ICSC State Legislative Policy Priorities

Public Safety

Curbing Organized Retail Crime (ORC)

Combating the spread of organized retail crime (ORC) has been a major priority for ICSC, which supports policies that recognize ORC as a coordinated criminal enterprise that threatens the safety of retail employees and customers. In recent years, state lawmakers have updated their criminal codes to help law enforcement charge offenders who commit thefts across multiple jurisdictions. Notable state efforts to curb the spread of ORC include creating ORC task forces and specialized crime units within Attorney General's offices, adopting theft aggregating thresholds, strengthening sentencing standards for repeat and violent theft offenders, and criminalizing gift card fraud.

Regulatory Policy and Operational Flexibility

Prescriptive Warehouse Design Rules

In 2024, California lawmakers enacted legislation that established prescriptive statewide regulations on where warehouses can be located and designed. The law also included requirements for monitoring air pollution from trucks and limits truck traffic to commercial roads. While lawmakers revisited some aspects of the law to give localities more flexibility in implementing some of the requirements, warehouse design rules remain overly prescriptive, creating litigation risks and making warehouse development—and the jobs and economic growth it supports—more difficult.

Electric Vehicle Charging Infrastructure

As more car drivers make the switch to electric vehicles, the need for on-site charging presents opportunities and challenges for tenants looking to meet customer demands. Retailers have formed partnerships with electric vehicle (EV) charging companies to install charging stations at store locations. But some states and cities have been more prescriptive in how they approach the changing nature of driving. In those places, lawmakers have considered mandating that EV charging stations be installed or setting building standards for stations at both commercial and residential properties. While others have focused on policies that incentivize development through tax credits, grants and other funding programs. The patchwork of different local rules on EV charging stations has also encouraged states like Idaho, Kentucky and Florida to set statewide policies that make it easier for developers to follow the rules throughout the state.

Commercial Rent Control

Rent increase caps on commercial properties have drawn attention from state lawmakers, with supporters arguing they provide stability for small businesses and tenants. But policies that set arbitrary price ceilings distort market conditions, discourage redevelopment and reduce the availability of retail space. Even though commercial rent control has been less common than residential rent control, the debate has begun gaining traction in some states. Some proposals, like commercial rent stabilization measures, apply rent caps to small business leases. Additionally, other states have moved to limit local authority on the issue altogether, with some enacting preemption laws that prohibit localities from imposing rent control policies on commercial or residential properties.

Environmental Policy and Sustainability

Incentives for Energy Efficiency Upgrades

Public policies that encourage investment in energy efficient building upgrades have been a cost savings tool for property owners. Over 40 states offer financial incentives through loans, PACE financing, and property or corporate tax credits for installing systems that reduce energy and power costs. For lawmakers, these incentives also help encourage businesses to retrofit buildings or attract new businesses to the state.

Corporate Emission Disclosures Mandates

While commercial property owners are generally receptive to policies that encourage sustainability, laws that require large companies to track and report their direct and indirect greenhouse gas (GHG) emissions pose an administrative and compliance nightmare. Policies like California's Climate Corporate Data Accountability Act (CCDA) and the SEC's 2024 final rule on emissions disclosures have undergone intense legal pushback and present a real challenge for owners who have limited ability to track tenants' energy consumption data. Several states have tried to enact their own CCDA but have not found much success. Mandates on emissions disclosure that impose significant compliance costs without clear environmental outcomes or standardized methodologies.

Fossil Fuel Bans for Commercial Buildings

Fossil fuel bans in buildings present challenges for existing properties but also could stall reinvestment or redevelopment. In 2023, New York lawmakers caught the nation's attention when they enacted the first statewide ban on natural gas and other fossil fuel hookups in most new commercial buildings. Proposals like New York's have focused on regulating what energy sources can be used in buildings, with some measures requiring all-electric buildings or net zero carbon emission buildings that run completely on renewables for new construction.

"Buy Clean" Proposals for Private Building Construction

Some lawmakers have sought to limit the amount of embodied carbon emitted during the construction process. Embodied carbon is the sum of all emissions generated by construction materials over the course of their lifecycle, from production to disposal. Restrictions on concrete, which represents one of the highest forms of embodied carbon used in construction, are often the focus of state legislative efforts looking to limit embodied carbon emissions.

PFAS Remediation

Removing perfluoroalkyl and polyfluoroalkyl substances (PFAS), or "forever chemicals," in drinking water is a laudable public health and safety goal. State lawmakers have focused on providing funding for PFAS remediation and monitoring, setting maximum contaminant levels (MCLs), and creating study committees on PFAS remediation. Notably, these efforts aim to address environmental contamination without placing disproportionate responsibility on passive receivers, like commercial property owners.

Producer-led Extended Producer Responsibility (EPR) Packaging Programs

Extended Producer Responsibility (EPR) programs have been a popular solution to managing the end-of-life of consumer packaging materials. Under most EPR packaging programs, producers and sellers of packaging materials pay fees into a designated producer responsibility organization (PRO) as a way to encourage the use of more sustainable packaging and invest in new recycling processes that promote circularity. As of 2026, seven states have enacted comprehensive EPR packaging laws. EPR programs are designed to shift the responsibility and cost burden of recycling away from state and local governments to private industry.

Economic Development

Pro-Growth State and Local Tax Environment

Commercial property owners have a strong interest in state and local tax policy that help increase property values, encourage long-term investment. For example, federal tax conformity efforts in states reduce compliance complexities and promote investment certainty. On the other hand, major changes to the tax rate businesses pay may also harm economic activity in states. Increases in transfer taxes reduce capital available for property improvements, while dramatic changes to the corporate tax rate may disproportionately impact real estate investment. And finally, split-roll property tax systems that shift residential tax burdens onto commercial properties, undermine retail viability and local economic health.

Encourage Redevelopment of Vacant or Underused Properties

Since the pandemic, state and local lawmakers have increasingly turned to adaptive reuse policies to make it easier and less costly for developers to convert vacant or underused commercial buildings into housing. While approaches vary widely from state to state, most efforts fall into four broad categories: tax incentives, streamlining regulations, changes to zoning law, and direct public financing. Tax incentives help offset conversion costs, particularly in older buildings that may require significant retrofitting. Some states have expanded historic tax credit programs to allow housing development in older commercial buildings, while others have authorized non-refundable tax credits for commercial-to-residential conversions, drawing broad support from the business community. Alternatively, some states are offering direct financial support through loans, grants, tax increment financing (TIF), or long-term tax abatements as a way of offsetting the cost of adaptive reuse. Examples include states establishing revolving loan funds specifically for commercial-to-housing conversions, as well as cities offering long-term payment-in-lieu-of-taxes agreements with significant abatements.