

AMENDED IN SENATE JUNE 21, 2021

AMENDED IN ASSEMBLY APRIL 13, 2021

AMENDED IN ASSEMBLY MARCH 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 889

Introduced by Assembly Member Gipson

February 17, 2021

An act to add ~~Chapter 14.6 (commencing with Section 18995.5) to Part 6 of Division 9 of the Welfare and Institutions Code, relating to food access; Article 8.1 (commencing with Section 12285) to Chapter 3 of Part 2 of Division 3 of Title 2 of the Government Code, relating to business entities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 889, as amended, Gipson. ~~Food access: grocery stores. Business entities: landlords: reporting requirements.~~

Existing law requires the Secretary of State to perform various duties relating to business entities.

This bill would require a qualified entity, defined as a corporation or limited liability company that owns real property that is offered for rent or lease, to report to the Secretary of State specified information regarding the qualified entity.

~~Existing federal law establishes the federal Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county, under the administration of the State Department of Social Services. Existing law also establishes and requires the department to~~

administer the CalFood Program to provide food and funding to food banks whose primary function is to facilitate the distribution of food to low-income households, as specified.

This bill would require the owner of a grocery establishment, as described, to, as soon as possible, but not later than 60 days or 180 days prior to a planned closure of the grocery establishment, provide written notice of the intended closure to the city and county in which the grocery establishment is located, the local workforce development board, and the State Department of Social Services. The bill would require a county and local workforce development board to provide the grocery establishment with information about safety net programs and local workforce training services, and would require the grocery establishment to provide that information to each employee. The bill would also require a city to keep track of the grocery establishment closures in its jurisdiction, identify any trends in grocery establishment closures, and address reasons for the closures if findings suggest the possible need for intervention by the city. By increasing the duties of local officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: *yes-no*.

The people of the State of California do enact as follows:

1 SECTION 1. Article 8.1 (commencing with Section 12285) is
2 added to Chapter 3 of Part 2 of Division 3 of Title 2 of the
3 Government Code, to read:

4
5 Article 8.1. Reporting Requirements for Business Entity
6 Landlords

7
8 12285. (a) A qualified entity shall report, upon registration
9 or renewal of registration with the Secretary of State or submission
10 of a statement of information to the Secretary of State, the identity

1 of the beneficial owner of the qualified entity to the Secretary of
2 State in the form and manner as required by the Secretary of State.

3 (b) For the purposes of this section, the following definitions
4 apply:

5 (1) (A) Except as otherwise provided in subparagraph (B),
6 “beneficial owner” means a natural person for whom, directly or
7 indirectly and through any contract arrangement, understanding,
8 relationship, or otherwise, any of the following applies:

9 (i) The person exercises substantial control over a qualified
10 entity.

11 (ii) The person owns 25 percent or more of the equity interest
12 of a qualified entity.

13 (iii) The person receives substantial economic benefits from the
14 assets of a qualified entity.

15 (B) “Beneficial owner” does not include any of the following:

16 (i) A minor child.

17 (ii) A person acting as a nominee, intermediary, custodian, or
18 agent on behalf of another person.

19 (iii) A person acting solely as an employee of a qualified entity
20 and whose control over or economic benefits from that qualified
21 entity derives solely from the employment status of the person.

22 (iv) A person whose only interest in a qualified entity is through
23 a right of inheritance.

24 (v) A creditor of a qualified entity, unless the creditor meets the
25 requirements specified in subparagraph (A).

26 (2) “Qualified entity” means a corporation or limited liability
27 company that owns real property that is offered for rent or lease.

28 SECTION 1. (a) The Legislature finds and declares all of the
29 following:

30 ~~(1) California is home to two million individuals, of the~~
31 ~~estimated 23.5 million individuals throughout the country, that~~
32 ~~live in food deserts, as reported by the United States Department~~
33 ~~of Agriculture. Kroger, a large grocery retailer, plans to close down~~
34 ~~two grocery stores in the City of Long Beach due to the city~~
35 ~~council’s passing of an ordinance for grocery store frontline~~
36 ~~workers to be paid an additional \$4 per hour. This may lead to~~
37 ~~rising unemployment and leave constituents to lose access to~~
38 ~~healthy and affordable food in their community.~~

39 ~~(2) Other cities and counties in California, including the Cities~~
40 ~~of Berkeley, Coachella, Montebello, Oakland, San Leandro, Santa~~

1 Monica, and West Hollywood and the Counties of Los Angeles
2 and Santa Clara are instituting or considering hazard pay measures
3 for grocery store workers because grocery store workers have been
4 an integral part of grocery store operations in order to keep the
5 grocery stores open and food on the table.

6 (3) ~~The retail grocery store workforce is growing faster in~~
7 ~~California than the private employment sector as a whole, yet~~
8 ~~median hourly wages of grocery stores workers, the largest segment~~
9 ~~of food retail workers, fell from \$12.97 in 1999 to \$11.33 in 2010,~~
10 ~~a decline of 12.6 percent. Meanwhile, overall private sector median~~
11 ~~hourly wages rose slightly, from \$16 to \$16.16, an increase of 1~~
12 ~~percent. Thus, by 2010, the median hourly wage for grocery store~~
13 ~~workers was about 70 percent of that earned by the private sector~~
14 ~~workforce overall.~~

15 (4) ~~A June 2014 report on food retail workers commissioned~~
16 ~~by the United Food and Commercial Workers, Western States~~
17 ~~Council reported the demographics of workers in California grocery~~
18 ~~stores as 43.7 percent Latino, 37.3 percent non-Hispanic White,~~
19 ~~4.1 percent Black, 13.9 percent Asian-Pacific Islander, and 1~~
20 ~~percent other. Although statistics show that non-White Hispanics~~
21 ~~are the second highest number of those employed by grocery stores,~~
22 ~~people of color earn lower wages.~~

23 (5) ~~CalFresh is California's version of the federal Supplemental~~
24 ~~Nutrition Assistance Program, which provides up to \$194 monthly~~
25 ~~food benefits to low-income residents, older people, and those on~~
26 ~~Supplemental Security Income, depending on need. These food~~
27 ~~benefits allow households to meet nutrition needs and prevent food~~
28 ~~insecurity.~~

29 (6) ~~Advance notification of grocery store closures is needed~~
30 ~~because many low-income Californians are suffering and losing~~
31 ~~access to healthy and affordable food. Thus, they need to be made~~
32 ~~aware of a closure ahead of time, and informed of comparable~~
33 ~~services in the local area. According to the California Association~~
34 ~~of Food Banks, one in four Californians, an estimated 10 million~~
35 ~~individuals, are currently struggling with food insecurity and do~~
36 ~~not know where their next meal will come from. Food insecurity~~
37 ~~is described as the occasional or constant lack of access to the food~~
38 ~~one needs for a healthy, active life. Food insecurity seriously~~
39 ~~impacts one's well-being and can result in poor school attendance~~

1 and performance, lowered workplace productivity, and physical
2 and mental health problems.

3 (7) ~~Grocery store workers have served as some of our greatest
4 heroes during the COVID-19 pandemic because they have been
5 showing up to work, day in and day out, ensuring that their fellow
6 Californians have food on their table to feed their families. In
7 addition to grocery store workers earning low wages, a Harvard
8 University study found that frontline workers participating in
9 essential work duties have left them vulnerable to become at least
10 five times more likely to test positive for COVID-19 due to
11 everyday interactions with customers.~~

12 (8) ~~The top 12 non-English language groups in California,
13 according to the United State Census Bureau's American
14 Community Survey 2013-17 estimates, are: Spanish, Chinese,
15 including Mandarin and Cantonese, Vietnamese, Tagalog,
16 including Filipino, Korean, Armenian, Farsi, Arabic, Russian,
17 Japanese, Punjabi, and Khmer. Therefore, notices are needed in a
18 number of languages because California is home to 11 million
19 immigrants that speak a variety of languages and access to
20 information in a language that they understand is a priority.~~

21 (9) ~~If grocery establishments are going to close their doors, then
22 the least they can do is provide enough notice to the city, county,
23 local workforce development board, and State Department of Social
24 Services of intended closure, and ensure that their employees are
25 equipped with resources necessary to gain employment elsewhere
26 and to locate healthy and affordable food in the surrounding
27 community.~~

28 (b) ~~It is the intent of the Legislature that this act ensures that
29 grocery establishment customers who receive CalFresh have
30 information that grocery stores are going to be closed before they
31 are closed, and that employees of those stores have information
32 about California's primary safety net programs and job training
33 opportunities.~~

34 SEC. 2. ~~Chapter 14.6 (commencing with Section 18995.5) is
35 added to Part 6 of Division 9 of the Welfare and Institutions Code,
36 to read:~~

CHAPTER 14.6. COMMUNITY GROCERY ACCESS

1
2
3 ~~18995.5. (a) (1) The owner of a grocery establishment that is~~
4 ~~15,000 square feet or more in size shall, as soon as possible, but~~
5 ~~not later than 180 days prior to a planned closure of the grocery~~
6 ~~establishment, provide written notice of the intended closure to~~
7 ~~the city and county in which the grocery establishment is located,~~
8 ~~the local workforce development board, and the State Department~~
9 ~~of Social Services.~~

10 ~~(2) The owner of a grocery establishment that is less than 15,000~~
11 ~~square feet in size shall, as soon as possible, but not later than 60~~
12 ~~days prior to a planned closure of the grocery establishment,~~
13 ~~provide written notice of the intended closure to the city and county~~
14 ~~in which the grocery establishment is located, the local workforce~~
15 ~~development board, and the State Department of Social Services.~~

16 ~~(b) The owner of a grocery establishment shall provide oral and~~
17 ~~written notice of intended closure to the employees of the grocery~~
18 ~~establishment and in all languages necessary for all employees to~~
19 ~~be able to understand. The written notice shall be posted in each~~
20 ~~entrance and exit door of the grocery establishment. The owner of~~
21 ~~a grocery establishment shall explore if there are other grocery~~
22 ~~establishment locations to which the employees may transfer.~~

23 ~~(c) The notices described in subdivisions (a) and (b) shall~~
24 ~~include, but not be limited to, the planned closure date, the reasons~~
25 ~~for the closure, and identification of the three nearest grocery~~
26 ~~establishments that provide comparable services in the community.~~

27 ~~(d) After receiving the notice described in subdivision (a), the~~
28 ~~State Department of Social Services shall post on its internet~~
29 ~~website for the electronic benefit transfer system, established~~
30 ~~pursuant to Section 10071, that lists the stores that accept CalFresh~~
31 ~~benefits information stating that the grocery establishment will be~~
32 ~~closing and the closing date.~~

33 ~~(e) After receiving the notice described in subdivision (a), a~~
34 ~~county shall provide the grocery establishment with information~~
35 ~~about safety net programs, including, but not limited to,~~
36 ~~CalWORKs, CalFresh, and Medi-Cal, and a local workforce~~
37 ~~development board shall provide the grocery establishment with~~
38 ~~information about the availability of local workforce training~~
39 ~~services. The grocery establishment shall provide the information~~

1 ~~described in this subdivision to each employee of the grocery~~
2 ~~establishment.~~

3 ~~(f) Each city that receives a notice described in subdivision (a)~~
4 ~~shall keep track of the grocery establishment closures in its~~
5 ~~jurisdiction, identify any trends in grocery establishment closures,~~
6 ~~and address reasons for the closures if findings suggest the possible~~
7 ~~need for intervention by the city.~~

8 ~~(g) For purposes of this chapter, “grocery establishment” means~~
9 ~~a retail store in this state that sells primarily household foodstuffs~~
10 ~~for offsite consumption, including the sale of fresh produce, meats,~~
11 ~~poultry, fish, deli products, dairy products, canned foods, dry foods,~~
12 ~~beverages, baked foods, or prepared foods. Other household~~
13 ~~supplies or other products shall be secondary to the primary~~
14 ~~purpose of food sales.~~

15 ~~SEC. 3. If the Commission on State Mandates determines that~~
16 ~~this act contains costs mandated by the state, reimbursement to~~
17 ~~local agencies and school districts for those costs shall be made~~
18 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
19 ~~4 of Title 2 of the Government Code.~~