State of California

Statutes of Interest for County Treasurer-Tax Collectors 2022

BETTY T. YEE

California State Controller's Office

BETTY T. YEE

California State Controller

December 20, 2022

SUBJECT: Statutes of Interest for County Treasurer-Tax Collectors

Dear Treasurer-Tax Collectors and Staff:

I am pleased to present the 2022 *Statutes of Interest for County Treasurer-Tax Collectors* booklet. This publication provides pertinent information on significant statutory code changes as a result of legislation enacted in 2022 that may impact your operations.

The booklet is divided into two sections: "Enacted Legislation," which details the bills that have been signed by the Governor, and "Section with Changes", detailing amendments, repeals, and additions to code. Bold and italicized text indicates new language added to the code section. Strike-through text indicates language that has been deleted from the code section. Please be aware that most changes will take effect on January 1, 2023. Consequently, language will not be updated on the California Legislative Information website (www.leginfo.legislature.ca.gov), until January 2023.

You may view, save, or print this publication from the State Controller's Office webpage at https://www.sco.ca.gov/ardtax_soifiles.html.

If you have any questions, please contact the Tax Programs Unit by email at propertytax@sco.ca.gov.

Sincerely,

(Original signed by)

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Section I – Enacted Legislation

AB 759 Elections: county officers.
Chapter 743
Effective Date 1/1/2023

Description: This bill requires counties to hold elections for district attorney and sheriff with the presidential primary. If a district attorney or sheriff is elected in 2022, they shall serve a six-year term with the next election for office occurring in 2028. This bill also authorizes a county board of supervisors to adopt an ordinance to hold elections for other county officers with the presidential primary.

Codes Affected: An act to repeal and add Section 1300 of the Elections Code, and to amend Section 24200 of the Government Code, relating to elections.

AB 1765 Marks-Roos Local Bond Pooling Act of 1985: rate reduction bonds: review.
Chapter 322
Effective Date 1/1/2023

Description: This bill allows the California Pollution Control Financing Authority (CPCFA) to charge fees equal to expenses incurred by the authority in retaining an independent advisor to review applications for a local agency to issue rate reduction bonds. The bill provides that any fees for the review and processing of applications shall be nonrefundable.

Codes Affected: An act to amend Section 6588.7 of the Government Code, relating to local government.

AB 1933 Property taxation: welfare exemption: nonprofit corporation: low-income families.
Chapter 643
Effective Date 9/28/2022

Description: This bill expands the property tax welfare exemption to eligible nonprofit corporations that build and rehabilitate affordable housing units for sale to low-income families. An organization that received the exemption is liable for taxes in previous years if the property is not developed or in the course of construction within 5 years. For property acquired before January 1, 2023, the organization has until January 1, 2028, to meet the above criteria.

Codes Affected: An act to add and repeal Section 214.15.1 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

AB 1971 County Employees Retirement Law of 1937.
Chapter 524
Effective Date 1/1/2023

Description: This bill authorizes the County Employees Retirement Law of 1937 to allow a member to buy back service credit for family leave. A member has up to one year to care for a seriously ill family member. Permits a member to pay the contributions required to receive the service credit in a lump sum or on a monthly basis for a period of not more than the length of the period for which the member claims service credit. The board of supervisors must adopt this resolution by majority vote to make these provisions applicable.

Codes Affected: An act to amend Sections 31646, 31725.7, and 31760 of, and to add Sections 31646.2 and 31680.16 to, the Government Code, relating to public employees' retirement.

AB 2280 Unclaimed property: interest assessments and disclosure of records.
Chapter 282
Effective Date 1/1/2023

Description: This bill established the California Voluntary Compliance Program (VCP) to facilitate the voluntary compliance of holders to deliver unclaimed property due to the state. The VCP would be an ongoing program using penalty forgiveness to encourage long-term Unclaimed Property Law (UPL) compliance. The bill enhances consumer protection by restricting third party fees to a 10% limit of the value of the property, which is to be paid only after the property is recovered.

Codes Affected: An act to amend Sections 1577 and 1582 of, and to repeal and add Section 1577.5 of, the Code of Civil Procedure, and to add Sections 7925.015 and 7927.425 to the Government Code, relating to unclaimed property.

AB 2449 Open meetings: local agencies: teleconferences.
Chapter 285
Effective Date 1/1/2023

Description: Authorizes, until January 1, 2026, members of a legislative body of a local agency to use teleconferencing without noticing each teleconference location or making it publicly accessible, provided at least a quorum of the members of the body participates in person at a singular physical location. The location of the in-person meeting must be clearly identified on the agenda, must be open to the public, and must be within the boundaries of the local agency's jurisdiction.

Codes Affected: An act to amend, repeal, and add Sections 54953 and 54954.2 of the Government Code, relating to local government.

AB 2647 Local government: open meetings.
Chapter 971
Effective Date 1/1/2023

Description: This bill exempts local agencies from making materials available for public inspection at a public location the agency designates the same time they distribute them to members of the legislative body less than 72 hours before the meeting. The local agency needs to list the web address of the local agency's internet website on the agendas for all meetings of the legislative body of that agency and make physical copies available for public inspection, beginning the next regular business hours for the local agency, at the designated public office or location.

Codes Affected: An act to amend Section 54957.5 of the Government Code, relating to local government.

AB 2791 Sheriffs: service of process and notices.
Chapter 417
Effective Date 1/1/2023

Description: This bill requires a marshal or sheriff to accept an electronically signed notice or other process issued by a superior court in a civil action, including service of orders and other court documents for the purpose of notice, for persons with a fee waiver on January 1, 2024, and for all persons beginning January 1, 2026.

Codes Affected: An act to add Sections 7927.430, 26666, 26666.2, and 26666.10 to, and to add, repeal, and add Section 26666.5 of, the Government Code, relating to local government.

AB 2890 Property and business improvement districts.
Chapter 129
Effective Date 1/1/2023

Description: This bill provides that "special benefit' included, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. The bill authorizes a city to impose assessments that are less than the proportional special benefit conferred, but would prohibit a city from imposing assessments that exceed the reasonable costs of the proportional special benefit conferred.

Codes Affected: An act to amend Sections 36615.5 and 36622 of the Streets and Highways Code, relating to improvement districts.

SB 989 Property taxation: taxable value transfers: disclosure and deferment.
Chapter 712
Effective Date 9/28/2022

Description: This bill defers property taxes for taxpayers claiming Proposition 19 base year value transfers, and requires tax collectors to include information on the property tax bill regarding Proposition 19 base year value transfers and potential tax deferment, in counties with a population of more than four million or that enact an ordinance opting-in to its provisions.

Codes Affected: An act to add Section 2610.8 to, and to add and repeal Section 2636.1 of, the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

SB 1099 Bankruptcy: debtors.
Chapter 716
Effective Date 1/1/2023

Description: This bill makes several changes to the statutory exemptions that govern the minimum of property California debtors may retain if they file for bankruptcy. Provides that in a bankruptcy case where the debtor's equity in a residence is less than or equal to the amount of the debtor's allowed homestead exemption as of the date the bankruptcy petition is filed, any appreciation in the value of the debtor's interest in the property during the pendency of the action is exempt.

Codes Affected: An act to amend Section 2983.3 of the Civil Code, to amend Sections 703.140, 704.010, 704.050, and 704.113 of, and to add Section 704.111 to, the Code of Civil Procedure, and to amend Section 22329 of the Financial Code, relating to bankruptcy.

SB 1340 Property taxation: active solar energy systems: extension.
Chapter 425
Effective Date 1/1/2023

Description: This bill extends the existing exclusion from property taxation for a newly constructed active solar energy system by two years from January 1, 2025 to January 1, 2027.

Codes Affected: An act to amend Section 73 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

SB 1489 Local Government Omnibus Act of 2022.
Chapter 427
Effective Date 1/1/2023

Description: This bill requires an investment's term or remaining maturity to be measured from the settlement date to final maturity. The bill also prohibits the purchase of a security with a forward settlement date exceeding 45 days from the time of investment.

Codes Affected: An act to amend Section 8770 of the Business and Professions Code, to amend Sections 24011, 26945, 36934, 53325.1, 53330.5, 53601, 53646, 63035, 63048.94, 63089.98, 65913.11, 66301, 66434.1, 66466, 66499.55, and 66499.56 of, and to add Section 51255.1 to, the Government Code, to amend Section 22300 of the Public Contract Code, to amend Section 5366 of the Revenue and Taxation Code, and to amend Sections 3112, 3113, and 3114 of the Streets and Highways Code, relating to local government.

SB 1494 Property taxation: revenue allocations: tax-defaulted property sales.
Chapter 451
Effective Date 1/1/2023

Description: This bill allows the tax collector to increase the cap form ten dollars to $55, but no more than the actual cost, when preparing delinquent tax records and giving notice of delinquency.

This bill allows tax collectors to offer a non-residential property in a tax sale to the next highest bidder at their bid price if the highest bidder does not consummate the sale within the time period specified by the tax collector. The bill allows tax collectors to offer a residential property in a tax sale to the next highest bidder at their bid price if the highest bidder does not consummate the sale within the time period specified by the tax collector if this is second or latest time the residential property has been offered for sale. Sunsets the authority for tax collectors to offer residential property to the next highest bidder on January 1, 2029.

This bill allows the tax collector send the notice of tax sale to other government entities and nonprofit organizations electronically.

This bill clarifies Revenue & Taxation Code 4675 as it relates to the commencement of the 90-day time period to dispute a Board's decision or a delegated County Officer's decision to approve or deny an excess proceeds claim. This bill aligns R&T 4675 and 4675.1.

Codes Affected: An act to amend Sections 97.68, 2621, 2706, 3692, 3700, and 4675 of, and to amend, repeal, and add Section 3693 of, the Revenue and Taxation Code, relating to taxation.

Section II – Section with Changes

AB 759, Chapter 743
Elections: county officers.
Effective Date 1/1/2023

SECTION 1.

Section 1300 of the Elections Code is repealed.

~~**1300.**~~
~~Except as otherwise provided in the Government Code, an election to select county officers shall be held with the statewide primary at which candidates for Governor are nominated. In the event that county officers are not elected pursuant to Sections 8140 and 8141, this election shall be deemed a primary election and a county general election shall be held with the statewide general election to select county officers.~~

SEC. 2.

Section 1300 is added to the Elections Code, to read:

1300.
(a) (1) An election to select a district attorney and sheriff shall be held with the presidential primary.

(2) If the district attorney or sheriff is not elected pursuant to Sections 8140 and 8141, the election described in paragraph (1) shall be deemed a primary election and a county general election shall be held with the presidential general election to select the district attorney or sheriff.

(b) (1) Except as provided in paragraph (2) and as otherwise provided in the Government Code, an election to select county officers other than district attorney and sheriff shall be held with the statewide primary at which candidates for Governor are nominated.

(2) Notwithstanding paragraph (1), and except as otherwise provided in the Government Code, a county board of supervisors may adopt an ordinance to hold an election to select any county officer other than a county superintendent of schools with the presidential primary.

(3) If a county officer described in this subdivision is not elected pursuant to Sections 8140 and 8141, the election held pursuant to paragraph (1) or (2) shall be deemed a primary election and a county general election for the office shall be held with the following statewide general election.

(c) Notwithstanding subdivision (b) of Section 1003 or any other law, the requirement that the district attorney and sheriff be elected in presidential election years applies to both general law and charter counties, except those charter counties that, on or before January 1, 2021, expressly specified in their charter when an election for district attorney or sheriff would occur.

(d) A district attorney or sheriff elected in 2022 shall serve a six-year term and the next election for that office shall occur at the 2028 presidential primary.

SEC. 3.

Section 24200 of the Government Code is amended to read:

24200.
Except as otherwise provided, all elective county officers shall be elected at the ~~general election at which the Governor is elected,~~ *election specified pursuant to Section 1300 of the Elections Code* and take office at 12 o'clock noon on the first Monday after the January ~~1st~~ *1* succeeding their election.

SEC. 4.
The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 5.
If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

AB 1765, Chapter 322
Marks-Roos Local Bond Pooling Act of 1985: rate reduction bonds: review.
Effective Date 1/1/2023

SECTION 1.
Section 6588.7 of the Government Code is amended to read:

6588.7.
(a) An authority whose financing activities are limited to financing utility projects and projects for the use or benefit of public agencies providing water, wastewater, or electrical service may finance utility projects as provided in this section, including the issuance of rate reduction bonds and the imposition and adjustment of utility project charges.

(b) (1) A local agency that owns and operates a publicly owned utility may apply to an authority specified in subdivision (a) to finance costs of a utility project for the publicly owned utility with the proceeds of rate reduction bonds if at the time of application, bonds payable from revenues of the publicly owned utility are, or upon issuance would be, rated investment grade by a nationally recognized rating agency. In its application to an authority for the financing or refinancing, the local agency shall specify the utility project to be financed by the rate reduction bonds, the maximum principal amount, the maximum interest rate, and the maximum stated terms of the rate reduction bonds.

(2) (A) In order to allow the state to review the issuance of rate reduction bonds, collect data, ensure transparency, and conduct an independent analysis of the effectiveness of the use of rate reduction bonds pursuant to this section, the California Pollution Control Financing Authority, as defined in Section 44504 of the Health and Safety Code, shall review each issue of bonds and shall determine whether the issue is qualified for issuance under the provisions of this section. The California Pollution Control Financing Authority shall determine that an issue of rate reduction bonds is qualified for issuance under this section, if the issuance satisfies all of the following:

(i) The issuance meets the criteria specified in paragraphs (1) to (3), inclusive, of subdivision (c), or, if the local agency elects to make a determination under paragraph (4) of subdivision (c), meets the criteria specified in paragraphs (1), (2), and (4) of subdivision (c).

(ii) The projected financing costs fall within the normal range of financing costs for comparable types of debt issuance.

(B) The authority shall determine that an issue of rate reduction bonds is qualified for issuance pursuant to subparagraph (A) solely on the basis of the submitted documentation referred to in subparagraph (A), and the determination shall not be conditional in any respect, including conditional on the submission or review of additional material after the determination.

(3) The California Pollution Control Financing Authority shall establish procedures for the expeditious review of a proposed issuance pursuant to this section, including, but not limited to, the establishment of reasonable application fees to reimburse the California Pollution Control Financing Authority for costs incurred in administering this section. *The California Pollution Control Financing Authority may charge additional fees in an amount equal to the amount of any additional expenses incurred by the authority in retaining an independent financial advisor to review the application under circumstances involving the verification of all requirements of this section. Any fees for review and processing of the application shall be nonrefundable.*

(4) The California Pollution Control Financing Authority shall provide an explanation in writing for any refusal to qualify a proposed issuance but may not alter or modify any term or condition related to the utility project property.

(5) The California Pollution Control Financing Authority shall take action on any completed application submitted to it pursuant to this section no later than the next meeting of the California Pollution Control Financing Authority that occurs after at least 60 days following receipt of the application.

(6) The review and qualification pursuant to this section may be concurrent with an authority's processing of an application for financing or refinancing so as to allow for the issuance of rate reduction bonds as quickly as feasible.

(7) Notwithstanding any other law, the California Pollution Control Financing Authority may adopt regulations relating to this section as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3. For purposes of that chapter, including Section 11349.6, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(8) (A) Annually, no later than March 31, the California Pollution Control Financing Authority shall submit to the Legislature, including to the relevant legislative policy committees having jurisdiction over energy and public utilities issues, a report of its activities pursuant to this section for the preceding calendar year ending December 31. The California Pollution Control Financing Authority shall require information from applicants to ensure that the necessary data is available to complete this report. The report may be submitted as a part of the report required pursuant to Section 44538 of the Health and Safety Code. The report shall include all of the following:

(i) A listing of applications received.

(ii) A listing of proposed issuances qualified under the provisions of this section.

(iii) A report of bonds sold, the interest rates on the bonds, whether the bond sales were pursuant to public bid or were negotiated, and any rating given the bonds by a nationally recognized securities rating organization.

(iv) A specification of proposed issuances qualified but not yet issued.

(v) A comparison of the interest rates and transactional costs on issuances qualified under this section with interest rates on comparable types of debt issuance occurring at or near the same time as the issuances.

(B) A report to be submitted pursuant to this paragraph shall be submitted in compliance with Section 9795.

(9) The provisions of paragraphs (2) to (8), inclusive, shall not apply to the issuance of rate reduction bonds for a publicly owned utility if the determinations of the local agency pursuant to subdivision (c) are subject to review by a ratepayer advocate or similar entity whose function is to provide public independent analysis of a public utility's actions as they relate to ~~water~~ *water, wastewater,* or ~~wastewater~~ *electric* rates.

(c) A local agency shall not apply to an authority for financing or refinancing of a utility project pursuant to this section unless the legislative body of the local agency has determined all of the following:

(1) The project to be financed or refinanced is a utility project.

(2) The local agency is electing to finance or refinance costs of the utility project pursuant to this section and the financing costs associated with the financing or refinancing are to be paid from utility project property, including the utility project charge for the rate reduction bonds issued for the utility project in accordance with this section.

(3) Based on information available to, and projections used by, the legislative body, the rates of the publicly owned utility plus the utility project charge resulting from the financing or refinancing of the utility project with rate reduction bonds are expected to be lower than the rates of the publicly owned utility if the utility project was financed or refinanced with bonds payable from revenues of the publicly owned utility.

(4) A local agency with a publicly owned utility having 500,000 or more retail customers may, in lieu of making the determination in paragraph (3), determine that the use of rate reduction bonds to finance or refinance utility projects provides substantial benefits to the publicly owned utility. These benefits may include, but are not limited to, lower interest rates on rate reduction bonds and more favorable capitalization and debt service coverage ratio treatment that results in gross or present value lifetime savings for the publicly owned utility.

(d) (1) Subject to the requirements of Article XIII D of the California Constitution, to the extent applicable, an authority financing the costs of a utility project or projects for a local agency's publicly owned utility with rate reduction bonds is authorized and directed to impose and collect a utility project charge with respect to the rate reduction bonds as provided in this section. The imposition of the utility project charge shall be made and evidenced by the adoption of a financing resolution by the governing body of the authority. Upon the issuance of rate reduction bonds, the financing resolution adopted in connection with the issuance of rate reduction bonds shall be irrevocable. The financing resolution with respect to financing or refinancing a utility project or projects with rate reduction bonds for a publicly owned utility shall include all of the following:

(A) The addition of a separate charge to the bill of each customer of the publicly owned utility in the class or classes of customers specified in the financing resolution.

(B) A description of the financial calculation, formula, or other method that the authority is to use to determine the utility project charge. The calculation, formula, or other method shall include a periodic adjustment method to the then current utility project charge, to be applied at least annually, that shall be used by the authority to correct for any overcollection or undercollection of financing costs from the utility project charge or any other adjustment necessary to ensure timely payment of the financing costs of the rate reduction bonds, including, but not limited to, the adjustment of the utility project charge to pay any debt service coverage requirement for the rate reduction bonds. The financial calculation, formula, or other method, including the periodic adjustment method, established in the financing resolution pursuant to this section, and the allocation of utility project charges to, and among, customers of the publicly owned utility shall be decided solely by the governing body of the authority and shall be final and conclusive. In no event shall the periodic adjustment method established in the financing resolution be applied less frequently than required by the financing resolution and the documents relating to the applicable rate reduction bonds. Once the financial calculation, formula, or other method for determining the utility project charge, and the periodic adjustment method, have been established in the financing resolution and have become final and conclusive as provided in this section, they shall not be changed.

(C) Notwithstanding any other provision of this section, the imposition of a utility project charge shall comply with the requirements of Article XIII D of the California Constitution, to the extent applicable, including, but not limited to, the provision of a notice containing the initial amount of the proposed utility project charge and the periodic adjustment method by which the utility project charge amount could subsequently change.

(D) A requirement that the authority enter into a servicing agreement for the collection of the utility project charge with the local agency for which the financing is undertaken or its publicly owned utility and the local agency or its publicly owned utility shall act as a servicing agent for purposes of collecting the utility project charge as long as the servicing agreement remains in effect. Moneys collected by the local agency or its publicly owned utility, acting as a servicing agent on behalf of the authority, as a utility project charge shall be held in trust for the exclusive benefit of the persons entitled to the financing costs to be paid, directly or indirectly, from the utility project charge and shall not lose their character as revenues of the authority by virtue of possession by the local agency or its publicly owned utility. The local agency or its publicly owned utility shall provide the authority with the information as to estimated sales of water, wastewater, or electrical services and any other information concerning the publicly owned utility required by the authority in connection with the initial establishment and the adjustment of the utility project charge.

(2) The determination of the legislative body of the local agency that a project to be financed with rate reduction bonds is a utility project shall be final and conclusive and the rate reduction bonds issued to finance the utility project and the utility project charge imposed relating to the rate reduction bonds shall be valid and enforceable in accordance with the terms of the financing resolution and the documents relating to the rate reduction bonds. The authority shall require, in its financing resolution with respect to a utility project charge, that as long as a customer in the class or classes of customers specified in the financing resolution receive water or electricity or discharge wastewater through the facilities of the publicly owned utility, the customer shall pay the utility project charge regardless of whether or not the customer has an agreement to purchase water or electricity or discharge wastewater from a person or entity other than the publicly owned utility. The utility project charge shall be a nonbypassable charge to all customers of the publicly owned utility in the class or classes of customers specified in the financing resolution at the time of adoption of the financing resolution and all future customers in that class or classes. If a customer of the publicly owned utility that is subject to a utility project charge enters into an agreement to purchase water or electricity or discharge wastewater from a person or entity other

than the publicly owned utility, the customer shall remain liable for the payment of its share of the utility project charge as if it had not entered into the agreement. The liability may be discharged by the continued payment of its share of the utility project charge as it accrues or by a one-time payment, as determined by the authority. All provisions of a financing resolution adopted pursuant to this subdivision shall be binding on the authority.

(3) The timely and complete payment of all utility project charges by a person liable for the charges shall be a condition of receiving water, wastewater, or electrical service, as applicable, from the publicly owned utility of the local agency and each of the local agencies and their publicly owned utilities is authorized to use its established collection policies and all rights and remedies provided by law to enforce payment and collection of the utility project charge. In no event shall a person liable for a utility project charge be entitled or authorized to withhold payment, in whole or in part, of the utility project charge for any reason.

(4) The authority shall determine whether adjustments to the utility project charge relating to rate reduction bonds are required upon the issuance of the rate reduction bonds and at least annually, and at additional intervals as may be provided for in the financing resolution or the documents relating to the rate reduction bonds. Each adjustment shall be made and put into effect in accordance with the financial calculation, formula, or other method that the authority is to use to determine the utility project charge pursuant to the financing resolution expeditiously after the authority's determination that the adjustment is required.

(5) All revenues with respect to utility project property related to rate reduction bonds, including payments of the utility project charge, shall be applied first to the payment of the financing costs of the related rate reduction bonds then due, including the funding of reserves for the rate reduction bonds, with any excess being applied as determined by the authority for the benefit of the utility for which the rate reduction bonds were issued.

(6) The authority shall be obligated to impose and collect the utility project charge relating to rate reduction bonds in amounts, based on estimates of water or electricity usage or wastewater discharge subject to the utility project charge, sufficient to pay on a timely basis the financing costs associated with the rate reduction bonds when due. The pledge of a utility project charge to secure the payment of rate reduction bonds shall be irrevocable, and the State of California, the authority, or any limited liability company acting pursuant to subdivision (j) shall not reduce, impair, or otherwise adjust the utility project charge, except that the authority shall implement the periodic adjustments to the utility project charge relating to rate reduction bonds as required by the applicable financing resolution and the documents relating to the rate reduction bonds. Revenue from a utility project charge shall be deemed special revenue of the authority and shall not constitute revenue of the local agency or its publicly owned utility for any purpose, ~~including~~ *including,* without limitation, any dedication, commitment, or pledge of revenue, receipts, or other income that the local agency or its publicly owned utility has made or will make for the security of any of its obligations.

(7) A utility project charge shall constitute utility project property when, and to the extent that, a financing resolution authorizing the utility project charge has become effective in accordance with its terms, and the utility project property shall thereafter continuously exist as property for all purposes with all of the rights and privileges of this section for the period, and to the extent, provided in the financing resolution, but in any event until all financing costs with respect to the related rate reduction bonds are paid in full, including all arrearages thereon.

(8) Utility project property shall constitute a current property right notwithstanding that the value of the property right will depend on consumers using water, wastewater, or electrical services or,

in those instances where consumers are customers of the publicly owned utility, the publicly owned utility performing certain services.

(9) If a local agency for which rate reduction bonds have been issued and remain outstanding ceases to operate a water, wastewater, or electric utility, either directly or through its publicly owned utility, references in this section to the local agency or to its publicly owned utility shall be to the entity providing water, wastewater, or electrical services in lieu of the local agency and the entity shall assume and perform all obligations of the local agency and its publicly owned utility required by this section and the servicing agreement with the local agency while the rate reduction bonds remain outstanding.

(e) (1) Rate reduction bonds shall be within the parameters of the financing or refinancing set forth by the local agency pursuant to subdivision (b) in connection with the rate reduction bonds and the proceeds of the rate reduction bonds made available to the local agency or its publicly owned utility shall be used for the utility project identified in the application for financing or refinancing of the utility project or projects pursuant to subdivision (b).

(2) An authority shall authorize the issuance of rate reduction bonds by a resolution of its governing body. An authority issuing rate reduction bonds shall include in its preliminary notice and final report for the rate reduction bonds submitted to the California Debt and Investment Advisory Commission pursuant to Section 8855 a statement that the rate reduction bonds are being issued pursuant to this section. An authority issuing rate reduction bonds shall include in its final report for the rate reduction bonds submitted to the California Debt and Investment Advisory Commission pursuant to Section 8855 the estimated savings or local agency benefit, if applicable pursuant to paragraph (4) of subdivision (c), realized by issuing the rate reduction bonds rather than bonds payable from the revenues of the publicly owned utility for whose benefit the rate reduction bonds were issued. Rate reduction bonds shall be nonrecourse to the credit or any assets of the local agency and the publicly owned utility for which the utility project is financed and shall be payable from, and secured by a pledge of, the utility project property relating to the rate reduction bonds and any additional security or credit enhancement specified in the documents relating to the rate reduction bonds.

(3) An authority issuing rate reduction bonds shall pledge the utility project property relating to the rate reduction bonds as security for the payment of the rate reduction bonds, which pledge shall be made pursuant to, and with the effect set forth in Section 5451. All rights of an authority with respect to utility project property pledged as security for the payment of rate reduction bonds shall be for the benefit of, and enforceable by, the beneficiaries of the pledge to the extent provided in the documents relating to the rate reduction bonds.

(4) To the extent that any interest in utility project property is pledged as security for the payment of rate reduction bonds, the applicable local agency or its publicly owned utility shall contract with the authority, which contract shall be part of the utility project property, that the local agency or its publicly owned utility will continue to operate its publicly owned utility system that includes the financed utility project to provide service to its customers, will, as servicer, collect amounts in respect of the utility project charge for the benefit and account of the authority and the beneficiaries of the pledge of the utility project charge and will account for and remit these amounts to, or for the account of, the authority.

(5) Notwithstanding any other law, any requirement under this section, a financing resolution, any other resolution of the authority, or the provisions of the documents relating to rate reduction bonds to the effect that the authority shall take action with respect to the utility project property relating to the rate reduction bonds shall be binding upon the authority, as its governing body may

be constituted from time to time, and the authority shall have no power or right to rescind, alter, or amend any resolution or document containing the requirement.

(6) Notwithstanding any other law, except as otherwise provided in this section with respect to adjustments to a utility project charge, the recovery of the financing costs for the rate reduction bonds from the utility project charge shall be irrevocable and the authority shall not have the power either by rescinding, altering, or amending the applicable financing resolution or otherwise, to revalue or revise for ratemaking purposes the financing costs of rate reduction bonds, determine that the financing costs for the related rate reduction bonds or the utility project charge is unjust or unreasonable, or in any way reduce or impair the value of utility project property that includes the utility project charge, either directly or indirectly; nor shall the amount of revenues arising with respect to the financing costs for the related rate reduction bonds or the utility project charge be subject to reduction, impairment, postponement, or termination for any reason until all financing costs to be paid from the utility project charge are fully met and discharged. Except as otherwise provided in this section with respect to adjustments to a utility project charge, the State of California does hereby pledge and agree with the owners of rate reduction bonds that the State of California shall neither limit nor alter the financing costs or the utility project property, including the utility project charge, relating to the rate reduction bonds, or any rights in, to, or under, the utility project property until all financing costs with respect to the rate reduction bonds are fully met and discharged. This section does not preclude limitation or alteration if and when adequate provision shall be made by law for the protection of the owners. The authority is authorized to include this pledge and undertaking by the State of California in the governing documents for rate reduction bonds. Notwithstanding any other provision of this section, the authority shall make the adjustments to the utility project charge relating to rate reduction bonds provided by this section and the documents related to those rate reduction bonds as may be necessary to ensure timely payment of all financing costs with respect to the rate reduction bonds. The adjustments shall not impose the utility project charge upon classes of customers that were not subject to the utility project charge pursuant to the financing resolution imposing the utility project charge.

(f) (1) Financing costs in connection with rate reduction bonds do not constitute a debt or liability of the State of California or of any political subdivision thereof, other than the special obligation of the authority, and do not constitute a pledge of the full faith and credit of the State of California or any of its political subdivisions, including the authority, but are payable solely from the funds provided therefor under this section and in the documents relating to the rate reduction bonds. This subdivision shall in no way preclude guarantees or credit enhancements in connection with rate reduction bonds. All the rate reduction bonds shall contain on the face thereof a statement to the following effect:

Neither the full faith and credit nor the taxing power of the State of California or any political subdivision thereof is pledged to the payment of the principal of, or interest on, this bond.

(2) The issuance of rate reduction bonds shall not directly, indirectly, or contingently obligate the State of California or any political subdivision thereof to levy or to pledge any form of taxation to pay the rate reduction bonds or to make any appropriation for their payment.

(g) (1) Utility project property shall constitute property for all purposes, including for contracts securing rate reduction bonds, whether or not the revenues and proceeds arising with respect thereto have accrued.

(2) Subject to the terms of the pledge document with respect to a pledge of utility project property, the validity and relative priority of a pledge created or authorized under this section is not defeated or adversely affected by the commingling of revenues arising with respect to the utility project

property with other funds of the local agency or the publicly owned utility collecting a utility project charge on behalf of an authority.

(h) (1) There shall exist a statutory lien on the utility project property relating to rate reduction bonds. Upon the effective date of the financing resolution relating to rate reduction bonds, there shall exist a first priority statutory lien on all utility project property, then existing or, thereafter arising, to secure the payment of the rate reduction bonds. This lien shall arise pursuant to law by operation of this section automatically without any action on the part of the authority, the local agency or its publicly owned utility, or any other person. This lien shall secure the payment of all financing costs, then existing or subsequently arising, to the holders of the rate reduction bonds, the trustee or representative for the holders of the rate reduction bonds, and any other entity specified in the financing resolution or the documents relating to the rate reduction bonds. This lien shall attach to the utility project property regardless of who shall own, or shall subsequently be determined to own, the utility project property including any local agency or its publicly owned utility, the authority, or any other person. This lien shall be valid and enforceable against the owner of the utility project property and all third parties upon the effectiveness of the financing resolution without any further public notice.

(2) The statutory lien on utility project property created by this section is a continuously perfected lien on all revenues and proceeds arising with respect thereto, whether or not the revenues or proceeds have accrued. Utility project property shall constitute property for all purposes, including for contracts securing rate reduction bonds, whether or not the revenues or proceeds arising with respect thereto have accrued.

(3) In addition, the authority may require, in a financing resolution creating utility project property, that, in the event of default by the local agency or its publicly owned utility, in payment of revenues arising with respect to the utility project property, any court in the state, upon the application by the beneficiaries of the statutory lien, and without limiting any other remedies available to the beneficiaries by reason of the default, shall order the sequestration and payment to the beneficiaries of revenues arising with respect to the utility project property.

(i) Notwithstanding any other law, an authority or a limited liability company acting pursuant to subdivision (j) that has financed a utility project through the issuance of rate reduction bonds is not authorized, and no governmental officer or organization shall be empowered to authorize the authority, to become a debtor in a case under the United States Bankruptcy Code (11 U.S.C. Sec. 101 et seq.) or to become the subject of any similar case or proceeding under any other law, whether federal or State of California, as long as any payment obligation from utility project property remains with respect to the rate reduction bonds.

(j) An authority may elect to implement a financing of a utility project pursuant to this section by forming a single member limited liability company and by authorizing the company to adopt the financing resolution. The authority may issue rate reduction bonds payable from, and secured by a pledge of, amounts paid by the company to the authority from the applicable utility project property pursuant to an agreement. The provisions of subdivisions (g) and (h) shall apply to and be the exclusive method of perfecting a pledge of utility project property by the company securing the payment of financing costs under any agreement of the company in connection with the issuance of rate reduction bonds. Reference to the authority in this section and in all related defined terms shall mean or include the company as necessary to implement this subdivision.

(k) After December 31, 2036, the authority to issue rate reduction bonds under this section terminates.

AB 1933, Chapter 643
Property taxation: welfare exemption: nonprofit corporation: low-income families.
Effective Date 9/29/2022

SECTION 1.

Section 214.15.1 is added to the Revenue and Taxation Code, to read:

214.15.1.
(a) Subject to subdivision (b), property shall be fully exempt from property taxation and is within the exemption provided by Sections 4 and 5 of Article XIII of the California Constitution if that property is owned and operated by a nonprofit corporation, otherwise qualifying for exemption under Section 214, that is organized and operated for the specific and primary purpose of building and rehabilitating single or multifamily residential units, if the property is subject to a 45-year recorded agreement with the appropriate local agency, and if the agreement requires all of the following:

(1) Requires some or all of the property's units to be owner occupied and sold only to and purchased only by first-time homebuyers that are low-income families.

(2) Requires the initial downpayment on the units described in paragraph (1) to be 5 percent or less of the market value of the unit at the time of purchase.

(3) Requires the units described in paragraph (1) to be made available at an affordable housing cost to buyers.

(b) (1) The property for which the exemption under this section is sought may be related to a larger, mixed-income development project where a portion of the units may be available to persons or families that are not low-income families. However, only the portion of the property proposed to be built or rehabilitated with units that meet the requirements under subdivision (a) shall receive the exemption. Following completion of construction, only the portion of the property with units that meet the requirements under subdivision (a) shall receive the exemption.

(2) On each lien date, the assessor shall adjust the exemption allowed under this section by a proration factor that reflects the portion of the property proposed to be built or rehabilitated with units that meet the requirements of subdivision (a) as a percentage of the total development. Following completion of construction, the adjustment shall reflect the portion of the property with units that meet the requirements of subdivision (a) as a percentage of the total development.

(3) The assessor shall assess as escaped property, pursuant to Section 532, any property for which a welfare exemption was granted pursuant to this section if either of the following occurs:

(A) Construction is abandoned.

(B) Upon completion of construction, the property does not meet the requirements in subdivision (a). For properties described in this subparagraph, the assessor shall assess as escaped property that portion of the property that was proposed to be, but was not, built or rehabilitated with units that meet the requirements of subdivision (a).

(c) (1) In the case of property not previously designated as open space, the exemption specified by subdivision (a) may not be denied to a property on the basis that the property does not currently include a single or multifamily residential unit as described in that subdivision, or a single or multifamily residential unit as so described that is in the course of construction.

(2) With regard to paragraph (1), the Legislature finds and declares all of the following:

(A) The exempt activities of a nonprofit corporation as described in subdivision (a) qualitatively differ from the exempt activities of other nonprofit entities that provide housing in that the exempt purpose of a nonprofit corporation as described in subdivision (a) is not to own and operate a housing project on an ongoing basis, but is instead to make housing, and the land reasonably necessary for the use of that housing, available for prompt sale to low-income residents.

(B) In light of this distinction, the holding of real property by a nonprofit corporation as described in subdivision (a), for the future construction on that property of a single or multifamily residence as described in that same subdivision, is central to that corporation's exempt purposes and activities.

(C) In light of the factors set forth in subparagraphs (A) and (B), the holding of real property by a nonprofit corporation described in subdivision (a), for the future construction on that property of a single or multifamily residence as described in that same subdivision, constitutes the exclusive use of that property for a charitable purpose within the meaning of subdivision (b) of Section 4 of Article XIII of the California Constitution.

(d) For purposes of this section, all of the following definitions apply:

(1) "Abandoned" has the same meaning as that term is used in Section 214.2.

(2) "Affordable housing cost" means a cost, with respect to low-income families, that does not exceed 30 percent of gross income.

(3) "First-time homebuyer" means a person who does not currently have any ownership interest in any principal residence and has not had any ownership interest in any principal residence in the three-year period prior to the date that the mortgage is executed for a unit purchased by the person described in paragraph (1) of subdivision (a) of this section. For purposes of this paragraph, "principal residence" means any property used as the person's principal place of residence.

(4) "Low-income families" means very low income households, as defined in Section 50105, extremely low income households, as defined in Section 50106, lower income households, as defined in Section 50079.5, and persons and families of low income, as defined in Section 50093, and includes persons and families of extremely low income and persons and families of very low income, as those terms are used in Section 50093 of the Health and Safety Code, as those sections read on January 1, 2022.

(e) The nonprofit corporation that utilizes the exemption in this section shall be subject to an annual independent audit to ensure that the buyers of the units meet the requirements of this section. The nonprofit corporation shall make the audit available upon request to the city, county, and county assessor where the unit is located and to the Department of Housing and Community Development in order to continue to qualify for the exemption pursuant to this section.

(f) (1) A nonprofit corporation making a claim for an exemption pursuant to this section shall not be eligible for the exemption under this section unless an officer of the nonprofit corporation signs under penalty of perjury an affidavit affirming to the county assessor that the property owned and operated by the nonprofit corporation is for the future construction of single or multifamily residential units on that property, as required by this section.

(2) (A) Notwithstanding any other law, the nonprofit corporation shall be liable for property tax for the years for which the property was exempt from taxation pursuant to this section if the property

was not developed or rehabilitated, or if the development or rehabilitation is not in the course of construction, in accordance with subdivision (a) as follows:

(i) In the case of property acquired by the nonprofit corporation before January 1, 2023, by January 1, 2028.

(ii) In the case of property acquired by the nonprofit corporation on and after January 1, 2023, and before January 1, 2028, within five years of the lien date following the acquisition of the property by the nonprofit corporation.

(B) The nonprofit corporation shall notify the assessor of the county in which the property is located if property owned by the nonprofit corporation granted an exemption pursuant to this section is not in the course of construction by the dates specified in subparagraph (A).

(g) (1) This section shall be operative for lien dates occurring on or after January 1, 2023, and before January 1, 2028.

(2) This section shall remain in effect only until January 1, 2034, and as of that date is repealed.

SEC. 2.

(a) The Legislature finds and declares all of the following:

(1) The availability of housing is of vital statewide importance and the development of decent and secure housing for every Californian is a priority of the highest order.

(2) There is currently a severe housing crisis in California that especially impacts the ability of persons and families of low income to purchase and own a home.

(3) To facilitate the acquisition, development, rehabilitation, and financing of restricted affordable dwellings for ownership by persons and families of low income, nonprofits eligible under this act, when acquiring, developing, or rehabilitating property for persons and families of low income, must be exempt from property taxation upon acquisition of the property.

(4) It is the intent of the Legislature to apply the requirements of Section 41 of the Revenue and Taxation Code with respect to the exemption under Section 214.15.1 of the Revenue and Taxation Code, as added by this act.

(b) The goal, purpose, and objective of the exemption is to facilitate the acquisition, development, rehabilitation, and financing of restricted affordable dwellings for ownership by persons and families of low income.

(c) (1) To assist the Legislature in determining whether the exemption allowed by this act fulfills the goal, purpose, and objective as described in subdivision (a), the State Board of Equalization shall annually collect and report to the Legislature, pursuant to paragraph (2), data from county assessors to quantify the amount of assessed value exempted and the number of owner-occupied dwelling units created by nonprofits granted this exemption.

(2) By June 1, 2025, and every June 1 thereafter until June 1, 2028, the State Board of Equalization shall report this information to the Legislature in accordance with Section 9795 of the Government Code.

(d) Nonprofits claiming the exemption shall provide information to county assessors, in the form and manner as required by the county assessor, about the additional dwelling units created under the exemption.

SEC. 3.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 4.

Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 5.

This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.

AB 1971, Chapter 524
County Employees Retirement Law of 1937.
Effective Date 1/1/2023

SECTION 1.
Section 31646 of the Government Code is amended to read:

31646.
(a) A member who returns to active service following an uncompensated leave of absence on account of *the member's* illness may receive service credit for the period of the absence upon the payment of the contributions that the member would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(b) (1) A member who returns to active service following an uncompensated leave of absence on account of parental leave may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subdivision, parental leave is defined as any time, up to one year, during which a member is granted an approved maternity or paternity leave and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed.

Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(2) This subdivision shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county and applies it to parental leave that commences after the adoption by the board of supervisors.

(c) (1) A member who returns to active service following an uncompensated leave of absence on account of the serious illness of a family member when the absence is eligible for coverage under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.) or the Moore-Brown-Roberti Family Rights Act, commonly referred to as the California Family Rights Act, as described in Section 12945, may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had the contributions been on deposit, if the member was not absent. For purposes of this subdivision, "leave of absence on account of illness of a family member" means any time, up to one year, during which a member is granted an approved leave to care for a seriously ill family member and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions required to receive the service credit may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(2) This subdivision shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county and applies it to leave that commences after the adoption by the board of supervisors.

SEC. 2.

Section 31646.2 is added to the Government Code, to read:

31646.2.
(a) The board may grant a member who is subject to a temporary mandatory furlough the same service credit and compensation earnable or pensionable compensation to which the member would have been entitled in the absence of the temporary mandatory furlough. The board may condition this grant on the receipt of additional member or employer contributions, or both as applicable, that the board determines are necessary to fund any benefits granted under this section on an actuarially sound basis.

(b) For the purposes of this section, "temporary mandatory furlough" means the time during which a member is directed to be absent from work without pay for up to one quarter of the member's normal working hours, provided that these reduced working hours shall not be in place for longer than two years.

SEC. 3.

Section 31680.16 is added to the Government Code, to read:

31680.16.
(a) Notwithstanding Section 31680, this section shall apply to a retired person who is receiving a retirement benefit from a county retirement system and is appointed or elected to either of the following:

(1) A county board or commission of the county that is a covered employer of the retirement system.

(2) A board or commission operating under a participating agency of the county that is a covered employer of the retirement system.

(b) A person who is retired under this chapter may serve as a nonsalaried member of a board or commission without reinstatement from retirement or loss or interruption of benefits under this chapter or the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1), provided the appointment or election is to a part-time board or commission. A retired person whose service without reinstatement is authorized by this subdivision shall not acquire benefits, service credit, or retirement rights with respect to the appointment or election, but may receive any per diem that is authorized to all members of the board or commission.

SEC. 4.
Section 31725.7 of the Government Code is amended to read:

31725.7.
(a) ~~At~~ *Except as provided in subdivision (b), at* any time after filing an application for disability retirement with the board, the member may, if eligible, apply for, and the board in its discretion may grant, a service retirement allowance pending the determination of ~~his or her~~ *their* entitlement to disability retirement. If ~~he or she~~ *the member* is found to be eligible for disability retirement, appropriate adjustments shall be made in ~~his or her~~ *their* retirement allowance retroactive to the effective date of ~~his or her~~ *their* disability retirement as provided in Section 31724.

(b) Notwithstanding subdivision (a), this section shall also apply to a member retired for service who subsequently files an application for disability retirement with the board. If the member retired for service is found to be eligible for disability retirement, appropriate adjustments shall be made in their retirement allowance retroactive to the effective date of their disability retirement, as provided in Section 31724.

~~(b)~~ *(c)* This section shall not be construed to authorize a member to receive more than one type of retirement allowance for the same period of time nor to entitle any beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive under the type of retirement which the member is finally determined to have been entitled. In the event a member retired for service is found not to be entitled to disability ~~retirement he or she~~ *retirement, they* shall not be entitled to return to ~~his or her~~ *their* job as provided in Section 31725.

~~(c)~~ *(d)* If the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary shall be as selected by the member at the time of retirement for service. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall also be binding as to the type of allowance the member receives if the member is awarded a disability retirement.

~~(d)~~ *(e)* Notwithstanding subdivision ~~(c),~~ *(d),* if the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary may be as selected by the member at the time of retirement for service, or as if the member had selected an unmodified allowance. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall not be binding as to the type of allowance the member receives if the member is awarded a disability retirement. A change to the optional or unmodified type of allowance shall be made only at the time a member is awarded a disability

retirement and the change shall be retroactive to the service retirement date and benefits previously paid shall be adjusted. If a change to the optional or unmodified type of allowance is not made, the benefit shall be adjusted to reflect the differences in retirement benefits previously received. This paragraph shall only apply to members who retire on or after January 1, 1999.

SEC. 5.

Section 31760 of the Government Code is amended to read:

31760.
(a) Except as provided in ~~subdivision (b),~~ *subdivisions (b) and (c),* until the first payment of any retirement allowance is made, a member or retired member, in lieu of the retirement allowance for the member's life alone, may elect to have the actuarial equivalent of ~~his or her~~ *their* retirement allowance as of the date of retirement applied to a lesser retirement allowance payable throughout life in accordance with one of the optional settlements specified in this article.

(b) Notwithstanding subdivision (a), a member who applies for disability and is subsequently granted a service retirement pending a determination of entitlement to disability may change the type of optional or unmodified allowance that ~~he or she~~ *they* elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.

(c) Notwithstanding subdivision (a), a member retired for service who applies for, and is subsequently granted, a disability retirement may change the type of optional or unmodified allowance that was elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.

AB 2280, Chapter 282
Unclaimed property: interest assessments and disclosure of records.
Effective Date 1/1/2023

SECTION 1.

The Legislature finds and declares all of the following:

(a) The Unclaimed Property Law was passed to protect consumers and provide citizens a single source to check for unclaimed property that may be reported by businesses around the nation and to enable the state to return the property to its rightful owners and their heirs. It also aims to prevent businesses from keeping unclaimed property and using it as business income.

(b) Currently, the Controller's outreach to and education of holders on their obligations under the Unclaimed Property Law, the threat of an audit, and the 12 percent interest assessment payable under Section 1577 of the Code of Civil Procedure are not sufficient to compel businesses to report past due property.

(c) As of 2020, approximately 1.3 million businesses that file taxes with the Franchise Tax Board are estimated to have unclaimed property to report, but have failed to submit an unclaimed property report to the Controller.

(d) In addition to a lack of awareness and understanding of the Unclaimed Property Law and the reporting process, and the lack of a way for holders to submit reports online, the current interest rate of 12 percent per annum for past due property is a deterrent to would-be first-time filers because of the potentially large interest assessment they could incur with their first report.

(e) The current 12 percent interest assessment is also a deterrent to holders that consistently report unclaimed property to report past due property that they have not yet reported because of the potentially large interest assessment they would incur for doing so.

(f) As the administrator of the Unclaimed Property Law, the Controller receives 375,000 claims annually from possible owners of unclaimed property. As part of the claims process, claimants provide a significant number of documents containing personal information relating to themselves or their relatives that would normally be kept confidential by individuals, including driver's licenses, social security cards, bank account statements, wills, trusts, and other similar documents.

(g) The Federal Trade Commission received 4.8 million reports of fraud and identity theft in 2020, up more than 45 percent from the 3.3 million reports received in 2019. Given this trend, the protection of personal information has never been more vital.

(h) The disclosure of personal information may also discourage owners from claiming property held by the Controller.

(i) The disclosure of many of the documents provided by claimants of unclaimed property is of minimal public interest, while the potential for fraud and identity theft is substantial. Accordingly, it is apparent that such records should be exempt from disclosure under the California Public Records Act.

(j) As the administrator of the Unclaimed Property Law, in accordance with Section 1571 of the Code of Civil Procedure, the Controller conducts the examination of records of any person that the Controller has reason to believe is a holder of unclaimed property. The Controller also hires third-party auditors to conduct such examinations on its behalf. In conducting such examinations, the Controller and third-party auditors review extensive financial records of holders of unclaimed property.

(k) Under the current law, records of holders that the Controller or third-party auditors obtain possession of in the course of an examination may be subject to disclosure under the California Public Records Act. Holders are often private businesses that have a strong interest in maintaining confidentiality of their financial records. Accordingly, the records of holders containing information that is unrelated to property that has escheated to the state should be exempt from disclosure under the California Public Records Act.

SEC. 2.

Section 1577 of the Code of Civil Procedure is amended to read:

1577.

(a) In addition to any damages, penalties, or fines for which a person may be liable under other provisions of law, any person who fails to report, pay, or deliver unclaimed property within the time prescribed by this chapter, unless that failure is due to reasonable cause, shall pay to the Controller interest at the rate of 12 percent per annum on that property or value thereof from the date the property should have been reported, paid, or delivered. ~~If a holder pays or delivers unclaimed property in a timely manner, but files a report that is not in substantial compliance with the requirements of Section 1530, the interest payable shall not exceed ten thousand dollars ($10,000). The holder shall not be subject to any interest payment if the holder's failure to report in substantial compliance with the requirements of Section 1530 is due to reasonable cause.~~

(b) If a holder reports and pays or delivers unclaimed property within the time prescribed by this chapter, but files a report that is not in substantial compliance with the requirements of Section

1530 or 1532, the interest payable on the unclaimed property that is paid or delivered in the time prescribed by this chapter shall not exceed ten thousand dollars ($10,000).

(c) The Controller may waive the interest payable under this section if the holder's failure to file a report that is in substantial compliance with the requirements of Section 1530 or 1532 is due to reasonable cause.

(d) The Controller shall waive the interest payable under this section if the holder participates in and completes all of the requirements of the California Voluntary Compliance Program under Section 1577.5, subject to the right to reinstate, as specified.

SEC. 3.

Section 1577.5 of the Code of Civil Procedure is repealed.

~~**1577.5.**~~

~~(a) Section 1577 does not apply to, and interest may not be imposed upon, any escheated property paid or delivered to the Controller at any time on or before December 31, 2002.~~

~~(b) Subdivision (a) shall apply only if the following requirements are met:~~

~~(1) On or before January 1, 2003, the holder of the property was not the subject of an investigation by the Attorney General or a party to litigation with the Controller, relating to the property. "Investigation by the Attorney General" means an investigation being conducted under any law authorizing the investigation, including, but not limited to, investigations authorized by or conducted pursuant to Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code by the office of the Attorney General relating to the escheat of property subject to subdivision (a).~~

~~(2) On or before January 3, 2000, the holder of the property was not the subject of an audit by the Controller relating to the property. "Audit by the Controller" means a formal field audit of the propertyholder's books and records by audit personnel of the Controller's office for the purpose of determining compliance with this chapter.~~

~~(3) The property was required to be reported on or before November 1, 1999.~~

~~(4) The property is surrendered directly to the state or its authorized agent.~~

~~(5) Reports respecting the property are reported by electronic media satisfactory to the Controller, provided that paper reports shall be permitted with respect to holders reporting fewer than 50 accounts or other items.~~

~~(6) All property reported after the effective date of this act shall be reported on a report separate from property currently reportable, and may not be reported with property not eligible for the amnesty program.~~

~~(7) The property is paid or delivered to the Controller at the time the report is made.~~

~~(8) Securities are remitted in accordance with Section 1532.~~

~~(9) Records shall be maintained in a manner satisfactory to the Controller, to permit verification and compliance audits.~~

~~(c) Nothing in subdivision (a) shall create an entitlement to a refund of interest paid to the Controller prior to the effective date of this section.~~

~~(d) The Controller shall conduct an outreach and publicity program regarding the provisions of this section.~~

~~(e) The Controller shall submit a report to the Legislature on the amnesty program. The report shall include a comprehensive accounting of all unclaimed property surrendered under the amnesty program, the date the property was surrendered, and the identities of the holders of surrendered unclaimed property. The report shall be published no later than July 31, 2003.~~

~~(f) Nothing in this section shall preclude liability pursuant to Article 9 (commencing with Section 12650) of Chapter 6 of Title 2 of Division 3 of the Government Code regarding false claims. Reporting or filing extensions shall not be granted for property under this section.~~

SEC. 4.

Section 1577.5 is added to the Code of Civil Procedure, to read:

1577.5.

(a) This section shall be known, and may be cited, as the "California Voluntary Compliance Program."

(b) The Controller may establish a program for the voluntary compliance of holders for the purpose of resolving unclaimed property that is due and owing to the state under this chapter.

(c) A holder that has not reported unclaimed property in accordance with Section 1530 may request to enroll in the program using a form prescribed by the Controller.

(d) The Controller, in their discretion, may enroll eligible holders in the program. A holder is ineligible to participate in the program if any of the following apply:

(1) At the time the holder's request to enroll is received by the Controller, the holder is the subject of an examination of records or has received notification from the Controller of an impending examination under Section 1571.

(2) At the time the holder's request to enroll is received by the Controller, the holder is the subject of a civil or criminal prosecution involving compliance with this chapter.

(3) The Controller has notified the holder of an interest assessment under Section 1577 within the previous five years, and the interest assessment remains unpaid at the time of the holder's request to enroll. A holder subject to an outstanding interest assessment may file or refile a request to enroll in the program after resolving the outstanding interest assessment.

(4) The Controller has waived interest assessed against the holder under this section within the previous five years. Notwithstanding the foregoing, if a holder acquired or merged with another entity within the five-year period, the holder may request to enroll in the program for the purpose of resolving unclaimed property that may be due and owing to the state as a result of the acquisition or merger.

(e) The Controller shall waive interest assessed under Section 1577 for a holder enrolled in the program if the holder does all the following within the prescribed timeframes and satisfies the other requirements of this section:

(1) Enrolls and participates in an unclaimed property educational training program provided by the Controller within three months after the date on which the Controller notified the holder of their enrollment in the program, unless the Controller sets a different date.

(2) Reviews their books and records for unclaimed property for at least the previous 10 years, starting from June 30 or the fiscal yearend preceding the date on which the report required by paragraph (4) is due.

(3) Makes reasonable efforts to notify owners of reportable property by mail or electronically, as applicable, pursuant to Sections 1513.5, 1514, 1516, or 1520, no less than 30 days prior to submitting the report required by paragraph (4).

(4) Reports to the Controller as required by subdivisions (b), (c), and (e) of Section 1530 within six months after the date on which the Controller notified the holder of their enrollment in the program. Upon written request by the enrolled holder, the Controller may postpone the reporting date for a period not to exceed 18 months after the date on which the Controller notified the holder of their enrollment in the program.

(5) Submits to the Controller an updated report and pays or delivers to the Controller all escheated property specified in the report as required by Section 1532, no sooner than seven months and no later than seven months and 15 days after the Controller received the report submitted pursuant to paragraph (4).

(f) The Controller may reinstate interest waived under subdivision (d) of Section 1577 if the holder does not pay or deliver all escheated property specified in the report submitted pursuant to and within the timeframe prescribed by paragraph (5) of subdivision (e).

(g) The Controller may adopt guidelines and forms that provide specific procedures for the administration of the program.

(h) This section shall become operative only upon an appropriation by the Legislature in the annual Budget Act for this purpose.

SEC. 5.

Section 1582 of the Code of Civil Procedure is amended to read:

1582.

(a) (1) An agreement to locate, deliver, recover, or assist in the recovery of property reported under Section 1530 is invalid if either of the following apply:

(A) The agreement is entered into between the date a report is filed under subdivision (d) of Section 1530 and the date the property is paid or delivered under Section 1532.

(B) The agreement requires the owner to pay a fee or compensation prior to approval of the claim and payment of the recovered property to the owner by the Controller.

(2) An agreement to locate, deliver, recover, or assist in the recovery of property reported under Section 1530 made after payment or delivery under Section 1532 is valid if it meets all of the following requirements:

(A) The agreement is in writing and includes a disclosure of the nature and value of the property, that the Controller is in possession of the property, and the address where the owner can directly claim the property from the Controller.

(B) The agreement is signed by the owner after receipt of the disclosure described in subparagraph (A).

(C) The fee or compensation agreed upon is not in excess of 10 percent of the recovered property.

~~No~~ *(3)* ~~agreement to locate, deliver, recover, or assist in the recovery of property reported under Section 1530, entered into between the date a report is filed under subdivision (d) of Section 1530 and the date of publication of notice under Section 1531 is valid. Such an agreement made after publication of notice is valid if the fee or compensation agreed upon is not in excess of 10 percent of the recoverable property and the agreement is in writing and signed by the owner after disclosure in the agreement of the nature and value of the property and the name and address of the person or entity in possession of the property. Nothing in this section shall~~ *This subdivision shall not* be construed to prevent an owner from asserting, at any time, that ~~any~~ *an* agreement to locate property is based upon an excessive or unjust consideration.

(b) Notwithstanding any other provision of law, records of the Controller's office pertaining to unclaimed property are not available for public inspection or copying until after publication of notice of the property or, if publication of notice of the property is not required, until one year after delivery of the property to the Controller.

SEC. 6.

Section 7925.015 is added to the Government Code, to read:

7925.015.

This division does not require the disclosure of records that the Controller and third-party auditors obtain the possession of as a result of an examination of records pursuant to Section 1571 of the Code of Civil Procedure, other than records of property that should have been reported to the Controller as unclaimed property.

SEC. 7.

Section 7927.425 is added to the Government Code, to read:

7927.425.

This division does not require the disclosure of the following records and information provided to the Controller's office:

(a) Records related to statements of personal worth or personal financial data, including, but not limited to, wills, trusts, account statements, earnings statements, or other similar records.

(b) Personal information, as defined by subdivision (a) of Section 1798.3 of the Civil Code, within records, including, but not limited to:

(1) Social security number.

(2) Date of birth.

(3) Federal employer identification number, until the Controller has made payment of the property in full to the owner.

(4) Account number, until the Controller has made payment of the property in full to the owner.

(5) Check number, until the Controller has made payment of the property in full to the owner.

SEC. 8.

The Legislature finds and declares that Sections 6 and 7 of this act, which add Sections 7925.015 and 7927.425 of the Government Code, respectively, impose limitations on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional

provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

The interest of holders of unclaimed property, which are often private businesses, in their financial records is protected by limiting disclosure to the public, and it is necessary to maintain the confidentiality of private businesses' financial records. In addition, it is necessary to limit the public's right of access to the personal information of claimants and owners under the Unclaimed Property Law in order to protect the privacy of individuals and protect against fraud and identity theft.

AB 2449, Chapter 285
Open meetings: local agencies: teleconferences.
Effective Date 1/1/2023

SECTION 1.

Section 54953 of the Government Code, as amended by Section 3 of Chapter 165 of the Statutes of 2021, is amended to read:

54953.
(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. ~~All votes taken during a teleconferenced meeting shall be by rollcall.~~ *If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:*

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference ~~locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.~~ *locations.* Each teleconference location shall be identified in the notice and

agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e). ~~The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.~~

~~(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.~~

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act ~~(Chapter 3.5~~ *(Division 10* (commencing with Section ~~6250) of Division 7 of~~ *7920.000) of* Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) ~~A.~~ *The legislative body of a* local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

~~(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.~~

~~(B)~~ *(A)* ~~The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.~~ In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. ~~This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.~~

~~(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.~~

~~(D)~~ *(B)* In the event of a disruption ~~which~~ *that* prevents the ~~public agency~~ *legislative body* from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control ~~which~~ *that* prevents members of the public from offering public comments using the call-in option or internet-based service option, the *legislative* body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption ~~which~~ *that* prevents the ~~public agency~~ *legislative body* from broadcasting the meeting may be challenged pursuant to Section 54960.1.

~~(E)~~ *(C)* The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. ~~This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.~~

~~(F)~~ *(D)* Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

~~(G)~~ *(E)* (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda

item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda

items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

~~(4)~~ *(5)* ~~For the purposes of this subdivision, "state of~~ *"State of* emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

~~(f)~~ *(k)* This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 2.

Section 54953 of the Government Code, as added by Section 4 of Chapter 165 of the Statutes of 2021, is amended to read:

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all *otherwise applicable* requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. ~~All votes taken during a teleconferenced meeting shall be by rollcall.~~ *If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:*

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference ~~locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.~~ *locations.* Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). ~~The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.~~

~~(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations~~

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act ~~(Chapter 3.5~~ *(Division 10* (commencing with Section ~~6250) of Division 7 of~~ *7920.000) of* Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body

may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening

to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

~~(e)~~ *(j)* This section shall become operative January 1, ~~2024.~~ *2024, shall remain in effect only until January 1, 2026, and as of that date is repealed.*

SEC. 3.

Section 54953 is added to the Government Code, to read:

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2026.

SEC. 4.

Section 54954.2 of the Government Code is amended to read:

54954.2.

(a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services,

may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an Internet Web site with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) For the purposes of this paragraph, both of the following definitions shall apply:

(i) “Integrated agenda management platform” means an Internet Web site of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(ii) "Legislative body" has the same meaning as that term is used in subdivision (a) of Section 54952.

(E) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(4) To consider action on a request from a member to participate in a meeting remotely due to emergency circumstances, pursuant to Section 54953, if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made. The legislative body may approve such a request by a majority vote of the legislative body.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(e) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 5.

Section 54954.2 is added to the Government Code, to read:

54954.2.

(a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an Internet Web site with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) For the purposes of this paragraph, both of the following definitions shall apply:

(i) "Integrated agenda management platform" means an Internet Web site of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(ii) "Legislative body" has the same meaning as that term is used in subdivision (a) of Section 54952.

(E) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(e) This section shall become operative January 1, 2026.

SEC. 6.

The Legislature finds and declares that Sections 1 and 2 of this act, which amend Section 54953 of the Government Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hospital room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.

SEC. 7.

The Legislature finds and declares that Sections 1 and 2 of this act, which amend Section 54953 of the Government Code, further, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for public participation and notice requirements allowing for greater public participation in teleconference meetings.

AB 2647, Chapter 971

Local government: open meetings.
Effective Date 1/1/2023

SECTION 1.

Section 54957.5 of the Government Code, as amended by Section 208 of Chapter 615 of the Statutes of 2021, is amended to read:

54957.5.

(a) ~~Notwithstanding Section 7922.000 or any other law, agendas~~ *Agendas* of public meetings ~~and any other writings, when distributed to all, or a majority of all, of the members of a legislative body of a local agency by any person in connection with a matter subject to discussion or consideration at an open meeting of the body,~~ are disclosable public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be made available upon request without ~~delay.~~ *delay and in compliance with Section 54954.2 or Section 54956, as applicable.* However, this section shall not ~~include any writing exempt from public disclosure under Section 7924.100, 7924.105, 7924.110, 7924.510, 7924.700, 7926.205, 7927.410, 7927.605, 7928.300, or 7928.710, or any provision listed in Section 7920.505.~~ *apply to a writing, or portion thereof, that is exempt from public disclosure.*

(b) (1) If a writing ~~that~~ is a public record ~~under subdivision (a), and that relates~~ *related* to an agenda item for an open session of a regular meeting of the legislative body of a local ~~agency, is distributed~~ *agency and is distributed to all, or a majority of all, of the members of a legislative body of a local agency by a person in connection with a matter subject to discussion or consideration at an open meeting of the body* less than 72 hours ~~prior to~~ *before* that meeting, the writing shall be made available for public inspection pursuant to paragraph (2) at the time the writing is distributed to all, or a majority of all, of the members of the body.

(2) (A) Except as provided in subparagraph (B), a local agency shall comply with both of the following requirements:

(i) A local agency shall make any writing described in paragraph (1) available for public inspection at a public office or location that the agency shall designate for this purpose.

(ii) A local agency shall list the address of the office or location designated pursuant to clause (i) on the agendas for all meetings of the legislative body of that agency.

(B) A local agency shall not be required to comply with the requirements of subparagraph (A) if all of the following requirements are met:

(i) An initial staff report or similar document containing an executive summary and the staff recommendation, if any, relating to that agenda item is made available for public inspection at the office or location designated pursuant to clause (i) of subparagraph (A) at least 72 hours before the meeting.

~~(2)~~ *(ii)* ~~A~~ *The* local agency ~~shall make~~ *immediately posts* any writing described in paragraph (1) ~~available for public inspection at a public office or location that the agency shall designate for this purpose. Each local agency shall list the address of this office or location on the agendas for all meetings of the legislative body of that agency. The local agency also may post the writing on the local~~ *on the local* agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

~~(3)~~ *(iii)* ~~This subdivision shall become operative on July 1, 2008.~~ *The local agency lists the web address of the local agency's internet website on the agendas for all meetings of the legislative body of that agency.*

(iv) (I) Subject to subclause (II), the local agency makes physical copies available for public inspection, beginning the next regular business hours for the local agency, at the office or location designated pursuant to clause (i) of subparagraph (A).

(II) This clause is satisfied only if the next regular business hours of the local agency commence at least 24 hours before that meeting.

(c) Writings that are public records ~~under~~ *described in* subdivision ~~(a)~~ *(b)* and ~~that are~~ distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the local agency or a member of its legislative body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats upon request by a person with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(d) This chapter shall not be construed to prevent the legislative body of a local agency from charging a fee or deposit for a copy of a public record pursuant to Section 7922.530, except that a surcharge shall not be imposed on persons with disabilities in violation of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.

(e) This section shall not be construed to limit or delay the public's right to inspect or obtain a copy of any record required to be disclosed under the requirements of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title ~~1).This~~ *1), including, but not limited to, the ability of the public to inspect public records pursuant to Section 7922.525 and obtain copies of public records pursuant to either subdivision (b) of Section 7922.530 or Section 7922.535. This* chapter shall not be construed to require a legislative body of a local agency to place any paid advertisement or any other paid notice in any publication.

SEC. 2.

The Legislature finds and declares that Section 1 of this act, which amends Section 54957.5 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

Because this act would authorize local agencies to make public documents available by posting the public documents on the local agency's internet website, thus making the public documents available by local agencies more quickly and cost effectively, this act furthers the purpose of Section 3 of Article I of the California Constitution.

AB 2791, Chapter 417

Sheriffs: service of process and notices.
Effective Date 1/1/2023

SECTION 1.

Section 7927.430 is added to the Government Code, to read:

7927.430.
A Judicial Council form provided to request service pursuant to Section 26666.10, and the information contained therein, is confidential and shall not be disclosed pursuant to this division.

SEC. 2.

Section 26666 is added to the Government Code, to read:

26666.

(a) Notwithstanding any other law, a marshal or sheriff, including their department or office, shall comply with this section for service of process and notice. As used in this section, "notice" has the same meaning as defined in Section 26660.

(b) A marshal or sheriff, including their department or office, shall accept an electronic signature and shall not require an original or wet signature on a document requesting the marshal or sheriff, or their department or office, to serve court documents, or on a summons, order, or other notice to be served.

SEC. 3.

Section 26666.2 is added to the Government Code, to read:

26666.2.

Except for the following criteria, a marshal or sheriff, including their department or office, shall not review the substance of a summons, order, or other notice:

(a) The applicable form or forms described in Section 26666.10 are present and required sections, if any, are complete.

(b) A case number appears on the summons, order, or other notice. Blank forms, such as responsive forms, are not required to include a case number.

(c) An order to be served, including a restraining order, bears the signature of the judge, including, but not limited to, a stamp or other endorsement or representation of the signature of a judge, certification of a clerk, or court endorsement or seal, and the information on the order materially matches the information regarding the person to be served on the form or forms described in Section 26666.10.

SEC. 4.

Section 26666.5 is added to the Government Code, to read:

26666.5.

(a) A marshal or sheriff, including their department or office, shall accept transmission by email, fax, or in-person delivery of the form or forms described in Section 26666.10, and of a summons, order, or other notice to be served in any case in which the court has granted a fee waiver by an order on court fee waiver or the litigant is otherwise exempt from paying fees for service of a summons, order, or other notice under any law, including, but not limited to, subdivision (y) of Section 527.6, subdivision (x) of Section 527.8, or subdivision (x) of Section 527.85 of the Code of Civil Procedure, Division 10 (commencing with Section 6200) of the Family Code, paragraph (4) of subdivision (b) of Section 6103.2, Section 26721 or 70617 of the Government Code, Section 18121 of the Penal Code, 34 U.S.C. Sec. 10450(a)(1), or 34 U.S.C. Sec. 10461(c)(1)(D). Any person may deliver the forms for service to the marshal or sheriff, including their department or office, on behalf of a litigant.

(b) A marshal or sheriff, including their department or office, shall not charge or collect a fee for the electronic transmission of documents described in subdivision (a).

(c) This section shall not be construed to impede a private process server's rights or obligations, including, but not limited, the ability to serve a summons, order, or other notice as requested by a client.

(d) This section shall become operative on January 1, 2024.

(e) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 5.

Section 26666.5 is added to the Government Code, to read:

26666.5.

(a) A marshal or sheriff, including their department or office, shall accept transmission by email, fax, or in-person delivery of the form or forms described in Section 26666.10, and of a summons, order, or other notice to be served. Any person may deliver the forms for service to the marshal or sheriff, including their department or office, on behalf of a litigant.

(b) (1) Subject to paragraph (2), a marshal or sheriff, including their department or office, shall not charge or collect a fee for the electronic transmission of documents described in subdivision (a) that exceeds the actual cost incurred in processing the transmission.

(2) No fee for the electronic transmission of documents shall be imposed on a litigant who has been granted a fee waiver by an order on court fee waiver or is otherwise exempt from paying fees for service of a summons, order, or other notice under any law, including, but not limited to, subdivision (y) of Section 527.6, subdivision (x) of Section 527.8, or subdivision (x) of Section 527.85 of the Code of Civil Procedure, Division 10 (commencing with Section 6200) of the Family Code, paragraph (4) of subdivision (b) of Section 6103.2, Section 26721 or 70617 of the Government Code, Section 18121 of the Penal Code, 34 U.S.C. Sec. 10450(a)(1), or 34 U.S.C. Sec. 10461(c)(1)(D).

(c) This section shall not be construed to require a marshal or sheriff, including their department or office, to attempt service of documents prior to receipt of any fees owed pursuant to this chapter.

(d) This section shall not be construed to impede a private process server's rights or obligations, including, but not limited, the ability to serve a summons, order, or other notice as requested by a client.

(e) This section shall become operative on January 1, 2026.

SEC. 6.

Section 26666.10 is added to the Government Code, to read:

26666.10.

(a) On or before January 1, 2024, the Judicial Council shall create a statewide form or forms to be used by litigants in civil actions or proceedings to request service of process or notice by a marshal or sheriff, including their department or office.

(b) A marshal or sheriff, including their department or office, shall accept an electronic signature and shall not require an original or wet signature on the form or forms created pursuant to this section.

(c) The Judicial Council form or forms shall do all of the following:

(1) Require the name, address, and description of the person to be served and the signature of the litigant requesting service, or their attorney of record, and may require any other pertinent information for service.

(2) Indicate on the form which fields on the form, if any, are required.

(3) Allow the litigant's or their attorney of record's signature to be made electronically.

(d) Upon completion of the forms described in subdivision (a), requests to a marshal or sheriff, including their department or office, to serve a notice or other process pursuant to Section 26666 shall be made on the Judicial Council form or forms. No sheriff or marshal, including their department or office, shall require completion of a form or request other than the Judicial Council form or forms described in this section.

(e) Pursuant to Section 7927.430, the Judicial Council form or forms and the information contained therein shall not be subject to disclosure and shall be kept confidential.

SEC. 7.

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

SEC. 8.

The Legislature finds and declares that Section 1 of this act, which adds Section 7927.430 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect the privacy and safety of litigants who, directly or through another person, seek the assistance of a sheriff's department in serving notice and process, it is necessary to limit the disclosure of the litigant's personal information to the public.

AB 2890, Chapter 129

Property and business improvement districts.
Effective Date 1/1/2023

SECTION 1.

Section 36615.5 of the Streets and Highways Code is amended to read:

36615.5.
(a) "Special benefit" means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

(b) "Special benefit" also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general.

SEC. 2.

Section 36622 of the Streets and Highways Code is amended to read:

36622.
The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the ~~maximum~~ *estimated* cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against ~~his or her~~ *their* property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

~~(l)~~ *(3)* In a property-based district, ~~the total amount of all special benefits to be conferred upon the properties located within the property-based district.~~ *properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.*

~~(m) In a property-based district, the total amount of general benefits, if any.~~

~~(n)~~ *(l)* In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

~~(o)~~ *(m)* Any other item or matter required to be incorporated therein by the city council.

SB 989, Chapter 712

Property taxation: taxable value transfers: disclosure and deferment.
Effective Date 9/28/2022

SECTION 1.

Section 2610.8 is added to the Revenue and Taxation Code, to read:

2610.8.

(a) A disclosure shall be printed on each tax bill for properties that have been purchased, newly constructed, or changed in ownership in the year preceding the tax bill that includes all of the following information:

(1) A brief summary of the availability of the property tax relief under Section 69.6.

(2) A brief summary of deferment procedures under Section 2636.1.

(b) (1) This section shall apply to counties with a population of over 4,000,000, as determined by the 2020 federal census.

(2) This section shall not apply to a county with a population of 4,000,000 or less, as determined by the 2020 federal census, unless the county's board of supervisors, after consultation with the county assessor, county auditor, county treasurer, and county tax collector, pass a resolution implementing the requirements of this section.

SEC. 2.

Section 2636.1 is added to the Revenue and Taxation Code, to read:

2636.1.

(a) Notwithstanding any law, payment of property taxes for a property shall be deferred, without penalty or interest, if both of the following apply:

(1) The property owner has claimed the property tax relief described in Section 69.6 for the property, but the county assessor has not completed its determination of the property's eligibility for property tax relief under that section.

(2) The property owner requests deferment with the county assessor within one calendar year, but before January 1, 2024, of receiving the first tax bill for the property.

(b) Payment of property taxes that have been deferred pursuant to subdivision (a) shall be deferred until either of the following occur:

(1) The county assessor has reassessed the property and a corrected tax bill prepared pursuant to Section 69.6 has been sent to the property owner.

(2) The county assessor has determined the property is not eligible for exclusion pursuant to Section 69.6, and the assessor has notified the property owner.

(c) (1) First installments of property taxes that have been deferred pursuant to this section but that have since been corrected pursuant to paragraph (1) of subdivision (b) shall be due and payable December 10 or 30 days after the date the bill is mailed or electronically transmitted to the owner, whichever is later. Second installments of property taxes that have been deferred pursuant to this section but that have since been corrected shall be due and payable April 10 or 30 days after the date the bill is mailed or electronically transmitted to the owner, whichever is later.

(2) First installments of property taxes that have been deferred pursuant to this section but that have been deemed correct pursuant to paragraph (2) of subdivision (b) shall be due and payable December 10 or 30 days after the postmark date or date of mailing printed on the county assessor's notice to the property owner, whichever is later. Second installments of property taxes that have been deferred pursuant to this section but that have since been corrected shall be due

and payable April 10 or 30 days after the postmark date or date of mailing printed on the county assessor's notice to the property owner, whichever is later.

(3) Deferred tax installments that are unpaid shall become delinquent at 5 p.m., or the close of business, whichever is later, of the due date and shall be subject to delinquency penalties as provided by law.

(d) This section shall not apply to property taxes paid through impound accounts.

(e) (1) This section shall apply to counties with a population of over 4,000,000, as determined by the 2020 federal census.

(2) This section shall not apply to a county with a population of 4,000,000 or less, as determined by the 2020 federal census, unless the county's board of supervisors, after consultation with the county assessor, county auditor, county treasurer, and county tax collector, pass a resolution implementing the requirements of this section.

(f) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 3.

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

SEC. 4.

This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to protect seniors, the severely disabled, and victims of wildfire or natural disaster from losing their property due to increases in property tax, it is necessary for this act to take immediate effect.

SB 1099, Chapter 716

Bankruptcy: debtors.
Effective Date 1/1/2023

SECTION 1.

Section 2983.3 of the Civil Code is amended to read:

2983.3.

(a) *(1)* In the absence of default in the performance of any of the buyer's obligations under the contract, the seller or holder may not accelerate the maturity of any part or all of the amount due thereunder or repossess the motor vehicle.

(2) Neither the act of filing a petition commencing a case for bankruptcy under Title 11 of the United States Code by the buyer or other individual liable on the contract nor the status of either of those persons as a debtor in bankruptcy constitutes a default in the performance of any of the buyer's obligations under the contract, and neither may be used as a basis for accelerating the maturity of any part or all of the amount due under the contract or for repossessing the motor vehicle. A provision of a contract that states that the act of filing a petition commencing a case for bankruptcy under Title 11 of the United States Code by the buyer or other individual liable on the

contract or the status of either of those persons as a debtor in bankruptcy is a default is void and unenforceable.

(b) If after default by the buyer, the seller or holder repossesses or voluntarily accepts surrender of the motor vehicle, any person liable on the contract shall have a right to reinstate the contract and the seller or holder shall not accelerate the maturity of any part or all of the contract prior to expiration of the right to reinstate, unless the seller or holder reasonably and in good faith determines that any of the following has occurred:

(1) The buyer or any other person liable on the contract by omission or commission intentionally provided false or misleading information of material importance on the buyer's or other person's credit application.

(2) The buyer, any other person liable on the contract, or any permissive user in possession of the motor vehicle, in order to avoid repossession has concealed the motor vehicle or removed it from the state.

(3) The buyer, any other person liable on the contract, or any permissive user in possession of the motor vehicle, has committed or threatens to commit acts of destruction, or has failed to take care of the motor vehicle in a reasonable manner, so that the motor vehicle has become substantially impaired in value, or the buyer, any other person liable on the contract, or any nonoccasional permissive user in possession of the motor vehicle has failed to take care of the motor vehicle in a reasonable manner, so that the motor vehicle may become substantially impaired in value.

(4) The buyer or any other person liable on the contract has committed, attempted to commit, or threatened to commit criminal acts of violence or bodily harm against an agent, employee, or officer of the seller or holder in connection with the seller's or holder's repossession of or attempt to repossess the motor vehicle.

(5) The buyer has knowingly used the motor vehicle, or has knowingly permitted it to be used, in connection with the commission of a criminal offense, other than an infraction, as a consequence of which the motor vehicle has been seized by a federal, state, or local agency or authority pursuant to federal, state, or local law.

(6) The motor vehicle has been seized by a federal, state, or local public agency or authority pursuant to (A) Section 1324 of Title 8 of the United States Code or Part 274 of Title 8 of the Code of Federal Regulations, (B) Section 881 of Title 21 of the United States Code or Part 9 of Title 28 of the Code of Federal Regulations, or (C) other federal, state, or local law, including regulations, and, pursuant to that other law, the seizing authority, as a precondition to the return of the motor vehicle to the seller or holder, prohibits the return of the motor vehicle to the buyer or other person liable on the contract or any third person claiming the motor vehicle by or through them or otherwise effects or requires the termination of the property rights in the motor vehicle of the buyer or other person liable on the contract or claimants by or through them.

(c) Exercise of the right to reinstate the contract shall be limited to once in any 12-month period and twice during the term of the contract.

(d) The provisions of this subdivision cover the method by which a contract shall be reinstated with respect to curing events of default which were a ground for repossession or occurred subsequent to repossession:

(1) When the default is the result of the buyer's failure to make any payment due under the contract, the buyer or any other person liable on the contract shall make the defaulted payments and pay any applicable delinquency charges.

(2) When the default is the result of the buyer's failure to keep and maintain the motor vehicle free from all encumbrances and liens of every kind, the buyer or any other person liable on the contract shall either satisfy all encumbrances and liens or, in the event the seller or holder satisfies the encumbrances and liens, the buyer or any other person liable on the contract shall reimburse the seller or holder for all reasonable costs and expenses incurred therefor.

(3) When the default is the result of the buyer's failure to keep and maintain insurance on the motor vehicle, the buyer or any other person liable on the contract shall either obtain the insurance or, in the event the seller or holder has obtained the insurance, the buyer or any other person liable on the contract shall reimburse the seller or holder for premiums paid and all reasonable costs and expenses, including, but not limited to, any finance charge in connection with the premiums permitted by Section 2982.8, incurred therefor.

(4) When the default is the result of the buyer's failure to perform any other obligation under the contract, unless the seller or holder has made a good faith determination that the default is so substantial as to be incurable, the buyer or any other person liable on the contract shall either cure the default or, if the seller or holder has performed the obligation, reimburse the seller or holder for all reasonable costs and expenses incurred in connection therewith.

(5) Additionally, the buyer or any other person liable on the contract shall, in all cases, reimburse the seller or holder for all reasonable and necessary collection and repossession costs and fees actually paid by the seller or holder, including attorney's fees and legal expenses expended in retaking and holding the vehicle.

(e) If the seller or holder denies the right to reinstatement under subdivision (b) or paragraph (4) of subdivision (d), the seller or holder shall have the burden of proof that the denial was justified in that it was reasonable and made in good faith. If the seller or holder fails to sustain the burden of proof, the seller or holder shall not be entitled to a deficiency, but it shall not be presumed that the buyer is entitled to damages by reason of the failure of the seller or holder to sustain the burden of proof.

(f) This section does not apply to a loan made by a lender licensed under Division 9 (commencing with Section 22000) of the Financial Code.

SEC. 2.

Section 703.140 of the Code of Civil Procedure is amended to read:

703.140.

(a) In a case under Title 11 of the United States Code, all of the exemptions provided by this chapter, including the homestead exemption, other than the provisions of subdivision (b) are applicable regardless of whether there is a money judgment against the debtor or whether a money judgment is being enforced by execution sale or any other procedure, but the exemptions provided by subdivision (b) may be elected in lieu of all other exemptions provided by this chapter, as follows:

(1) If spouses are joined in the petition, they jointly may elect to utilize the applicable exemption provisions of this chapter other than the provisions of subdivision (b), or to utilize the applicable exemptions set forth in subdivision (b), but not both.

(2) *(A)* If the petition is filed individually, and not jointly, for a spouse, the exemptions provided by this chapter other than the provisions of subdivision (b) are applicable, except that, if both of the spouses effectively waive in writing the right to claim, during the period the case commenced by filing the petition is pending, the exemptions provided by the applicable exemption provisions of this chapter, other than subdivision (b), in any case commenced by filing a petition for either of them under Title 11 of the United States Code, then they may elect to instead utilize the applicable exemptions set forth in subdivision (b).

(B) Notwithstanding subparagraph (A), a waiver is not required from a debtor who is living separate and apart from their spouse as of the date the petition commencing the case under Title 11 of the United States Code is filed, unless, on the petition date, the debtor and the debtor's spouse shared an ownership interest in property that could be exempted as a homestead under Article 4 of this chapter.

(3) If the petition is filed for an unmarried person, that person may elect to utilize the applicable exemption provisions of this chapter other than subdivision (b), or to utilize the applicable exemptions set forth in subdivision (b), but not both.

(b) The following exemptions may be elected as provided in subdivision (a):

(1) The debtor's aggregate interest, not to exceed twenty-nine thousand two hundred seventy-five dollars ($29,275) in value, in real property or personal property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence.

(2) The debtor's interest, not to exceed ~~five~~ *seven* thousand ~~eight~~ *five* hundred ~~fifty~~ dollars ~~($5,850)~~ *($7,500)* in value, in one or more motor vehicles.

(3) The debtor's interest, not to exceed seven hundred twenty-five dollars ($725) in value in any particular item, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

(4) The debtor's aggregate interest, not to exceed one thousand seven hundred fifty dollars ($1,750) in value, in jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

(5) The debtor's aggregate interest, not to exceed one thousand five hundred fifty dollars ($1,550) in value, plus any unused amount of the exemption provided under paragraph (1), in any property.

(6) The debtor's aggregate interest, not to exceed eight thousand seven hundred twenty-five dollars ($8,725) in value, in any implements, professional books, or tools of the trade of the debtor or the trade of a dependent of the debtor.

(7) Any unmatured life insurance contract owned by the debtor, other than a credit life insurance contract.

(8) The debtor's aggregate interest, not to exceed fifteen thousand six hundred fifty dollars ($15,650) in value, in any accrued dividend or interest under, or loan value of, any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

(9) Professionally prescribed health aids for the ~~debtor~~ *debtor, the debtor's spouse,* or a dependent of the ~~debtor.~~ *debtor, including vehicles converted for use by the debtor, the debtor's*

spouse, or a dependent of the debtor, who has a disability. Conversion of a vehicle for use by a person who has a disability includes altering the interior, installing steering, a wheelchair lift, or motorized steps, or modifying the operation of the vehicle.

(10) The debtor's right to receive any of the following:

(A) A social security benefit, unemployment compensation, or a local public assistance benefit.

(B) A veterans' benefit.

(C) A disability, illness, or unemployment benefit.

(D) Alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

(E) A payment under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor, unless all of the following apply:

(i) That plan or contract was established by or under the auspices of an insider that employed the debtor at the time the debtor's rights under the plan or contract arose.

(ii) The payment is on account of age or length of service.

(iii) That plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, or 408A of the Internal Revenue Code of 1986.

(F) The aggregate interest, not to exceed seven thousand five hundred dollars ($7,500), in vacation credits or accrued, or unused, vacation pay, sick leave, family leave, or wages, as defined in Section 200 of the Labor Code.

(11) The debtor's right to receive, or property that is traceable to, any of the following:

(A) An award under a crime victim's reparation law.

(B) A payment under a settlement agreement arising out of or regarding the debtor's employment, to the extent reasonably necessary for the support of the debtor, the debtor's spouse, or a dependent of the debtor.

~~(B)~~ *(C)* A payment on account of the wrongful death of an individual of whom the debtor was a *spouse or* dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

~~(C)~~ *(D)* A payment under a life insurance contract that insured the life of an individual of whom the debtor was a *spouse or* dependent on the date of that individual's death, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

~~(D)~~ *(E)* A payment, not to exceed twenty-nine thousand two hundred seventy-five dollars ($29,275) on account of personal bodily injury of the ~~debtor~~ *debtor, the debtor's spouse,* or an individual of whom the debtor is a dependent.

~~(E)~~ *(F)* A payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a *spouse or* dependent, to the extent reasonably necessary for the support of the debtor and ~~any~~ *the debtor's spouse or a* dependent of the debtor.

(12) Money held in an account owned by the judgment debtor and established pursuant to the Golden State Scholarshare Trust Act (Article 19 (commencing with Section 69980) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code), subject to the following limits:

(A) The amount exempted for contributions to an account during the 365-day period prior to the date of filing of the debtor's petition for bankruptcy, in the aggregate during this period, shall not exceed the amount of the annual gift tax exclusion under Section 2503(b) of the Internal Revenue Code of 1986, as amended, in effect at the time of the contribution.

(B) The amount exempted for contributions to an account during the period commencing 730 days prior to and ending 366 days prior to the date of filing of the debtor's petition for bankruptcy, in the aggregate during this period, shall not exceed the amount of the annual gift tax exclusion under Section 2503(b) of the Internal Revenue Code of 1986, as amended, in effect at the time of the contribution.

(C) For the purposes of this paragraph, "account" includes all accounts having the same beneficiary.

(c) In a case under Title 11 of the United States Code, the value of the property claimed as exempt and the debtor's exemptions provided by this chapter with respect to such property shall be determined as of the date the bankruptcy petition is filed. In a case where the debtor's equity in a residence is less than or equal to the amount of the debtor's allowed homestead exemption as of the date the bankruptcy petition is filed, any appreciation in the value of the debtor's interest in the property during the pendency of the case is exempt.

SEC. 2.5.

Section 703.140 of the Code of Civil Procedure is amended to read:

703.140.
(a) In a case under Title 11 of the United States Code, all of the exemptions provided by this chapter, including the homestead exemption, other than the provisions of subdivision (b) are applicable regardless of whether there is a money judgment against the debtor or whether a money judgment is being enforced by execution sale or any other procedure, but the exemptions provided by subdivision (b) may be elected in lieu of all other exemptions provided by this chapter, as follows:

(1) If spouses are joined in the petition, they jointly may elect to utilize the applicable exemption provisions of this chapter other than the provisions of subdivision (b), or to utilize the applicable exemptions set forth in subdivision (b), but not both.

(2) *(A)* If the petition is filed individually, and not jointly, for a spouse, the exemptions provided by this chapter other than the provisions of subdivision (b) are applicable, except that, if both of the spouses effectively waive in writing the right to claim, during the period the case commenced by filing the petition is pending, the exemptions provided by the applicable exemption provisions of this chapter, other than subdivision (b), in any case commenced by filing a petition for either of them under Title 11 of the United States Code, then they may elect to instead utilize the applicable exemptions set forth in subdivision (b).

(B) Notwithstanding subparagraph (A), a waiver is not required from a debtor who is living separate and apart from their spouse as of the date the petition commencing the case under Title 11 of the United States Code is filed, unless, on the petition date, the debtor and the debtor's spouse shared an ownership interest in property that could be exempted as a homestead under Article 4 of this chapter.

(3) If the petition is filed for an unmarried person, that person may elect to utilize the applicable exemption provisions of this chapter other than subdivision (b), or to utilize the applicable exemptions set forth in subdivision (b), but not both.

(b) The following exemptions may be elected as provided in subdivision (a):

(1) The debtor's aggregate interest, not to exceed twenty-nine thousand two hundred seventy-five dollars ($29,275) in value, in real property or personal property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence.

(2) The debtor's interest, not to exceed ~~five~~ *seven* thousand ~~eight~~ *five* hundred ~~fifty~~ dollars ~~($5,850)~~ *($7,500)* in value, in one or more motor vehicles.

(3) The debtor's interest, not to exceed seven hundred twenty-five dollars ($725) in value in any particular item, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

(4) The debtor's aggregate interest, not to exceed one thousand seven hundred fifty dollars ($1,750) in value, in jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

(5) The debtor's aggregate interest, not to exceed one thousand five hundred fifty dollars ($1,550) in value, plus any unused amount of the exemption provided under paragraph (1), in any property.

(6) The debtor's aggregate interest, not to exceed eight thousand seven hundred twenty-five dollars ($8,725) in value, in any implements, professional books, or tools of the trade of the debtor or the trade of a dependent of the debtor.

(7) Any unmatured life insurance contract owned by the debtor, other than a credit life insurance contract.

(8) The debtor's aggregate interest, not to exceed fifteen thousand six hundred fifty dollars ($15,650) in value, in any accrued dividend or interest under, or loan value of, any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

(9) Professionally prescribed health aids for the ~~debtor~~ *debtor, the debtor's spouse,* or a dependent of the ~~debtor.~~ *debtor, including vehicles converted for use by the debtor, the debtor's spouse, or a dependent of the debtor, who has a disability. Conversion of a vehicle for use by a person who has a disability includes altering the interior, installing steering, a wheelchair lift, or motorized steps, or modifying the operation of the vehicle.*

(10) The debtor's right to receive any of the following:

(A) A social security benefit, unemployment compensation, or a local public assistance benefit.

(B) A veterans' benefit.

(C) A disability, illness, or unemployment benefit.

(D) Alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

(E) A payment under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor, unless all of the following apply:

(i) That plan or contract was established by or under the auspices of an insider that employed the debtor at the time the debtor's rights under the plan or contract arose.

(ii) The payment is on account of age or length of service.

(iii) That plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, or 408A of the Internal Revenue Code of 1986.

(F) The aggregate interest, not to exceed seven thousand five hundred dollars ($7,500), in vacation credits or accrued, or unused, vacation pay, sick leave, family leave, or wages, as defined in Section 200 of the Labor Code.

(11) The debtor's right to receive, or property that is traceable to, any of the following:

(A) An award under a crime victim's reparation law.

(B) A payment under a settlement agreement arising out of or regarding the debtor's employment, to the extent reasonably necessary for the support of the debtor, the debtor's spouse, or a dependent of the debtor.

~~(B)~~ *(C)* A payment on account of the wrongful death of an individual of whom the debtor was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

~~(C)~~ *(D)* A payment under a life insurance contract that insured the life of an individual of whom the debtor was a *spouse or* dependent on the date of that individual's death, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

~~(D)~~ *(E)* A payment, not to exceed twenty-nine thousand two hundred seventy-five dollars ($29,275) on account of personal bodily injury of the ~~debtor~~ *debtor, the debtor's spouse,* or an individual of whom the debtor is a dependent.

~~(E)~~ *(F)* A payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a *spouse or* dependent, to the extent reasonably necessary for the support of the debtor and ~~any~~ *the debtor's spouse or a* dependent of the debtor.

(12) Money held in an account owned by the judgment debtor and established pursuant to the Golden State Scholarshare Trust Act (Article 19 (commencing with Section 69980) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code), subject to the following limits:

(A) The amount exempted for contributions to an account during the 365-day period prior to the date of filing of the debtor's petition for bankruptcy, in the aggregate during this period, shall not exceed the amount of the annual gift tax exclusion under Section 2503(b) of the Internal Revenue Code of 1986, as amended, in effect at the time of the ~~contribution.~~ *filing of the debtor's petition for bankruptcy.*

(B) The amount exempted for contributions to an account during the period commencing 730 days prior to and ending 366 days prior to the date of filing of the debtor's petition for bankruptcy, in the aggregate during this period, shall not exceed the amount of the annual gift tax exclusion under Section 2503(b) of the Internal Revenue Code of 1986, as amended, in effect at the time of the ~~contribution.~~ *filing of the debtor's petition for bankruptcy.*

(C) For the purposes of this paragraph, "account" includes all accounts having the same beneficiary.

(D) This paragraph is not subject to the requirements of Section 703.150.

(c) In a case under Title 11 of the United States Code, the value of the property claimed as exempt and the debtor's exemptions provided by this chapter with respect to such property shall be determined as of the date the bankruptcy petition is filed. In a case where the debtor's equity in a residence is less than or equal to the amount of the debtor's allowed homestead exemption as of the date the bankruptcy petition is filed, any appreciation in the value of the debtor's interest in the property during the pendency of the case is exempt.

SEC. 3.

Section 704.010 of the Code of Civil Procedure is amended to read:

704.010.

(a) Any combination of the following is exempt in the amount of ~~three~~ *seven* thousand ~~three~~ *five* hundred ~~twenty-five~~ dollars ~~($3,325):~~ *($7,500):*

(1) The aggregate equity in motor vehicles.

(2) The proceeds of an execution sale of a motor vehicle.

(3) The proceeds of insurance or other indemnification for the loss, damage, or destruction of a motor vehicle.

(b) Proceeds exempt under subdivision (a) are exempt for a period of 90 days after the time the proceeds are actually received by the judgment debtor.

(c) For the purpose of determining the equity, the fair market value of a motor vehicle shall be determined by reference to used car price guides customarily used by California automobile dealers unless the motor vehicle is not listed in such price guides.

(d) If the judgment debtor has only one motor vehicle and it is sold at an execution sale, the proceeds of the execution sale are exempt in the amount of ~~three~~ *seven* thousand ~~three~~ *five* hundred ~~twenty-five~~ dollars ~~($3,325)~~ *($7,500)* without making a claim. The levying officer shall consult and may rely upon the records of the Department of Motor Vehicles in determining whether the judgment debtor has only one motor vehicle. In the case covered by this subdivision, the exemption provided by subdivision (a) is not available.

SEC. 4.

Section 704.050 of the Code of Civil Procedure is amended to read:

704.050.

(a) Health aids reasonably necessary to enable the judgment debtor or the spouse or a dependent of the judgment debtor to work or sustain health, and prosthetic and orthopedic appliances, are exempt.

(b) Health aids described in subdivision (a) include vehicles converted for use by the debtor, the debtor's spouse, or a dependent of the debtor, who has a disability. Conversion of a vehicle for use by a person who has a disability includes altering the interior, installing steering, a wheelchair lift, or motorized steps, or modifying the operation of the vehicle.

SEC. 5.

Section 704.111 is added to the Code of Civil Procedure, to read:

704.111.
Alimony, support, and separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor, are exempt.

SEC. 6.

Section 704.113 of the Code of Civil Procedure is amended to read:

704.113.
(a) As used in this ~~section,~~ *chapter,* "vacation credits" means vacation credits accumulated by a state employee pursuant to Section ~~18050~~ *19858.1* of the Government Code or by any other public employee pursuant to any law for the accumulation of vacation credits applicable to the employee.

(b) ~~All vacation credits are exempt without making a claim.~~ *The aggregate interest, not to exceed seven thousand five hundred dollars ($7,500), in vacation credits or accrued, or unused, vacation pay, sick leave, or family leave is exempt.*

(c) Amounts paid periodically or as a lump sum representing vacation credits are subject to any earnings withholding order served under Chapter 5 (commencing with Section 706.010) or any earnings assignment order for support as defined in Section 706.011 and are exempt to the same extent as earnings of a judgment debtor.

SEC. 7.

Section 22329 of the Financial Code is amended to read:
22329.
(a) This section applies to a loan secured in whole or in part by a lien on a motor vehicle as defined by subdivision (k) of Section 2981 of the Civil Code.

(b) *(1)* In the absence of default in the performance of any of the borrower's obligations under the loan, the licensee may not accelerate the maturity of any part or all of the amount due thereunder or repossess the motor vehicle.

(2) Neither the act of filing a petition commencing a case for bankruptcy under Title 11 of the United States Code by the borrower or other person liable on the loan nor the status of either of those persons as a debtor in bankruptcy constitutes a default in the performance of any of the borrower's obligations under the loan, and neither may be used as a basis for accelerating the maturity of any part or all of the amount due under the loan or for repossessing the motor vehicle. A provision of a contract that states that the act of filing a petition commencing a case for bankruptcy under Title 11 of the United States Code by the buyer or other individual liable on the contract or the status of either of those persons as a debtor in bankruptcy is a default is void and unenforceable.

(c) If, after default by the borrower, the licensee repossesses or voluntarily accepts surrender of the motor vehicle, any person liable on the loan shall have a right to reinstate the loan and the licensee shall not accelerate the maturity of any part or all of the loan prior to the expiration of the right to reinstate, unless the licensee reasonably and in good faith determines that:

(1) The borrower or any other person liable on the loan by omission or commission intentionally provided false or misleading information of material importance on their credit application.

(2) The borrower or any other person liable on the loan has concealed the motor vehicle or removed it from the state in order to avoid repossession.

(3) The borrower or any other person liable on the loan has committed or threatens to commit acts of destruction, or has failed to take care of the motor vehicle in a reasonable manner, so that the motor vehicle has or may become substantially impaired in value.

(d) Exercise of the right to reinstate the loan shall be limited to once in any 12-month period and twice during the term of the loan.

(e) The provisions of this subdivision shall govern the method by which a loan shall be reinstated with respect to curing events of default that were grounds for repossession or that occurred subsequent to repossession.

(1) When the default is the result of the borrower's failure to make any payment due under the loan, the borrower or any other person liable on the loan shall make the defaulted payments and pay any applicable delinquency charges.

(2) When the default is the result of the borrower's failure to keep and maintain the motor vehicle free from all encumbrances and liens of every kind, the borrower or any person liable on the loan shall either satisfy all the encumbrances and liens or, in the event the licensee satisfies the encumbrances and liens, the borrower or any other person liable on the loan shall reimburse the licensee for all reasonable costs and expenses incurred therefor.

(3) When the default is the result of the borrower's failure to keep and maintain insurance on the motor vehicle, the borrower or any other person liable on the loan shall either obtain the insurance or, in the event the licensee has obtained the insurance, the borrower or any other person liable on the loan shall reimburse the licensee for premiums paid and all reasonable costs and expenses incurred therefor.

(4) When the default is the result of the borrower's failure to perform any other obligation under the loan, unless the licensee has made a good faith determination that the default is so substantial as to be incurable, the borrower or any other person liable on the loan shall reimburse the licensee for all reasonable costs and expenses incurred therefor.

(5) Additionally, the borrower or any other person liable on the loan shall reimburse the licensee for actual and necessary fees in an amount not exceeding the amount specified in subdivision (e) of Section 22202 paid in connection with the repossession of a motor vehicle to a repossession agency licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code, and actual fees in conformity with Sections 26751 and 41612 of the Government Code in an amount not exceeding the amount specified in those sections of the Government Code.

(f) If the licensee denies the right to reinstatement under subdivision (c) or paragraph (4) of subdivision (e), the licensee shall have the burden of proof that the denial was justified in that it was reasonable and made in good faith. If the licensee fails to sustain the burden of proof, the licensee shall not be entitled to a deficiency.

SEC. 8.

Section 2.5 of this bill incorporates amendments to Section 703.140 of the Code of Civil Procedure proposed by both this bill and SB 956. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2023, (2) each bill amends Section 703.140 of the Code of Civil Procedure, and (3) this bill is enacted after SB 956, in which case Section 2 of this bill shall not become operative.

SB 1340, Chapter 425

Property taxation: active solar energy systems: extension.
Effective Date 9/18/2022

SECTION 1.

The Legislature finds and declares that Section 73 of the Revenue and Taxation Code was enacted to encourage and to provide incentives for the development of active solar energy systems by providing an exclusion from classifications as newly constructed the construction or addition of active solar energy systems.

SEC. 2.

Section 73 of the Revenue and Taxation Code is amended to read:

73.

(a) Pursuant to the authority granted to the Legislature pursuant to paragraph (1) of subdivision (c) of Section 2 of Article XIII A of the California Constitution, the term "newly constructed," as used in subdivision (a) of Section 2 of Article XIII A of the California Constitution, does not include the construction or addition of any active solar energy system, as defined in subdivision (b).

(b) (1) "Active solar energy system" means a system that, upon completion of the construction of a system as part of a new property or the addition of a system to an existing property, uses solar devices, which are thermally isolated from living space or any other area where the energy is used, to provide for the collection, storage, or distribution of solar energy.

(2) "Active solar energy system" does not include solar swimming pool heaters or hot tub heaters.

(3) Active solar energy systems may be used for any of the following:

(A) Domestic, recreational, therapeutic, or service water heating.

(B) Space conditioning.

(C) Production of electricity.

(D) Process heat.

(E) Solar mechanical energy.

(c) For purposes of this section, "occupy or use" has the same meaning as defined in Section 75.12.

(d) (1) (A) The Legislature finds and declares that the definition of spare parts in this paragraph is declarative of the intent of the Legislature, in prior statutory enactments of this section that excluded active solar energy systems from the term "newly constructed," as used in the California Constitution, thereby creating a tax appraisal exclusion.

(B) An active solar energy system that uses solar energy in the production of electricity includes storage devices, power conditioning equipment, transfer equipment, and parts related to the functioning of those items. In general, the use of solar energy in the production of electricity involves the transformation of sunlight into electricity through the use of devices such as solar cells or other solar collecting equipment. However, an active solar energy system used in the production of electricity includes only equipment used up to, but not including, the stage of conveyance or use of the electricity. For the purpose of this paragraph, the term "parts" includes spare parts that are owned by the owner of, or the maintenance contractor for, an active solar

energy system that uses solar energy in the production of electricity and which spare parts were specifically purchased, designed, or fabricated by or for that owner or maintenance contractor for installation in an active solar energy system that uses solar energy in the production of electricity, thereby including those parts in the tax appraisal exclusion created by this section.

(2) An active solar energy system that uses solar energy in the production of electricity also includes pipes and ducts that are used exclusively to carry energy derived from solar energy. Pipes and ducts that are used to carry both energy derived from solar energy and from energy derived from other sources are active solar energy system property only to the extent of 75 percent of their full cash value.

(3) An active solar energy system that uses solar energy in the production of electricity does not include auxiliary equipment, such as furnaces and hot water heaters, that use a source of power other than solar energy to provide usable energy. An active solar energy system that uses solar energy in the production of electricity does include equipment, such as ducts and hot water tanks, that is utilized by both auxiliary equipment and solar energy equipment, that is, dual use equipment. That equipment is active solar energy system property only to the extent of 75 percent of its full cash value.

(e) (1) Notwithstanding any other law, for purposes of this section, “the construction or addition of any active solar energy system” includes the construction of an active solar energy system incorporated by the owner-builder in the initial construction of a new building that the owner-builder does not intend to occupy or use. The exclusion from “newly constructed” provided by this subdivision applies to the initial purchaser who purchased the new building from the owner-builder, but only if the owner-builder did not receive an exclusion under this section for the same active solar energy system and only if the initial purchaser purchased the new building prior to that building becoming subject to reassessment to the owner-builder, as described in subdivision (d) of Section 75.12. The assessor shall administer this subdivision in the following manner:

(A) The initial purchaser of the building shall file a claim with the assessor and provide to the assessor any documents necessary to identify the value attributable to the active solar energy system included in the purchase price of the new building. The claim shall also identify the amount of any rebate for the active solar energy system provided to either the owner-builder or the initial purchaser by the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, an electrical corporation, a local publicly owned electric utility, or any other agency of the State of California.

(B) The assessor shall evaluate the claim and determine the portion of the purchase price that is attributable to the active solar energy system. The assessor shall then reduce the new base year value established as a result of the change in ownership of the new building by an amount equal to the difference between the following two amounts:

(i) That portion of the value of the new building attributable to the active solar energy system.

(ii) The total amount of all rebates, if any, described in subparagraph (A) that were provided to either the owner-builder or the initial purchaser.

(C) The extension of the new construction exclusion to the initial purchaser of a newly constructed new building shall remain in effect only until there is a subsequent change in ownership of the new building.

(2) The State Board of Equalization, in consultation with the California Assessors’ Association, shall prescribe the manner, documentation, and form for claiming the new construction exclusion required by this subdivision.

(f) Notwithstanding any other law, the exclusion from new construction provided by this section shall remain in effect only until there is a subsequent change in ownership.

(g) This section applies to property tax lien dates for the 1999–2000 fiscal year to the 2025–26 fiscal year, inclusive.

(h) The amendments made to this section by the act that added this subdivision apply beginning with the lien date for the 2008–09 fiscal year.

(i) (1) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

(2) Active energy solar systems that qualify for an exclusion under this section prior to January 1, 2027, shall continue to be excluded on and after January 1, 2027, until there is a subsequent change in ownership.

(j) Section 41 shall not apply to the extension of the exclusion under this section made by the act adding this subdivision.

SEC. 3.

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

SEC. 4.

Notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made by this act and the state shall not reimburse any local agency for any property tax revenues lost by it pursuant to this act.

SEC. 5.

This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.

SB 1489, Chapter 427

427 Local Government Omnibus Act of 2022.
Effective Date 1/1/2023

SECTION 1.

(a) This act shall be known, and may be cited, as the Local Government Omnibus Act of 2022.
(b) The Legislature finds and declares that Californians want their governments to be run efficiently and economically and that public officials should avoid waste and duplication whenever possible. The Legislature further finds and declares that it desires to control its own costs by reducing the number of separate bills. Therefore, it is the intent of the Legislature, in enacting this act, to combine several minor, noncontroversial statutory changes relating to the common theme, purpose, and subject of local government into a single measure.

SEC. 2.

Section 8770 of the Business and Professions Code is amended to read:

8770.

The record of survey filed with the county recorder of any county shall be ~~securely fastened by the county recorder into a suitable book provided for that purpose, or~~ stored in any ~~other~~ manner that will ensure that the maps will be kept ~~together.~~ *together, safe, and reproducible.*

The county recorder shall keep proper indexes of such record of survey by the name of grant, tract, subdivision, or United States subdivision.

The original map shall be stored for safekeeping in a reproducible condition. It shall be proper procedure for the recorder to maintain for public reference a set of counter maps that are prints of the original maps, and the original maps to be produced for comparison upon demand.

SEC. 3.
Section 24011 of the Government Code is amended to read:

24011.
Notwithstanding the provisions of Section 24009:
(a) The Boards of Supervisors of Amador County, Contra Costa County, Glenn County, Imperial County, Lake County, Lassen County, Madera County, Mendocino County, *Mono County,* Monterey County, Napa County, Siskiyou County, Solano County, Sonoma County, Trinity County, Tuolumne County, and Ventura County may, by ordinance, provide that the public administrator shall be appointed by the board.

(b) The Boards of Supervisors of Lake County, Madera County, Mendocino County, Napa County, Siskiyou County, Trinity County, and Tuolumne County may appoint the same person to the offices of public administrator, veteran service officer, and public guardian. The Boards of Supervisors of Amador County, Contra Costa County, Glenn County, Imperial County, Kings County, Lassen County, *Mono County,* Monterey County, Siskiyou County, Solano County, Sonoma County, and Ventura County, may, by ordinance, appoint the same person to the offices of public administrator and public guardian.

(c) The Boards of Supervisors of Amador County, Contra Costa County, Glenn County, Lake County, Lassen County, Madera County, Mendocino County, *Mono County,* Napa County, Trinity County, and Tuolumne County may separate the consolidated offices of district attorney and public administrator at any time in order to make the appointments permitted by this section. Upon approval by the board of supervisors, the officer elected to these offices at any time may resign, or decline to qualify for, the office of public administrator without resigning from, or declining to qualify for, the office of district attorney.

(d) The Board of Supervisors of Ventura County may separate the consolidated office of public administrator from the office of treasurer, in order to make the appointment authorized by this section. Upon approval by the board of supervisors, the officer elected to these offices at any time may resign, or decline to qualify for, the office of public administrator without resigning from, or declining to qualify for, the office of treasurer.

SEC. 4.
Section 26945 of the Government Code is amended to read:

26945.
No person shall hereafter be elected or appointed to the office of county auditor of any county unless the person meets at least one of the following criteria:
(a) The person possesses a valid certificate issued by the California Board of Accountancy under Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code showing the person to be, and a permit authorizing the person to practice as, a certified public accountant or as a public accountant.

(b) The person possesses a baccalaureate degree from an accredited university, college, or other four-year institution, with a major in accounting or its equivalent, as described in subdivision (a)

of Section 5081.1 of the Business and Professions Code, *as that section read on December 31, 2009,* and has served within the last five years in a senior fiscal management position in a county, city, or other public agency, a private firm, or a nonprofit organization, dealing with similar fiscal responsibilities, for a continuous period of not less than three years.

(c) The person possesses a certificate issued by the Institute of Internal Auditors showing the person to be a designated professional internal auditor, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.

(d) The person has served as county auditor, chief deputy county auditor, or chief assistant county auditor for a continuous period of not less than three years.

SEC. 5.

Section 36934 of the Government Code is amended to read:

36934.

Ordinances shall not be passed within five days of their introduction, nor at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed immediately upon introduction and either at a regular or special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by majority vote all ordinances shall be read in full either at the time of introduction or *passage; provided, however, that a reading of the title or ordinance shall not be required if the title is included on the published agenda and a copy of the full ordinance is made available to the public online and in print at the meeting prior to the introduction or* passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.

SEC. 6.

Section 53325.1 of the Government Code is amended to read:

53325.1.

(a) If the legislative body determines to establish the district, it shall adopt a resolution of formation establishing the district. The resolution of formation shall contain all of the information required to be included in the resolution of intention to establish the district specified in Section 53321. If a special tax is proposed to be levied in the district to pay for any facilities or services and the special tax has not been eliminated by majority protest pursuant to Section 53324, the resolution shall:

(1) State that the proposed special tax to be levied within the district has not been precluded by majority protest pursuant to Section 53324.

(2) Identify any facilities or services proposed to be funded with the special tax.

(3) Set forth the name, address, and telephone number of the office, department, or bureau that will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and that will be responsible for estimating future special tax levies pursuant to Section 53340.2.

(4) State that upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the district and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the legislative body ceases.

(5) Set forth the county of recordation and the *recording instrument number or the* book and page in the Book of Maps of Assessments and Community Facilities Districts in the county recorder's office where the boundary map of the proposed community facilities district has been recorded pursuant to Sections 3111 and 3113 of the Streets and Highways Code.

(b) In the resolution of formation adopted pursuant to subdivision (a), the legislative body shall determine whether all proceedings were valid and in conformity with the requirements of this chapter. If the legislative body determines that all proceedings were valid and in conformity with the requirements of this chapter, it shall make a finding to that effect and that finding shall be final and conclusive.

SEC. 7.

Section 53330.5 of the Government Code is amended to read:

53330.5.

Upon approval of a special tax pursuant to Article 2 (commencing with Section 53318), the special tax may be levied only at the rate and may be apportioned only in the manner specified in the resolution of formation, except as provided in this article, and except that the legislative body may levy the special tax at a rate lower than that specified in the resolution. In addition, the special tax may be levied only so long as it is needed to pay the principal and interest on debt incurred in order to construct facilities under authority of this chapter, or so long as it is needed to pay the costs and incidental expenses of services or of the construction of facilities authorized by this chapter.

When the legislative body determines that the special tax shall cease to be levied, the legislative body shall direct the clerk to record a Notice of Cessation of Special Tax that shall state that the obligation to pay the special tax has ceased and that the lien imposed by the Notice of Special Tax Lien recorded as recorder's serial or document number ___ in the records of the County Recorder of ____ County, State of California, is extinguished. The Notice of Cessation of Special Tax shall additionally identify the *recording instrument number or the* book and page of the Book of Maps of Assessment and Community Facilities Districts wherein the map of the boundaries of the district is recorded.

SEC. 8.

Section 53601 of the Government Code, as amended by Section 2 of Chapter 235 of the Statutes of 2020, is amended to read:

53601.

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the

physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. *For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment.* Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars ($500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, that have less than one hundred million dollars ($100,000,000) of investment assets under management, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, that have one hundred million dollars ($100,000,000) or more of investment assets under management may invest no more than 40 percent of their moneys in eligible commercial paper. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager’s office, budget office, auditor-controller’s office, or treasurer’s office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the

investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency’s activities.

(iii) Acceptance of a local agency’s securities or funds as deposits.

(5) (A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company’s board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 9.
Section 53601 of the Government Code, as added by Section 3 of Chapter 235 of the Statutes of 2020, is amended to read:

53601.
This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.
For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. *For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment.* Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars ($500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending

agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating

within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. A local agency, other than a county or a city and a county, may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

(l) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars ($500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the

extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

(q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(r) Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

This section shall become operative on January 1, 2026.

SEC. 10.
Section 53646 of the Government Code is amended to read:

53646.
(a) (1) In the case of county government, the treasurer may annually render to the board of supervisors and any oversight committee a statement of investment policy, which the board shall

review and approve at a public meeting. Any change in the policy shall also be reviewed and approved by the board at a public meeting.
(2) In the case of any other local agency, the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

(b) (1) The treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within ~~30~~ *45* days following the end of the quarter covered by the report. Except as provided in subdivisions (e) and (f), this report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency.

(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

(e) For local agency investments that have been placed in the Local Agency Investment Fund, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) regarding investments in these institutions.

(f) The treasurer or chief fiscal officer shall not be required to render a quarterly report, as required by subdivision (b), to a legislative body or any oversight committee of a school district or county office of education for securities, investments, or moneys held by the school district or county office of education in individual accounts that are less than twenty-five thousand dollars ($25,000).

(g) In recognition of the state and local interests served by the actions made optional in subdivisions (a) and (b), the Legislature encourages the local agency officials to continue taking the actions formerly mandated by this section. However, nothing in this subdivision may be

construed to impose any liability on a local agency that does not continue to take the formerly mandated action.

SEC. 11.

Section 51255.1 is added to the Government Code, to read:

51255.1.

(a) Notwithstanding any other provision of this chapter, the parties may, upon their mutual agreement, rescind a contract for a parcel or parcels of land that, upon review and approval, are determined by the Department of Conservation to be eligible to be placed into a solar-use easement pursuant to Section 51191 in order to simultaneously enter into a solar-use easement pursuant to Chapter 6.9 (commencing with Section 51190). This action may be taken notwithstanding the prior serving of a notice of nonrenewal.

(b) Nothing in this section limits the ability of the parties to a contract to seek nonrenewal or to petition for cancellation or termination of a contract pursuant to this chapter. This section is provided in addition to, not in replacement of, other methods for contract termination, Williamson Act compliance, or a county finding that a solar facility is a compatible use pursuant to this chapter.

(c) (1) Prior to the board or council agreeing to mutually rescind a contract pursuant to this section, the county assessor of the county in which the land is located shall determine the current fair market value of the land as though it were free of the contractual restriction. The assessor shall certify to the board or council the fair market valuation of the land for the purpose of determining the rescission fee. At the same time, the assessor shall send a notice to the landowner and the Department of Conservation indicating the current fair market value of the land as though it were free of the contractual restriction and advise the parties that, upon their request, the assessor shall provide all information relevant to the valuation, excluding third-party information. If any information is confidential or otherwise protected from release, the department and the landowner shall hold it as confidential and return or destroy any protected information upon termination of all actions relating to valuation or rescission of the contract on the property. The notice shall also advise the landowner and the department of the opportunity to request formal review from the assessor.

(2) Prior to agreeing to mutually rescind a contract pursuant to this section, the board or council shall determine and certify to the county auditor the amount of the rescission fee that the landowner shall pay the county treasurer upon rescission. That fee shall be an amount equal to 6 1/4 percent of the fair market valuation of the property if the land was held under a contract pursuant to Section 51240, and 12 1/2 percent if the land was held in a contract designating the property as a farmland security zone.

(3) When rescission fees required by this subdivision are collected, they shall be transmitted by the county treasurer to the Controller and deposited in the General Fund, except as provided in subdivision (d) of Section 51283. The funds collected by the county treasurer with respect to each rescission of a contract shall be transmitted to the Controller within 30 days of the execution of the mutual rescission of the contract by the parties.

(4) It is the intent of the Legislature that fees paid to rescind a contract do not constitute taxes, but are payments that, when made, provide a private benefit that tends to increase the value of the property.

SEC. 12.

Section 63035 of the Government Code is amended to read:

63035.

(a) The bank shall, not later than ~~November~~ *January* 1 of each year, submit to the ~~Governor and the Legislature,~~ *Strategic Growth Council, the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, the Legislature, and the Legislative Analyst's Office,* pursuant to Section 9795, a report for the preceding fiscal year ending on June 30 containing information on the bank's activities relating to the infrastructure bank fund and programs. The report shall include all of the following:

~~(a)~~ *(1)* ~~(1)~~ *(A)* Information on the infrastructure bank fund, including, but not limited to, its present balance, moneys encumbered, moneys allocated, repayments, and other sources of revenues received during the fiscal year.

~~(2)~~ *(B)* Information on the impact of the activities funded by the infrastructure bank fund moneys, including, but not limited to, the number of jobs created and retained, the environmental impact that resulted, and economic value provided to the state.

~~(b)~~ *(2)* A specification of conduit and revenue bonds sold and interest rates thereon, including, but not limited to, the use of the bond proceeds.

~~(c)~~ *(3)* The amount of other public and private funds leveraged by the assistance provided.

~~(d)~~ *(4)* A report of revenues and expenditures for the preceding fiscal year, including all of the bank's costs. The information provided pursuant to this subdivision shall include, but need not be limited to, both of the following:

~~(1)~~ *(A)* The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including the General Fund, special funds, federal funds, interest earnings, fees collected, and bond proceeds, for each bank program.

~~(2)~~ *(B)* The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.

~~(e)~~ *(5)* A projection of the bank's needs and requirements for the coming year.

~~(f)~~ *(6)* Recommendations for changes in state and federal law necessary to meet the objectives of this division.

(7) The contents of the report prepared by the program manager of the California Small Business Finance Center consistent with the requirements of Section 63089.98.

(8) The contents of the report containing Climate Catalyst Revolving Loan Fund Program activity consistent with the requirements of Section 63048.94.

~~(g)~~ *(b)* The executive director shall post the report on the bank's ~~Internet Web site.~~ *internet website.*

SEC. 13.

Section 63048.94 of the Government Code is amended to read:

63048.94.

(a) Annually, commencing ~~October~~ *January* 1, ~~2022,~~ *2023,* and no later than ~~October~~ *January* 1 of each ~~year,~~ *year thereafter,* the bank shall prepare and ~~submit to the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, and the Legislative Analyst's Office~~ *submit, as specified in subdivision (b),* a report containing Climate

Catalyst Revolving Loan Fund Program activity for the preceding fiscal year ending June 30, and including all of the following:
(1) Information on individual Climate Catalyst Revolving Loan Fund Program financing, specifically all of the following:

(A) Climate catalyst project category.

(B) Climate catalyst project description.

(C) Total climate catalyst project cost.

(D) Financial assistance amount.

(E) Outstanding financial assistance amount due.

(F) Aggregate amount of third-party financing.

(G) The county and city of the funded climate catalyst project.

(H) A description of the expected contribution of the climate catalyst project to the state's climate policy objectives, including both greenhouse gas reduction and climate resilience benefits.

(I) Type and quality of any jobs created as a result of the financial assistance.

(2) Total number and type of financial assistance issued to small businesses.

(3) Total number and type of applications received.

(4) Recommendations on needed Climate Catalyst Revolving Loan Fund Program changes or improvements to meet the objectives of this article. The bank shall meet and confer with the state agencies identified in subdivision (f) of Section 63048.93, and any additional agencies added pursuant to subdivision (g) of Section 63048.93, prior to the annual submission of the report required herein in an effort to develop those recommendations.

(b) The report ~~submitted~~ *required* pursuant to subdivision (a) shall be ~~submitted in compliance with Section 9795.~~ *part of the report required by Section 63035.*

(c) (1) The report shall be posted on the bank's internet website.

(2) The report shall be presented to the bank board at its final public meeting of the calendar year in which the report was prepared. If the bank board holds no public meetings following the submission of the report, the report shall be presented to the bank board at its next available public meeting.

SEC. 14.
Section 63089.98 of the Government Code is amended to read:

63089.98.
(a) Annually, not later than January 1 of each year commencing January 1, 2014, and notwithstanding Section 10231.5, the program manager shall prepare and submit to the Governor and the Legislature, ~~pursuant to Section 9795,~~ *as part of the report required by Section 63035,* a report for the preceding fiscal year ending June 30, containing the expansion fund and trust fund financial product activity of each corporation, including all of the following:
(1) Direct loans, guarantees, and other financial products awarded and outstanding balances.

(2) Default and loss statistics.

(3) Employment data.

(4) Ethnicity and gender data of participating contractors and other entities, and experience of surety insurer participants in the bond guarantee program.

(5) Geographic distribution by city and county of the direct loans, guarantees, and other financial products awarded and outstanding at the close of the fiscal year.

(6) Significant events.

(b) The program manager shall post the report on the bank's ~~Internet Web site.~~ *internet website.*

SEC. 15.
Section 65913.11 of the Government Code is amended to read:

65913.11.
(a) With respect to a housing development project that meets the requirements of subdivision (b), a local agency shall not do any of the following:
(1) For a housing development project consisting of three to seven units, impose a floor area ratio standard that is less than 1.0.

(2) For a housing development project consisting of 8 to 10 units, impose a floor area ratio standard that is less than 1.25.

(3) Deny a housing development project ~~located~~ *proposed to be developed* on an existing legal parcel solely on the basis that the lot area of ~~the proposed lot~~ *that existing parcel* does not meet the local agency's requirements for minimum lot size.

(b) To be eligible for the provisions in subdivision (a), a housing development project shall meet all of the following conditions:

(1) The project consists of at least 3, but not more than 10, units.

(2) The project is located in a multifamily residential zone or a mixed-use zone, as designated by the local agency, and is not located in either of the following:

(A) Within a single-family zone.

(B) Within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.

(3) The project is located on a legal parcel or parcels located in a city if, and only if, the city boundaries include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel or parcels wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(c) (1) This section shall not be construed to prohibit a local agency from imposing any zoning or design standards, including, but not limited to, building height and setbacks, on a housing development project that meets the requirements of subdivision (b), other than zoning or design standards that establish floor area ratios or lot size requirements that expressly conflict with the standards in subdivision (a).

(2) Notwithstanding paragraph (1), a local agency may not impose a lot coverage requirement that would physically preclude a housing development project that meets the requirements established in subdivision (b) from achieving the floor area ratio allowed in subdivision (a).

(d) As used in this section:

(1) "Housing development project" means a housing development project as defined in paragraph (2) of subdivision (h) of Section 65589.5.

(2) "Local agency" means a county, city, or city and county, including a charter city, or city and county.

(3) "Unit" means a unit of housing, but shall not include an accessory dwelling unit or a junior accessory dwelling unit.

SEC. 16.
Section 66301 of the Government Code is amended to read:

66301.
(a) This chapter shall apply ~~only~~ to a housing development project that submits a preliminary application pursuant to Section 65941.1 before January 1, 2030.
(b) This chapter shall remain in effect only until January 1, 2034, and as of that date is repealed.

(c) It is the intent of the Legislature in enacting this section to ensure that a housing development project that submits a preliminary application pursuant to Section 65941.1 before January 1, 2030, remains subject to this chapter after January 1, 2030.

SEC. 17.
Section 66434.1 of the Government Code is amended to read:

66434.1.
In the event that an owner's development lien has been created pursuant to the provisions of Article 2.5 (commencing with Section 17430) of Chapter 4 of Part 10.5 of the Education Code on the real property or portion thereof subject to the final map, a notice shall be placed on the face of the final map specifically referencing the *recording instrument number or the* book and page in the county recorder's office in which the resolution creating the owner's development lien was recorded. The notice shall state that the property subdivided is subject to an owner's development lien and that each parcel created by the recordation of the final map shall be subject to a prorated amount of the owner's development lien on a per acre or portion thereof basis.

SEC. 18.
Section 66466 of the Government Code is amended to read:

66466.
(a) The county recorder shall have not more than 10 days within which to examine a final or parcel map and either accept or reject it for filing.
(b) If the county recorder rejects a final or parcel map for filing, the county recorder shall, within 10 days thereafter, mail notice to the subdivider and the city engineer if the map is within a city, or the county surveyor if the map is within the unincorporated area, that the map has been rejected for filing, giving the reasons therefor, and that the map is being returned to the city clerk if the map is within a city, or to the clerk of the board if the map is within the unincorporated area, for action by the legislative body. Upon receipt of the map, the clerk shall place the map on the agenda of the next regular meeting of the legislative body and the legislative body shall, within 15 days

thereafter, rescind its approval of the map and return the map to the subdivider unless the subdivider presents evidence that the basis for the rejection by the county recorder has been removed. The subdivider may consent to a continuance of the matter; however, the prior approval of the legislative body shall be deemed rescinded during any period of continuance. If a map is returned to the county recorder, the county recorder shall have a new 10-day period to examine the map and either accept or reject it for filing.

(c) If the county recorder accepts the map for filing, the acceptance shall be certified on the face thereof. The map shall be ~~securely fastened in a book of subdivision maps, in a book of parcel maps, or in a book of cities and towns which shall be kept for that purpose, or in~~ *stored in* any other manner as will assure that the maps will be kept ~~together.~~ *together, safe, and reproducible.* The map shall become a part of the official records of the county recorder upon its acceptance by the county recorder for filing. If the preparer of the map provides a postage-paid, self-addressed envelope or postcard with the filing of the map, the county recorder shall provide the preparer of the map with the filing data within 10 days of the filing of the map. For the purposes of this subdivision, "filing data" includes the date, ~~book or volume, and the~~ *and the recording instrument number or the book or volume and* page at which the map is filed by the county recorder.

(d) The fee for filing and indexing the map is as prescribed in Section 27372 of the Government Code.

(e) The original map shall be stored for safekeeping in a reproducible condition. The county recorder may maintain for public reference a set of counter maps that are prints of the original maps and produce the original maps for comparison upon demand.

(f) Upon the filing of any map, including amended maps and certificates of correction for recordation pursuant to this section or any record of survey pursuant to the Professional Land Surveyors' Act (Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code), the surveyor or engineer who prepared the document shall transmit a copy of the document, including all recording information, to the county surveyor, who shall maintain an index, by geographic location, of the documents. The county surveyor may charge a fee not to exceed the fee charged for recording the document, for purposes of financing the costs of maintaining the index of the documents.

The requirements of this subdivision shall not apply to any county that requires a document filed pursuant to this section to be transmitted to the county surveyor and requires that official to maintain an index of those documents.

SEC. 19.
Section 66499.55 of the Government Code is amended to read:

66499.55.
The map, so certified, shall be forthwith filed in the office of the county recorder of the county wherein the platted lands are situate. The recorder shall immediately ~~securely fasten and bind each map so filed in one of a series of firmly bound books to be provided, together~~ *store maps for safekeeping in a reproducible condition* with the proper indexes thereof and appropriately marked for the reception of the maps provided for in this division.

SEC. 20.
Section 66499.56 of the Government Code is amended to read:

66499.56.
The map shall become an official map for all the purposes of this division when certified, ~~filed~~ and ~~bound,~~ *filed,* but not before.

SEC. 21.
Section 22300 of the Public Contract Code is amended to read:

22300.
(a) For purposes of this section, "contractor" includes, but is not limited to, a contractor performing a public works contract, as defined in Section 1101, and any person or entity that would qualify as a contractor under Section 6106.5.
~~(a)~~ *(b)* Provisions shall be included in any invitation for bid and in any contract documents to permit the substitution of securities for any moneys withheld by a public agency to ensure performance under a contract; however, substitution of securities provisions shall not be required in contracts in which there will be financing provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 et seq.), and where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of the contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a state or federally chartered bank in this state as the escrow agent, who shall then pay those moneys to the contractor. Upon satisfactory completion of the contract, the securities shall be returned to the contractor.

~~(b)~~ *(c)* Alternatively, the contractor may request and the owner shall make payment of retentions earned directly to the escrow agent at the expense of the contractor. At the expense of the contractor, the contractor may direct the investment of the payments into securities and the contractor shall receive the interest earned on the investments upon the same terms provided for in this section for securities deposited by the contractor. Upon satisfactory completion of the contract, the contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the owner, pursuant to the terms of this section.

~~(c)~~ *(d)* Securities eligible for investment under this section shall include those listed in Section 16430 of the Government Code, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by the contractor and the public agency.

The contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

Failure to include these provisions in bid and contract documents shall void any provisions for performance retentions in a public agency contract.

For purposes of this section, the term "public agency" shall include, but shall not be limited to, chartered cities.

~~(d)~~ *(e)* (1) Any contractor who elects to receive interest on moneys withheld in retention by a public agency shall, at the request of any subcontractor, make that option available to the subcontractor regarding any moneys withheld in retention by the contractor from the subcontractor. If the contractor elects to receive interest on any moneys withheld in retention by a public agency, then the subcontractor shall receive the identical rate of interest received by the contractor on any retention moneys withheld from the subcontractor by the contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by

calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If the contractor elects to substitute securities in lieu of retention, then, by mutual consent of the contractor and subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by the contractor.

(2) This subdivision shall apply only to those subcontractors performing more than five percent of the contractor's total bid.

(3) No contractor shall require any subcontractor to waive any provision of this section.

~~(e)~~ *(f)* The Legislature hereby declares that the provisions of this section are of statewide concern and are necessary to encourage full participation by contractors and subcontractors in public contract procedures.

~~(f)~~ *(g)* The escrow agreement used hereunder shall be null, void, and unenforceable unless it is substantially similar to the following form:

ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION
This Escrow Agreement is made and entered into by and between
whose address is
hereinafter called "Owner,"
whose address is
hereinafter called "Contractor" and
whose address is
hereinafter called "Escrow Agent."

For the consideration hereinafter set forth, the Owner, Contractor, and Escrow Agent agree as follows:

(1) Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the Owner and Contractor for ____ in the amount of ____ dated ____ (hereinafter referred to as the "Contract"). Alternatively, on written request of the Contractor, the Owner shall make payments of the retention earnings directly to the Escrow Agent. When the Contractor deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the Owner within 10 days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the Owner and Contractor. Securities shall be held in the name of ____, and shall designate the Contractor as the beneficial owner.

(2) The Owner shall make progress payments to the Contractor for those funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the form and amount specified above.

(3) When the Owner makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time that the escrow created under this contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the Owner pays the Escrow Agent directly.

(4) Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor, and Escrow Agent.

(5) The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the Owner.

(6) Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from the Owner to the Escrow Agent that Owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.

(7) The Owner shall have a right to draw upon the securities in the event of default by the Contractor. Upon seven days' written notice to the Escrow Agent from the owner of the default, the Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the Owner.

(8) Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.

(9) Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections (5) to (8), inclusive, of this Agreement and the Owner and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

(10) The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of Owner:	On behalf of Contractor:
Title	Title
Name	Name
Signature	Signature
Address	Address

On behalf of Escrow Agent:	
Title	
Name	
Signature	
Address	

At the time the Escrow Account is opened, the Owner and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

Owner	Contractor
Title	Title
Name	Name
Signature	Signature

SEC. 22.
Section 5366 of the Revenue and Taxation Code is amended to read:

5366.
Owners, as well as operators, of private and public airports shall, within 15 days following the lien date of each year, provide the assessor of the county in which the airport is situated with a statement containing a list of names and addresses of the owners, and the make, model, and aircraft registration number, of all aircraft which were using the airport as a base. The assessors of each county shall, not later than ~~July 1, 1970, and not later than the first day of July of each year thereafter,~~ *the deadline to submit the required statistical statement pursuant to Section 407,* provide the California Department of Transportation, Division of Aeronautics with a statement containing a list of names, addresses of owners, make, model, aircraft registration number, and assessed value of all aircraft which were using airports in the county as a base.

SEC. 23.
Section 3112 of the Streets and Highways Code is amended to read:

3112.
The county recorder shall endorse on the copy of the map of the district the time and date of the filing and shall ~~fasten the same securely in a book of maps of assessment and community facilities districts which the county recorder shall keep in his or her office.~~ *store maps in any manner as will assure that the maps be kept together, safe, and reproducible.* The county recorder shall index the maps by name of the city conducting the proceedings and by the distinctive designation of the district as shown on each map.

SEC. 24.
Section 3113 of the Streets and Highways Code is amended to read:

3113.
The legislative body shall not order a modification in the boundaries of a district shown on a previously filed map of the district unless the legislative body describes the proposed modification by reference to an amended map of the district boundary. The amended map shall be approved by resolution adopted by the legislative body and the clerk of the legislative body shall file the amended map showing the modification of boundaries of the district with the county recorder not later than 15 days after the resolution of the legislative body approving the amended boundary. The map shall also contain the legends provided for in Section 3110.

The county recorder shall endorse *the time and date of the filing* upon the modified or amended boundary map ~~the time and date of the filing and shall fasten the same securely in a book of maps of assessment and community facilities districts that the county recorder keeps in his or her~~ *that is stored in the recorder's* office pursuant to Section 3112. The county recorder shall cross-index the amended boundary map by reference to page and book of maps of assessment and community facilities districts in which the original boundary map of the affected district was filed.

The amended boundary map shall include on its face that it amends the boundary map for (here insert name or number of district or both name and number of district, together with city or county, or both city and county), State of California, prior recorded at Book __ of Maps of Assessment and Community Facilities Districts at page __, in the office of the County Recorder for the County of ____, State of California.

SEC. 25.
Section 3114 of the Streets and Highways Code is amended to read:

3114.
(a) This section applies only to assessment districts.
(b) After the confirmation by the legislative body of any assessment, the clerk of the legislative body shall file, in the office of the county recorder, a copy of the assessment diagram.

(c) The assessment diagram shall be prepared by the engineer responsible for engineering work. The assessment diagram shall be legibly drawn, and at least one copy shall be printed or reproduced by a process that provides a permanent record. Each sheet of paper or other material used for the permanent record map shall be 18 by 26 inches in size, shall clearly show the particular number of the sheet, the total number of sheets comprising the map, its relation to each adjoining sheet, and shall have encompassing its border a line that leaves a blank margin one inch in width.

The map shall be labeled substantially as follows: Assessment Diagram, (here insert name or number of district) Assessment District, (here insert city and name of county thereafter), State of California.

The map shall also have legends reading substantially as follows:

(1) Filed in the office of the (clerk of the legislative body), this ____ day of ____, 20__.

	_____ (Clerk of the legislative body) _____

(2) Recorded in the office of the (superintendent of streets) this ____ day of ____, 20__.

	_____ (Superintendent of Streets) _____

(3) An assessment was levied by the city council (or other appropriate legislative body) on the lots, pieces, and parcels of land shown on this assessment diagram. The assessment was levied on the ____ day of ____, 20__; the assessment diagram and the assessment roll were recorded in the office of the superintendent of streets of that city on the ____ day of ____, 20__. Reference is made to the assessment roll recorded in the office of the superintendent of streets for the exact amount of each assessment levied against each parcel of land shown on this assessment diagram.

	_____ (Clerk of the legislative body) _____

(4) Filed this ____ day of ____, 20__, at the hour of ____ o'clock __m. in Book ____ of Maps of Assessment and Community Facilities Districts at page ____, in the office of the county recorder of the County of ____, State of California.

	_____ (County Recorder of County of _____) _____

(d) The clerk of the legislative body shall file a copy of the assessment diagram referred to in subdivision (c) in the office of the county recorder of the county in which all or any part of the assessment district shown on the assessment diagram is located upon payment of the filing fee. The filing of the assessment diagram shall be made by the clerk of the legislative body.

(e) The county recorder shall endorse upon the assessment diagram filed with ~~him or her,~~ *the recorder,* pursuant to subdivision (d), the time and date of filing and shall ~~fasten it securely in the "Book of Maps of Assessment and Community Facilities Districts" in which the county recorder is obligated to keep boundary maps under~~ *store maps in any manner as will assure that the maps be kept together, safe, and reproducible pursuant to* Section 3112. The county recorder shall cross-index the assessment diagram by reference to the city conducting the proceedings and by reference to the *recording instrument number or the* page of the book of maps of assessment and community facilities districts in which the boundary map of the district was filed in the book.

(f) After the confirmation by the legislative body of any assessment and the recording of the assessment and diagram in the office of the street superintendent or other officer of the city in whose office the assessment and diagram have been recorded, the clerk of the legislative body shall execute and record a notice of assessment in the office of the county recorder of each county in which all or any part of the assessment district is located. The notice of assessment shall be in substantially the following form:

NOTICE OF ASSESSMENT

Pursuant to the requirements of Section 3114 of the Streets and Highways Code, the undersigned clerk of the legislative body of ____, State of California, hereby gives notice that a diagram and assessment were recorded in the office of the ____ of that city as provided for in Section 3114 of the Streets and Highways Code, and relating to the following described real property:

(The real property in the assessment district may be described by: (a) stating its exterior boundaries; or (b) describing the property according to any official or recorded map; or (c) referring to the assessment diagram filed in accordance with subdivisions (d) and (e) of Section 3114 and the book and page number in the office of the county recorder of the filed plat or map.)

Notice is further given that upon the recording of this notice in the office of the county recorder, the several assessments assessed on the lots, pieces, and parcels shown on the filed assessment diagram shall become a lien upon the lots or portions of lots assessed, respectively.

Reference is made to the assessment diagram and assessment roll recorded in the office of the _____ of that city.

_____

Dated: _____	

If the assessment district is located in two or more counties, the assessment notice, in lieu of the paragraph following the description of the property, shall state:

Notice is further given that the above-described real property is located in the Counties of _____ and _____ and upon the recording of this notice in the office of the county recorder of all those counties, effective upon the date of the last recording, the several assessments on the lots, pieces, and parcels shown on the filed assessment diagram shall become a lien upon the lots or portions of lots assessed, respectively.

SEC. 26.

The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances faced by the County of Mono with respect to the organization of the county offices.

SEC. 27.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SB 1494, Chapter 451

Property taxation: revenue allocations: tax-defaulted property sales.
Effective Date 1/1/2023

SECTION 1.

Section 97.68 of the Revenue and Taxation Code is amended to read:

97.68.

Notwithstanding any other provision of law, in allocating ad valorem property tax revenue allocations for each fiscal year during the fiscal adjustment period, all of the following apply:

(a) (1) The total amount of ad valorem property tax revenue otherwise required to be allocated to a county's Educational Revenue Augmentation Fund shall be reduced by the countywide adjustment amount.

(2) The countywide adjustment amount shall be deposited in a Sales and Use Tax Compensation Fund that shall be established in the treasury of each county.

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

(1) "Fiscal adjustment period" means the period beginning with the 2004–05 fiscal year and continuing through the later of either of the following:

(A) The fiscal year in which the Director of Finance notifies the ~~State Board of Equalization~~ *California Department of Tax and Fee Administration* pursuant to subdivision (b) of Section 99006 of the Government Code.

(B) The fiscal year in which an additional countywide adjustment amount, as described in subparagraph (B) of paragraph (3) of subdivision (d), is determined.

(2) Except as otherwise provided in subdivision (d), the "countywide adjustment amount" means the combined total revenue loss of the county and each city in the county that is annually estimated by the Director of Finance, based upon the actual amount of sales and use tax revenues transmitted under Section 7204 in that county in the prior fiscal year and any projected growth on that amount for the current fiscal year as determined by the ~~State Board~~ *California Department* of ~~Equalization and~~ *Tax and Fee Administration and* reported to the director on or before August 15 of each fiscal year during the fiscal adjustment period, to result for each of those fiscal years from the 0.25-percent reduction in local sales and use rate tax authority applied by Section 7203.1. The director shall adjust the estimates described in this paragraph if the board reports to ~~him or her~~ *them* any changes in the projected growth in local sales and use tax revenues for the current fiscal year.

(3) "In lieu local sales and use tax revenues" means those revenues that are transferred under this section to a county or a city from a Sales and Use Tax Compensation Fund or an Educational Revenue Augmentation Fund.

(c) Except as otherwise provided in subdivision (d), for each fiscal year during the fiscal adjustment period, in lieu sales and use tax revenues in the Sales and Use Tax Compensation Fund shall be allocated among the county and the cities in the county, and those allocations shall be subsequently adjusted, as follows:

(1) The Director of Finance shall, on or before September 1 of each fiscal year during the fiscal adjustment period, notify each county auditor of that portion of the countywide adjustment amount for that fiscal year that is attributable to the county and to each city within that county.

(2) The county auditor shall allocate revenues in the Sales and Use Tax Compensation Fund among the county and cities in the county in the amounts described in paragraph (1). The auditor shall allocate one-half of the amount described in paragraph (1) in each January during the fiscal adjustment period and shall allocate the balance of that amount in each May during the fiscal adjustment period.

(3) After the end of each fiscal year during the fiscal adjustment period, other than a fiscal year subject to subdivision (d), the Director of Finance shall, based on the actual amount of sales and use tax revenues that were not transmitted for the prior fiscal year, recalculate each amount estimated under paragraph (1) and notify the county auditor of the recalculated amount.

(4) If the amount recalculated under paragraph (3) for the county or any city in the county is greater than the amount allocated to that local agency under paragraph (2), the county auditor shall, in the fiscal year next following the fiscal year for which the allocation was made, transfer

an amount of ad valorem property tax revenue equal to this difference from the Sales and Use Tax Compensation Fund to that local agency.

(5) If the amount recalculated under paragraph (3) for the county or any city in the county is less than the amount allocated to that local agency under paragraph (2), the county auditor shall, in the fiscal year next following the fiscal year for which the allocation was made, reduce the total amount of ad valorem property tax revenue otherwise allocated to that city or county from the Sales and Use Tax Compensation Fund by an amount equal to this difference and instead allocate this difference to the county Educational Revenue Augmentation Fund.

(6) If there is an insufficient amount of moneys in a county's Sales and Use Tax Compensation Fund to make the transfers required by paragraph (4), the county auditor shall transfer from the county Educational Revenue Augmentation Fund an amount sufficient to make the full amount of these transfers.

(d) (1) At such time as the Director of Finance estimates that the notification described in subparagraph (A) of paragraph (1) of subdivision (b) is likely to occur within the subsequent 12 months, the director shall, at the beginning of each subsequent calendar year quarter, determine the month in which the notification will occur.

(2) (A) In the calendar year quarter in which the Director of Finance determines that the notification described in subparagraph (A) of paragraph (1) of subdivision (b) will occur within either the current or subsequent quarter, the director shall revise the countywide adjustment amount described in subdivision (c) for the current fiscal year such that the countywide adjustment amount is calculated only through the quarter in which the director gives notification pursuant to subparagraph (A) of paragraph (1) of subdivision (b). The director, when appropriate, may revise the countywide adjustment amount described in subdivision (c) for the subsequent fiscal year such that the countywide adjustment amount described in subdivision (c) is calculated only through the quarter in which the director gives notification pursuant to subparagraph (A) of paragraph (1) of subdivision (b).

(B) If the determination regarding the notification described in subparagraph (A) is revised, the countywide adjustment amount calculated in subparagraph (A) for either the current or the subsequent fiscal year shall be recalculated such that the countywide adjustment amount described in subdivision (c) is calculated only through the quarter in which the Director of Finance gives notification pursuant to subparagraph (A) of paragraph (1) of subdivision (b).

(3) (A) After the end of the revenue exchange period, the Director of Finance shall do both of the following:

(i) Provide to the Controller, with a copy to the Joint Legislative Budget Committee, a schedule providing for a transfer from the Fiscal Recovery Fund, established pursuant to Section 99008 of the Government Code, to the Sales and Use Tax Compensation Fund of either of the following amounts:

(I) An amount equal to the local sales and use tax revenue not received by the county and each city in the county during the revenue exchange period as a result of the 0.25-percent reduction in local sales and use tax authority applied by Section 7203.1 minus the sum of all countywide adjustment amounts deposited during the revenue exchange period, as determined by the director. This amount shall be summed over all counties.

(II) If the amount summed over all counties in subclause (I) is greater than the difference between the balance in the Fiscal Recovery Fund and an amount sufficient to cover the estimated costs associated with closing the Fiscal Recovery Fund, then a proportion shall be calculated equal to

the proportion between the amount in subclause (I) summed over all counties and an amount equal to the difference between the balance in the Fiscal Recovery Fund and an amount sufficient to cover the estimated costs associated with closing the Fiscal Recovery Fund. The amount calculated under this subclause is equal to the product of the amount calculated in subclause (I) and the proportion calculated in this subclause.

(ii) Provide a schedule to the auditor of each county of the amounts calculated under clause (i).

(B) If the amount provided for in the schedule required pursuant to clause (i) of subparagraph (A) is the amount that is described in subclause (II) of clause (i) of subparagraph (A), an amount equal to the difference between the amount that is described in subclause (I) of clause (i) of subparagraph (A) and the amount that is described in subclause (II) of clause (i) of subparagraph (A) shall constitute an additional countywide adjustment amount to be applied in the manner prescribed in subdivision (a) for either the current or subsequent fiscal year, as determined by the director.

(4) The Controller shall transfer, from the Fiscal Recovery Fund to the Sales and Use Tax Compensation Fund for each county, the amount specified for that county in the schedule provided by the Director of Finance pursuant to clause (i) of subparagraph (A) of paragraph (3).

(5) Within 60 days of the transfer by the Controller of revenues from the Fiscal Recovery Fund to the Sales and Use Tax Compensation Fund for each county, each county auditor shall allocate revenue to the county and each city in the county per the schedule provided by the Director of Finance pursuant to clause (ii) of subparagraph (A) of paragraph (3).

(6) For purposes of this subdivision, “revenue exchange period” has the same meaning as defined in subdivision (b) of Section 7203.1.

(e) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, may not reflect any portion of any property tax revenue allocation required by this section for a preceding fiscal year.

(f) This section may not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2, clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3, or Article 4 (commencing with Section 98), had this section not been enacted. The allocation made pursuant to subdivisions (a) and (c) shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is determined or allocated in a county.

(g) Existing tax exchange or revenue sharing agreements, entered into prior to the operative date of this section, between local agencies or between local agencies and nonlocal agencies shall be deemed to be temporarily modified to account for the reduced sales and use tax revenues, resulting from the temporary reduction in the local sales and use tax rate, with those reduced revenues to be replaced in kind by property tax revenue from a Sales and Use Tax Compensation Fund or an Educational Revenue Augmentation Fund, on a temporary basis, as provided by this section.

SEC. 2.
Section 2621 of the Revenue and Taxation Code is amended to read:

2621.
After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of ~~ten dollars ($10)~~ *up to fifty-five dollars ($55), but no more than the actual cost,* for preparing the delinquent tax records and giving notice of delinquency on each separate valuation on the secured roll of:

(a) Real property, except possessory interests.

(b) Possessory interests.

(c) Personal property cross-secured to real property.

The cost shall be collected even though the property appears on the roll due to a special assessment and no valuation of the property is given.

SEC. 3.
Section 2706 of the Revenue and Taxation Code is amended to read:

2706.
After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of ~~ten dollars ($10)~~ *up to fifty-five dollars ($55), but no more than the actual cost,* for preparing the delinquent tax records and giving notice of delinquency on each separate valuation on the secured roll of:

(a) Real property, except possessory interests.

(b) Possessory interests.

(c) Personal property cross-secured to real property.

The cost shall be collected even though the property appears on the roll due to a special assessment and no valuation of the property is given.

SEC. 4.
Section 3692 of the Revenue and Taxation Code is amended to read:

3692.
(a) The tax collector shall attempt to sell tax-defaulted property, as provided in this chapter, within four years of the time that the property becomes subject to sale for nonpayment of taxes unless, by other provisions of law, the property is not subject to sale. If there are no acceptable bids at the attempted sale, the tax collector shall attempt to sell the property at intervals of no more than six years until the property is sold.

(b) When oil, gas, or mineral rights are subject to sale for nonpayment of taxes, the tax collector may offer the interest at minimum bid to the holders of outstanding interests where the interest subject to sale is a partial interest or, where the interest subject to sale is a complete and undivided interest, to the owner or owners of the property to which the oil, gas, or mineral rights are appurtenant.

(c) When parcels that are rendered unusable by their size, location, or other conditions are subject to sale for nonpayment of taxes, the tax collector may offer the parcel, at a minimum bid, to owners of contiguous parcels or to a holder of record of either a predominant easement or a right-of-way

easement. If the parcel is sold to a contiguous property owner, the tax collector shall require that the successful bidder request the assessor and the planning director to combine the unusable parcel with the bidder's own parcel as a condition of sale.

(d) Sealed bid sale procedures shall be used when offers are made pursuant to subdivision (b) or subdivision (c), and the property shall be sold to the highest eligible bidder. The offers shall remain in effect for 30 days or until notice is given pursuant to Section 3702, whichever is later. *If the highest bidder does not consummate the sale within the time period determined by the tax collector, the tax collector may offer the property to the next highest bidder at their bid price.*

(e) The Notice to the Board of Supervisors and Notice of Intended Sale of Tax-Defaulted Property shall indicate that any parcel remaining unsold may be reoffered within a 90-day period and any new parties of interest shall be notified in accordance with Section 3701. This subdivision does not apply to properties sold pursuant to Chapter 8 (commencing with Section 3771).

SEC. 5.
Section 3693 of the Revenue and Taxation Code is amended to read:

3693.
(a) With the exception of the sealed bid sale procedures authorized under Section ~~3692,~~ *3692 and of the procedures authorized in subdivisions (b) and (c),* all sales pursuant to this chapter shall be at public auction to the highest bidder. The amount of the high bid shall be paid by any method of payment authorized by Section 2502, 2503.2, or 2504, which method is at the discretion of the tax collector. Unless otherwise specified by the tax collector, payment is due on or before the close of auction.

(b) For nonresidential commercial property, if the highest bidder does not consummate the sale within the time period determined by the tax collector, the tax collector may offer the property to the next highest bidder at their bid price.

(c) If a sale occurs at a public auction for a parcel of property subject to this chapter and the sale is unconsummated, if the next public auction for that parcel of property occurs more than one year after the date of that first auction and the highest bidder does not consummate that subsequent sale within the time period determined by the tax collector, the tax collector may offer that property, regardless of type, for sale to the next highest bidder at their price.

~~(b)~~ *(d)* The tax collector may require a person to submit a deposit, by any method of payment authorized by Section 2502, 2503.2, or 2504, for the purposes specified in this subdivision. A tax collector requiring a deposit pursuant to Section 3693.1 may determine, and shall provide public notice before the date of the sale upon determining, all of the following:

(1) The method of payment of this deposit.

(2) The amount of this deposit.

(3) The due date of this deposit.

(4) Whether the deposit will be applied for one or more of the following purposes:

(A) As a condition to submitting a bid on property that is being sold under this chapter.

(B) As a payment toward specified property that is being sold under this chapter. If a deposit is applied for this purpose, the deposit may be applied as payment toward more than one specified property based upon the amount of the minimum bid for each property.

(e) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 6.
Section 3693 is added to the Revenue and Taxation Code, to read:

3693.
(a) With the exception of the sealed bid sale procedures authorized under Section 3692, all sales pursuant to this chapter shall be at public auction to the highest bidder. The amount of the high bid shall be paid by any method of payment authorized by Section 2502, 2503.2, or 2504, which method is at the discretion of the tax collector. Unless otherwise specified by the tax collector, payment is due on or before the close of auction.

(b) The tax collector may require a person to submit a deposit, by any method of payment authorized by Section 2502, 2503.2, or 2504, for the purposes specified in this subdivision. A tax collector requiring a deposit pursuant to Section 3693.1 may determine, and shall provide public notice before the date of the sale upon determining, all of the following:

(1) The method of payment of this deposit.

(2) The amount of this deposit.

(3) The due date of this deposit.

(4) Whether the deposit will be applied for one or more of the following purposes:

(A) As a condition to submitting a bid on property that is being sold under this chapter.

(B) As a payment toward specified property that is being sold under this chapter. If a deposit is applied for this purpose, the deposit may be applied as payment toward more than one specified property based upon the amount of the minimum bid for each property.

(c) This section shall become operative on January 1, 2029.

SEC. 7.
Section 3700 of the Revenue and Taxation Code is amended to read:

3700.
Upon providing notice to the board of supervisors as required by Section 3698, the tax collector shall forward one copy to the clerk or secretary of the governing board of each taxing agency, other than the county, having the right to levy taxes or assessments on the property and may forward one copy to each nonprofit organization that has submitted, within one year prior to the next scheduled tax sale or prior to July 31 of the current calendar year, a written request to the tax collector for notification. The copy or copies shall be ~~mailed~~ *mailed, sent electronically,* or delivered at least 30 days before the first publication or posting of the notice of intended sale. However, where the tax collector has on file a consent from each taxing agency, the tax collector may proceed to publish or post the notice of sale.

SEC. 8.
Section 4675 of the Revenue and Taxation Code is amended to read:

4675.
(a) Any party of interest in the property may file with the county a claim for the excess proceeds, in proportion to that person's interest held with others of equal priority in the property at the time of sale, at any time prior to the expiration of one year following the recordation of the tax collector's

deed to the purchaser. The claim shall be postmarked on or before the one-year expiration date to be considered timely.

(b) After the property has been sold, a party of interest in the property at the time of the sale may assign their right to claim the excess proceeds only by a dated, written instrument that explicitly states that the right to claim the excess proceeds is being assigned, and only after each party to the proposed assignment has disclosed to each other party to the proposed assignment all facts of which that party is aware relating to the value of the right that is being assigned. Any attempted assignment that does not comply with these requirements shall have no effect. This subdivision applies only with respect to assignments on or after the effective date of this subdivision.

(c) Any person or entity who in any way acts on behalf of, or in place of, any party of interest with respect to filing a claim for any excess proceeds shall submit proof with the claim that the amount and source of excess proceeds have been disclosed to the party of interest and that the party of interest has been advised of their right to file a claim for the excess proceeds on their own behalf directly with the county at no cost.

(d) The claims shall contain any information and proof deemed necessary by the board of supervisors to establish the claimant's rights to all or any portion of the excess proceeds.

(e) (1) Except as provided in paragraph (2), no sooner than one year following the recordation of the tax collector's deed to the purchaser, and if the excess proceeds have been claimed by any party of interest as provided herein, the excess proceeds shall be distributed on order of the board of supervisors to the parties of interest who have claimed the excess proceeds in the order of priority set forth in subdivisions (a) and (b). For the purposes of this article, parties of interest and their order of priority are:

(A) First, lienholders of record prior to the recordation of the tax deed to the purchaser in the order of their priority.

(B) Second, any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser.

(2) (A) Notwithstanding paragraph (1), if the board of supervisors has been petitioned to rescind the tax sale pursuant to Section 3731, any excess proceeds shall not be distributed to the parties of interest as provided by paragraph (1) sooner than one year following the date the board of supervisors determines the tax sale should not be rescinded, and only if the person who petitioned the board of supervisors pursuant to Section 3731 has not commenced a proceeding in court pursuant to Section 3725.

(B) If a proceeding has been commenced in a court pursuant to Section 3725, any excess proceeds shall not be distributed to the parties of interest as provided by paragraph (1) until a final court order is issued.

(f) In the event that a person with title of record is deceased at the time of the distribution of the excess proceeds, the heirs may submit an affidavit pursuant to Chapter 3 (commencing with Section 13100) of Part 1 of Division 8 of the Probate Code, to support their claim for excess proceeds.

(g) Any action or proceeding to review the decision of the board of ~~supervisors~~ *supervisors, or the county officer to whom the board delegated authority pursuant to Section 4675.1, to accept or deny the claim* shall be commenced within 90 days after the date of that decision of the board of ~~supervisors.~~ *supervisors or the county officer.*