



August 5, 2024

The Honorable Buffy Wicks  
Chair, Assembly Committee on Appropriations  
1021 O Street, Suite 8220  
Sacramento, CA 95814

**Re: SB 1089 (Smallwood-Cuevas) Food and prescription access: grocery and pharmacy closures – OPPOSE**

Dear Chair Wicks,

On behalf of the California Community Pharmacy Coalition (CCPC), the California Retailers Association, and the California Chamber of Commerce, I write to respectfully oppose to SB 1089, which will require grocery stores and community pharmacies to provide written notice to employees, customers, and other specified entities 60 days prior to a closure.

The fiscal impact of this bill is difficult to accurately assess, however, because the California Department of Justice (DOJ) has the ability to enforce the provision of this bill the cost to the state could be significant. There are many provisions in the bill that would require time and staff to sift through and determine if and what violation occurred. For example, stores are required provide a written notice of the closure in any form in which the covered establishment regularly communicates or advertises to its customers, but if the notice is mailed then it's difficult to prove, meaning that a significant amount of DOJ staff time would need to be spent. This is just one example of the vague enforcement nature of this bill that could cost the state resources.

While we appreciate the intent of the bill to ensure impacted employees and communities are aware of impending grocery store and pharmacy closures, SB 1089 will result in a number of unintended consequences that could put Californians at risk. First, 60-days' advance notification would be unfeasible in many situations for establishments not already covered under the Worker Adjustment and Retraining Notification (WARN) Act and could lead to unmanned, or at the very least understaffed, pharmacies and grocery stores. California already imposes stringent staffing restrictions on California pharmacies, allowing pharmacists to supervise only one pharmacy technician at any given time in most circumstances. This bill could exacerbate this already difficult situation and place unnecessary pressure on pharmacy employees. In addition, the 60-day advance notice requirement will greatly reduce employee and prescription retention. Our member companies already work closely with impacted employees to place them in other stores or comparable positions when a pharmacy closes. We believe that a 30-day notice would allow for enough time to meet the needs this bill is aiming to address.

Beyond the workload and access risks associated with SB 1089, we have concerns with the bill's onerous reporting requirements. As currently drafted, grocery stores and pharmacies would be required to provide 60-days' written notice to all affected employees, the Employment Development Department, the Department of Social Services, the local workforce development board, the chief local elected officials, and all of their customers. Rather than preparing and submitting multiple, duplicate written notices, pharmacies and grocery stores should be allowed to provide one notice to its employees and specified government entities that fulfills the requirements of this bill.

Further, mandating grocery stores and pharmacies to provide the required notice to its customer base would be a tremendous undertaking. Worse, the bill appears to give standing to a citizen to bring a civil action for penalties if they

believe that the store did not effectively communicate to the community about the closure. This would have catastrophic consequences with costly litigation.

Finally, the bill lacks clarity with respect to certain terms and definitions. "Cessation" and "substantial cessation" are not defined which is problematic as there should be some exception for temporary closures due to fire, casualty, or other unexpected circumstances. The advertisement notice requirements are also overly broad, and the definition of "written notice" as used throughout the bill is concerning as it relates to the content required in (b)(1). It is not clear if each of the notices must contain the information in (b)(1) (e.g., text messages, advertisements, etc.).

The California Community Pharmacy Coalition is a project of the California Retailers Association and was formed to promote the positive impacts community pharmacies have within California's healthcare system by working on legislation and regulations that will expand access opportunities for community pharmacy services including in hard to reach, underserved areas where Californians often have very limited options for healthcare.

Again, we understand the desire to provide notice to Californians in advance of when a grocery store or pharmacy closes. Unfortunately, we must oppose SB 1089 for the reasons outlined above. Please do not hesitate to contact Ryan Allain with California Retailers Association at [Ryan@calretailers.com](mailto:Ryan@calretailers.com).

Sincerely,



Ryan Allain  
Director, Government Affairs  
California Retailers Association

On behalf of:  
The California Chamber of Commerce, Ashley Hoffman

Cc: Members, Assembly Committee on Appropriations