



March 20, 2025

Liane Randolph, Chair
California Air Resources Board
1001 I Street, Sacramento, CA 95812
[Submitted Via Online Portal](#)

RE: Response to Solicitation to Inform Implementation of California Climate-Disclosure Legislation

Dear Chair Randolph,

Cruz Strategies is a minority and women owned lobbying firm based in Sacramento with a diverse client base in the areas of local government, education, residential and commercial property, and environmental policy.

On behalf of interested commercial real estate clients, we are submitting comments in response to the [solicitation](#) to inform implementation of California's Climate-Disclosure laws, Senate Bills 253 (Weiner) and 261 (Stern).

Our primary concerns are the needs to protect company trade secrets and proprietary information as they report at a parent level and clarify the definition of terms "doing business in California" and "annual revenues."

Below are responses to the relevant [solicitation questions](#):

General: Applicability

1(a). Should CARB adopt the interpretation of "doing business in California" found in the Revenue and Tax Code section 23101?

It would be in furtherance of reducing administrative burden if CARB clarified the term to mean only those annual revenues generated from transactions with third parties that are not affiliated with the reporting entity.

2(b). In what way(s) should CARB track parent/subsidiary relationships to assure companies doing business in California that report under a parent are clearly identified and included in any reporting requirements?

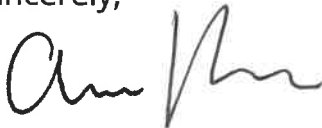
While we understand the desire for transparency, requiring a reporting entity to disclose which of its subsidiaries are covered by the report (e.g., doing business in California and annual revenues exceed the applicable threshold) may not be desirable or necessary.

First, requiring disclosure of a company's proprietary tax structure in a report that would be publicly available runs contrary to Section 6103 of the Internal Revenue Code, California's adoption of the Uniform Trade Secrets Act , and the state's additional protections for proprietary taxpayer information.

Second, the significant statutory penalties for a reporting entity's noncompliance and the potential public scrutiny, will drive self-reporting. We request that CARB include clarifications that ensure companies may protect trade secrets and proprietary information.

Thank you for considering our request and comments. For additional information, we can be reached anytime at audrey@cruzstrategies.com .

Sincerely,

A handwritten signature in black ink, appearing to read 'Audrey Ratajczak', with a stylized flourish at the end.

Audrey Ratajczak
Partner