



# SB 102 – Saving California Businesses Act

## *Senator Melissa Melendez*

### **Background**

In December, Yelp published their Economic Impact Report. The Report shows the devastating toll the pandemic has had on our nation's business sector. At the end of summer, California data suggested roughly half of all small businesses in the State could potentially shut down because of measures taken related to the pandemic. Yelp, who shows data based on how customers rank businesses, claims California is the second-worst state, behind Hawaii, for restaurants closing their doors. Additionally, Yelp discovered six of California's cities ranked in the top ten metro areas in the United States for the most business closures.

Many invested heavily to make their outdoor space dining friendly, only for the Governor to issue stricter shutdown orders which ended outdoor dining. Many share the same heartbreaking story about how they won't be able to survive solely on take-out orders. The National Restaurant Association theorizes a sickeningly 43% of the state's restaurants are unlikely to make it through this pandemic caused crisis. These sad statistics go hand in hand with the increasing unemployment levels the State is facing.

### **Problem Being Addressed**

Science has shown that unlike private gatherings spreading the virus, only about one percent of COVID-19 transmissions that occur at restaurants. There is no data relating to businesses who focus on hair styling and waxing. Yet, the Governor has arbitrarily implemented state guidelines which force these business models to close. This is to be enforced on a local level by law enforcement. Not every operation has agreed to enforce or focus on ensuring businesses will comply with the latest guidelines. California does not have control over local law enforcement. The state does, however, have a responsibility for licensing individuals and entities according to the law.

SB 102 would prevent the state from leveraging this responsibility to revoke licenses of businesses unnecessarily because they are not complying with the COVID-19 state guidelines. If this bill passes, it will prohibit the Department of Alcoholic Beverage Control or a Board within the Department of Consumer Affairs from revoking a license unless they can prove that that due to lack of compliance a COVID-19 transmission occurred. It would additionally prevent the State from imposing fees and penalties on struggling businesses in this capacity.

### **Which code section is affected?**

This bill will add a new section to the Business & Professions Code to deal with the unprecedented nature of policy connected to the pandemic. Amendments are planned to exempt Healing Arts Boards under Division 2 from the measure.

### **Summary**

SB 102 will provide support for some of the state's most impacted communities: our small businesses. Business owners are draining their finances to comply with COVID regulations, and the Governor has continued to change the rules with little to no data to support his mandates. Now, on top of this, small businesses are facing fines and penalties as they try to survive another round of shutdowns.