

## 2019 BizFed Leadership Roundtable Series: Assemblyman Vince Fong

Assembly member Vince Fong joined BizFed Central Valley members Tuesday, Sept. 17 for a Leadership Roundtable hosted by Dignity Health.



The conversation was informative, though not exactly uplifting.

It is crucial, he said, for business groups to gather together and speak with a much louder voice to Sacramento.

“If businesses think they can hide, even if they crawl in a fox hole, they don’t understand. This Legislature will crawl in after you,” in order to extract fees, heap on new compliance and generally make doing business in California as difficult as possible, Fong said.

Example No. 1: “We now have rent caps, even after the voters rejected rent control just last year. We now have rent caps,” Fong said.

Businesses must form strong coalitions for the common good and not splinter for short-term objectives, which is what he said happened with the real estate coalition against rent caps.

The bill that would create the caps was all but dead before the Legislature went to summer recess. Some factions of the real estate coalition then made a deal with the author out of fear that larger metro areas were about to institute worse rent caps. Then Gov. Newsom stepped in and made a deal with other members of the



coalition. The end result is a rent cap of 5 percent a year plus Consumer Price Index across the state. That could be devastating for landlords in the Central Valley where rents aren’t anywhere near Bay Area prices.

Meanwhile, Fong said, SB1 (Atkins), the so-called Trump Insurance bill, showed how powerful business can be when it does stand together.

This bill sailed through the Senate and Assembly but Gov. Newsom has pledged to veto it after businesses, water agencies, towns and other groups came out in force with a singular message that SB1 would freeze in place standards based on decade-old science and would foul current negotiations over river flow plans.



"That's what can happen when groups stick together and flex their muscle," Fong said.

The other hot item was AB5 (Gonzalez) the bill that will destroy most workers' ability to act as independent

contractors. While a number of industries were exempted through a series of "carve outs," the big tech companies whose business models rely on contractors did not.

Fong said those companies are now banding together to put an initiative on the ballot that will guarantee them an exemption from AB5.

Several members noted that it's not just legislation that harms California businesses, but regulators taking legislation further than its intent are causing problems as well.

Fong acknowledged that's becoming a major problem, noting the Public Utilities Commission is considering a pilot program to ban natural gas in new home construction.

From Fong's point of view, Propositions may be businesses best bet to enact better policies.

"It may seem crazy to put a bunch of initiatives on the ballot, but what other choice do we have?" he asked. "We have to go on the offensive."

