's office and a diverse group of stakeholders on AB 863 (Aguiar-Curry) resulted in favorable amendments being negotiated into a Carpet EPR that, without those changes, would have greatly increased costs to consumers and retail businesses.



The CRA team successfully negotiated favorable amendments on two very wide-sweeping environmental bills including SB 707 (Newman) - Textile EPR and SB 1143 (Allen) Household Hazardous Waste EPR



HIGHLIGHT OF THE YEAR RETAIL PHARMACY

PRESCRIPTION DRUG LABELING

Every year there is another labeling requirement added to the myriad of regulations pharmacies face. This year, however, the CRA team was able to negotiate favorable amendments to AB 1902 (Alanis) to ensure the latest labeling law works for retail pharmacies.

PAXLOVID

The CRA team's legislative advocacy secured a sunset extension on Paxlovid allowing pharmacists to continue dispensing COVID-19 oral therapeutics until Jan. 1, 2026.



PRESCRIPTION DISPOSAL REQUIREMENT

The CRA team stopped a bill (AB 2445, Wallis), which would have imposed unnecessary and costly prescription disposal requirements on pharmacies, created significant waste and taken choice away from patients.



CENTRAL FILL

Proposed regulations by the Board of Pharmacy around central fill could have limited central fill to in state operations only. Through the CRA teams regulatory advocacy working with the California Community Pharmacy Coalition, central fill will continue to be allowed in CA.

HIGHLIGHT OF THE YEAR TAXES



PRESERVING BAD DEBT DEDUCTION FOR RETAILERS

After raising concerns from CRA members directly to the Governor's senior staff, a Special Notice from the California Department of Tax and Fee Administration was issued clarifying that a retailer who has incurred bad debts and has written it off for income tax purposes can continue to take bad debt deductions. The information came just before the deadline for the Governor to take actions on bills and after months of legislative advocacy by the CRA Team. The Special Notice also stated that the new law does not impact a retailer's ability to take a bad debt deduction after Jan 1, 2025.

The Notice followed the Governor's budget proposal made earlier in the year to eliminate a provision of the Revenue and Tax Code that allows a retailer or lender to take a deduction or refund of the sales or use tax previously reported and paid by the retailer. This proposal would have had a significant negative impact on retailers and the larger business community statewide, which would have raised consumer prices and further hindered an already struggling California economy.

Highlight of the Year AI/Privacy & Gift Cards

STOPPED TWO WIDE-SWEEPING PRIVACY BILLS

AB 1949 (Wicks) would have required businesses to get consent for collecting, using or disclosing personal information of a consumer under 18 years of age, which would have raised significant workability issues, further impeded consumers' right of privacy to ensure compliance and attempted to solve a problem that doesn't exist as retailers already take seriously the privacy of all their consumers, especially those relating to children.

AB 2930 (Bauer-Kahan) would have placed impossible requirements on businesses where businesses would end up abandoning the use of Automated Decision Technologies (ADT) all together. The bill would have applied to businesses of all sizes, to every industry, without being sufficiently limited to high-risk uses/applications of ADT.

STOPPED A GIFT CARD BILL THAT WOULD HAVE INCREASED FRAUD AGAINST RETAILERS

SB1272 (Laird) Would have raised the cash back for gift cards from the current amount of under \$10 to under \$25 with an annual CPI adjustment to the nearest dollar. CRA organized a broad opposition coalition and we used our relationships with the Speaker of the Assembly and the Governor stop the bill.



2025 HOT ISSUES



SELF CHECKOUT



CARPET



**HOUSEHOLD
HAZARDOUS WASTE**



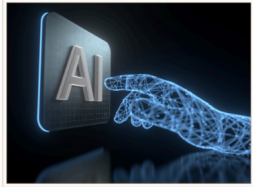
FASHION ACT



GIFT CARDS



EPR



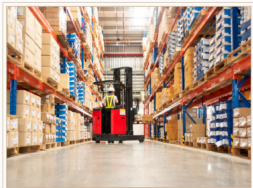
**ARTIFICIAL
INTELLIGENCE**



LABOR ISSUES



**ARTIFICIAL
INTELLIGENCE**



WAREHOUSE



**PHARMACY/SUNSET
REVIEW**



PRODUCT BANS

LOOKING AHEAD: HOT ISSUES IN 2025



Cal Retailers Advocacy Days 2025

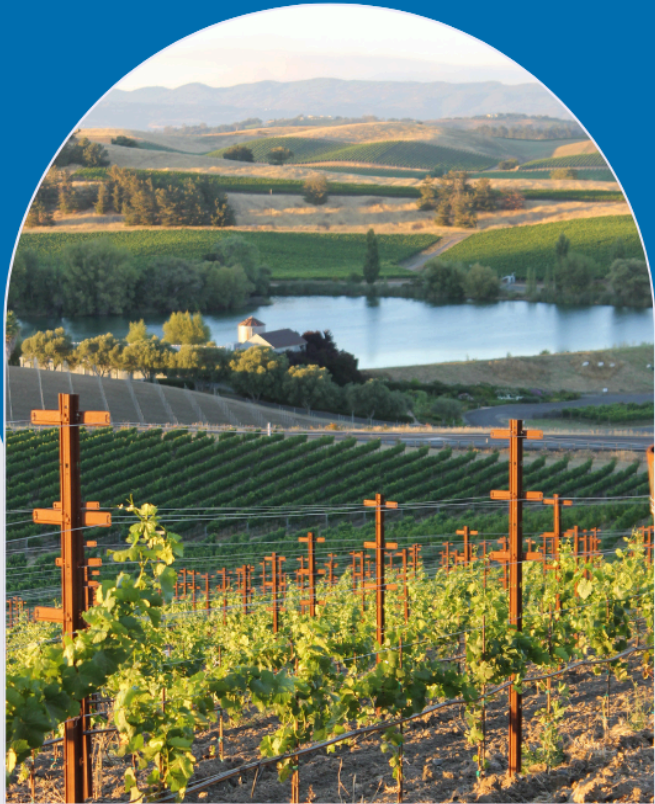
February 11 - 12, 2025

Sacramento, CA

With over 30 new members of the California state legislature expected next year, we will have a unique opportunity to tell the retail story.

Join the CRA team at the start of the 2025-2026 legislative session and meet with key policy makers and representatives from the Administration to discuss important issues such as AI, Privacy, EPR, Labor and workforce development.

More Information . Register . Sponsor
<https://calretailers.com/2025advocacydays/>



SAVE THE DATE

RETAIL, POLICY, LAW &
REGULATORY CONFERENCE

OCTOBER 26-29, 2025

NAPA, CA

*More details
coming soon!*

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