

State of California

Statutes of Interest for County Treasurer-Tax Collectors 2021



BETTY T. YEE

California State Controller's Office



BETTY T. YEE
California State Controller

December 20, 2021

SUBJECT: Statutes of Interest for County Treasurer-Tax Collectors

Dear Treasurer-Tax Collectors and Staff:

I am pleased to present the 2021 *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 2021 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, 2022. Consequently, language will not be updated on the California Legislative Information website (www.leginfo.legislature.ca.gov), until January 2022.

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)

LACEY BAYSINGER
Supervisor
Tax Programs Unit

Contents

Section I – Enacted Legislation.....	3
AB 81 COVID-19 relief	3
AB 137 State Government	3
AB 287 Civil Actions: statute of limitations.....	3
AB 633 Partition of real property: Uniform Partition of Heirs Property Act	4
AB 861 Mobilehome parks: rental restrictions: management.	4
AB 869 State funds: investments.....	4
AB 1061 Mobilehome Residency Law: water utility charges.....	4
AB 1138 Unlawful cannabis activity: civil enforcement.	5
AB 1203 Property taxation: assessment appeals board: qualifications: County of Los Angeles.....	5
AB 1320 Money transmission: customer service.	5
AB 1583 Property taxation: equalized assessment roll: aircrafts.	5
SB 60 Residential short-term rental ordinances: health or safety infractions: maximum fines.....	6
SB 219 Property taxation: delinquent penalties and costs: cancellation: public health orders.....	6
SB 239 Government finance: surplus investments: savings and loan associations or credit unions.	6
SB 267 Property taxation: active solar energy systems: partnership flip transactions.	6
SB 269 Credit Unions.	7
SB 303 Property taxation: transfer of base year value: disaster relief.	7
SB 539 Property taxation: taxable value transfers.	7
SB 572 Labor Commissioner: enforcement: lien on real property.	7
SB 667 Property taxation: disabled veterans’ exemption: filing of claims.	8
SB 780 Local finance: public investment authorities.	8
SB 813 Local Government Omnibus Act of 2021	8
SB 825 Tax and fee administration: local government finance.	8
Section II – Section with Changes	9
AB 81, Chapter 5	9
AB 137, Chapter 77	30
AB 287, Chapter 264	90
AB 633, Chapter 119	93
AB 861, Chapter 706	99
AB 869, Chapter 60	100
AB 1061, Chapter 625	102

Statutes of Interest for County Treasurer-Tax Collectors 2021

AB 1138, Chapter 530.....	104
AB 1203, Chapter 418.....	106
AB 1320, Chapter 453.....	107
AB 1583, Chapter 67.....	110
SB 60, Chapter 307	111
SB 219, Chapter 131	114
SB 239, Chapter 635	115
SB 267, Chapter 424	124
SB 269, Chapter 762	126
SB 303, Chapter 540	134
SB 539, Chapter 427	137
SB 572, Chapter 335	146
SB 667, Chapter 430	147
SB 780, Chapter 391	148
SB 813, Chapter 224	164
SB 825, Chapter 433	166

Section I – Enacted Legislation

AB 81 COVID-19 relief.

Chapter 5

Effective Date 2/23/2021

Description: This bill extends the deadline to August 31, 2022, for a tenant to repay COVID-19 rental debt as per city or county ordinance.

Codes Affected: An act to amend Sections 789.4, 1785.20.4, 1788.65, 1788.66, and 1942.9 of, and to amend and renumber Section 1179.04.5 of, the Civil Code, to amend Sections 871.10, 1179.03, and 1179.05 of the Code of Civil Procedure, to amend Sections 50897.1 and 50897.3 of the Health and Safety Code, to amend Section 4003 of the Unemployment Insurance Code, and to amend Section 11157 of the Welfare and Institutions Code, relating to COVID-19 relief, and making an appropriation therefor, to take effect immediately, bill related to the budget.

AB 137 State Government.

Chapter 77

Effective Date 7/16/2021

Description: This bill extends the two-year deadline a county has to respond to a taxpayer's qualified application for a reduction in assessment of property, for all qualified applications that have a two-year deadline occurring during the period beginning on March 4, 2020, through December 31, 2021.

Codes Affected: An act to add and repeal Section 19821.1 of, and to add and repeal Article 6.5 (commencing with Section 7086) of Chapter 9 of Division 3 of, the Business and Professions Code, to amend Sections 24000, 24001, 24002, and 100007 of the Financial Code, to amend Sections 6103.8, 11549.3, 13332.19, 27361, 27361.2, 27361.4, 27361.8, and 27388 of, to add Sections 7902.2 and 11546.45 to, to add Article 10 (commencing with Section 12100.110) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of, and to add and repeal Section 8260 of, the Government Code, to amend Section 11165.1 of, and to add Chapter 1.6 (commencing with Section 24210) to Division 20 of, the Health and Safety Code, to amend Section 880 of the Military and Veterans Code, to amend Sections 3502, 3503, and 3505 of, and to add Article 6.5 (commencing with Section 10198) to Chapter 1 of Part 2 of Division 2 of, the Public Contract Code, to add Section 25403.2 to, and to add and repeal Section 25208 of, the Public Resources Code, to amend Sections 1601 and 1615 of the Public Utilities Code, to amend Section 1604 of the Revenue and Taxation Code, and to amend Sections 4514 and 5328 of the Welfare and Institutions Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

AB 287 Civil Actions: statute of limitations.

Chapter 264

Effective Date 1/1/2022

Description: This bill increases the statute of limitations on civil actions for violations arising from unlicensed cannabis activities from one year to three years.

Codes Affected: An act to amend Section 338 of the Code of Civil Procedure, relating to civil actions.

[AB 633](#) Partition of real property: Uniform Partition of Heirs Property Act.

Chapter 119

Effective Date 1/1/2022

Description: This bill enacts the Uniform Partition of Heirs Property Act, which establishes a set of protections to help families retain land for which there is no written agreement. This bill also requires the court to order that the property be divided among the parties in accordance with their interests in the property as determined by a judgement. The fair market value of the property must be determined if the court partitions by sale.

Codes Affected: An act to amend Section 872.020 of, and to add Chapter 10 (commencing with Section 874.311) to Title 10.5 of Part 2 of, the Code of Civil Procedure, relating to civil actions.

[AB 861](#) Mobilehome parks: rental restrictions: management.

Chapter 706

Effective Date 1/1/2022

Description: This bill requires mobilehome park management to comply with any park rule or regulation, which prohibits mobilehome owners from renting or subleasing, unless management is renting or subleasing to an onsite employee.

Codes Affected: An act to amend Section 798.23 of the Civil Code, relating to mobilehome parks.

[AB 869](#) State funds: investments.

Chapter 60

Effective Date 1/1/2022

Description: This bill authorizes the California State Treasurer to invest up to one percent of Pooled Money Investment Account (PMIA) funds in sovereign debt instruments.

Codes Affected: An act to amend Section 16430 of the Government Code, relating to state government.

[AB 1061](#) Mobilehome Residency Law: water utility charges.

Chapter 625

Effective Date 1/1/2022

Description: This bill requires mobilehome park management to only charge homeowner's volumetric water usage based on the homeowner's proportion of total usage, and a billing, administrative, or other fee that is not to exceed \$4.75 or 25% of the charge for the homeowner's volumetric usage, whichever is less.

Codes Affected: An act to amend Section 798.40 of the Civil Code, relating to mobilehomes.

[AB 1138](#) Unlawful cannabis activity: civil enforcement.

Chapter 530

Effective Date 1/1/2022

Description: The bill establishes a civil penalty on persons who aid and abet unlicensed commercial cannabis activities up to 3 times the amount of the license fee for each violation, but no more than \$30,000 per violation.

Codes Affected: An act to amend Section 26038 of the Business and Professions Code, relating to cannabis, and making an appropriation therefor.

[AB 1203](#) Property taxation: assessment appeals board: qualifications: County of Los Angeles.

Chapter 418

Effective Date 1/1/2022

Description: This bill expands the type of professional experience a person may have to serve on an assessment appeals board in the County of Los Angeles, to include a minimum of five years' professional experience in a real estate field, including, but not limited to, business accounting and taxation, land use and urban planning, real estate development or investment analysis, and real estate banking or financing.

Codes Affected: An act to amend Sections 1624.05 and 1624.1 of the Revenue and Taxation Code, relating to taxation.

[AB 1320](#) Money transmission: customer service.

Chapter 453

Effective Date 1/1/2022

Description: The bill requires a licensee to prominently display on its website, and on a customer receipt, a toll-free telephone number through which a customer can contact the business for customer service issues and live customer assistance. The telephone line must be operative at least 10 hours per day, Monday through Friday.

Codes Affected: An act to amend Section 2103 of, and to add Section 2107 to, the Financial Code, relating to financial institutions.

[AB 1583](#) Property taxation: equalized assessment roll: aircrafts.

Chapter 67

Effective Date 1/1/2022

Description: The bill specifies that any counties that did not exclude aircraft assessed values from the equalized assessment roll prior to the 2022-23 fiscal year, must also exclude them for the 2021-22 fiscal year solely for purposes of determining the annual tax increment for the 2022-23 fiscal year.

Codes Affected: An act to amend Section 96.5 of the Revenue and Taxation Code, relating to taxation.

[SB 60](#) Residential short-term rental ordinances: health or safety infractions: maximum fines.
Chapter 307
Effective Date 9/24/2021

Description: The bill substantially increases the penalty a city or county can administer for a short-term rental ordinance violation: from \$100 to \$1,500 for the first violation, from \$200 to \$3,000 for the second violation, and from \$500 to \$5,000 for each additional violation.

Codes Affected: An act to amend Sections 25132 and 36900 of the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.

[SB 219](#) Property taxation: delinquent penalties and costs: cancellation: public health orders.
Chapter 131
Effective Date 7/23/2021

Description: This bill allows a county tax collector to cancel any penalty, costs, or other charges resulting from tax delinquency, when failure to make a timely payment is due to a documented hardship, as determined by the tax collector, arising from a shelter-in-place order, if the principal amount of tax due is paid no later than June 30 of the fiscal year in which the payment first became delinquent.

Codes Affected: An act to amend Section 4985.2 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[SB 239](#) Government finance: surplus investments: savings and loan associations or credit unions.
Chapter 635
Effective Date 1/1/2022

Description: This bill reduces, from 110% of the amount deposited, to 100% of the amount deposited, the required value of a Federal Home Loan Bank letter of credit that a credit union or savings and loan association may use as security for a deposit of state funds by the State Treasurer into that credit union or savings and loan association. Authorizes the State Treasurer to invest surplus state and local funds held in the Pooled Money Investment Account (PMIA) in money market mutual funds.

Codes Affected: An act to amend Sections 16430, 16522, and 16612 of the Government Code, relating to government finance.

[SB 267](#) Property taxation: active solar energy systems: partnership flip transactions.
Chapter 424
Effective Date 9/30/2021

Description: This bill provides that changes in ownership and profits interests in active solar energy systems financed by partnership flip transactions do not constitute changes in control of a legal entity for property tax purposes.

Codes Affected: An act to add Section 64.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[**SB 269**](#) Credit Unions.
Chapter 762
Effective Date 1/1/2022

Description: The bill modernizes provisions of the California Credit Union Law and increases parity between state law applicable to state-chartered credit unions and federal law applicable to federally chartered credit unions.

Codes Affected: An act to amend Sections 14250, 14409, 14410, 14456, 14556, 14807, 14811, 14851, and 15050 of, and to repeal Section 14655 of, the Financial Code, relating to financial institutions.

[**SB 303**](#) Property taxation: transfer of base year value: disaster relief.
Chapter 540
Effective Date 1/1/2022

Description: This bill extends from five to seven years the time-period for a taxpayer affected by a disaster to transfer their base year value to a replacement property.

Codes Affected: An act to amend Section 69 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[**SB 539**](#) Property taxation: taxable value transfers.
Chapter 427
Effective 9/30/2021

Description: This bill requires for intergenerational value transfers that the residence transferred to have been the principal residence of the transferor and become the principal residence of the transferee within one year of the transfer.

Codes Affected: An act to add Sections 63.2 and 69.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[**SB 572**](#) Labor Commissioner: enforcement: lien on real property.
Chapter 335
Effective Date 1/1/2022

Description: This bill allows the Labor Commissioner to, as an alternative to a judgment lien, create a lien on real property to secure the amount due to the Labor Commissioner under any citation, findings, or decision that has become final, and may be entered as a judgment. The lien attaches to all interests in real property of those parties located in the country where the lien is created. The bill allows a lien to continue for 10 years after its creation and maybe renewed for additional periods of 10 years.

Codes Affected: An act to add Section 90.8 to the Labor Code, relating to employment.

[SB 667](#) Property taxation: disabled veterans' exemption: filing of claims.

Chapter 430

Effective Date 1/1/2022

Description: This bill allows the executor, administrator, or personal legal representative of a claimant's estate to file a claim for the disabled veterans' exemption.

Codes Affected: An act to amend Section 277 of the Revenue and Taxation Code, relating to taxation.

[SB 780](#) Local finance: public investment authorities.

Chapter 391

Effective Date 1/1/2022

Description: This bill provides that if an enhanced infrastructure financing district (EIFD) has one or two participating tax entities, the legislative body may appoint one of its members to be an alternate member. When an (EIFD) has three participating tax entities, the legislative bodies may, upon agreement by all participating affected taxing entities, appoint only one member and one alternative member of their respective bodies to the public financing authority, and a minimum of two members of the public chosen by the legislative bodies of the participating entities.

Codes Affected: An act to amend Sections 53398.51.1, 53398.59, 53398.63, 53398.64, 53398.66, 53398.68, 62001, 62002, 62003, and 62006 of the Government Code, relating to local finance.

[SB 813](#) Local Government Omnibus Act of 2021

Chapter 224

Effective Date 1/1/2022

Description: This bill exempts the proposed sale or lease of lots that are limited to industrial or commercial uses from the provisions of the Subdivided Lands Act.

Codes Affected: An act to amend Section 11010.3 of the Business and Professions Code, to amend Sections 12463 and 53891 of the Government Code, and to amend Section 32133 of the Health and Safety Code, relating to government financial reporting.

[SB 825](#) Tax and fee administration: local government finance.

Chapter 433

Effective Date 1/1/2022

Description: This bill directs the county treasurer, upon the request of the auditor, to provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 10 business days after the treasurer receives the auditor's request. Clarifies that a taxpayer must demonstrate to the tax collector that tax delinquency is due to the tax collector's failure to mail or electronically transmit the tax bill to the correct address provided on the tax roll or electronic address for a taxpayer to cancel a delinquency.

Codes Affected: An act to amend Section 27061 of, and to repeal Sections 27062 and 27064 of, the Government Code, and to amend Sections 214.02, 401.10, 1752.2, and 2910.1 of the Revenue and Taxation Code, relating to local government finance.

Section II – Section with Changes

AB 81, Chapter 5 COVID-19 relief. Effective Date 2/23/2021

SECTION 1.

Section 789.4 of the Civil Code is amended to read:

789.4.

(a) In addition to the damages provided in subdivision (c) of Section 789.3, a landlord who violates Section 789.3, if the tenant has provided a declaration of COVID-19 financial distress pursuant to Section 1179.03 of the Code of Civil Procedure, shall be liable for damages in an amount that is at least one thousand dollars (\$1,000) but not more than two thousand five hundred dollars (\$2,500), as determined by the trier of fact.

(b) This section shall remain in effect until ~~October~~ July 1, 2021, and as of that date is repealed.

SEC. 2.

Section 1179.04.5 of the Civil Code is amended and renumbered as Section 1179.04.5 of the Code of Civil Procedure, to read:

1179.04.5.

Notwithstanding Sections 1470, 1947, and 1950 of the Civil Code, or any other law, for the duration of any tenancy that existed during the covered time period, the landlord shall not do either of the following:

(a) Apply a security deposit to satisfy COVID-19 rental debt, unless the tenant has agreed, in writing, to allow the deposit to be so applied. Nothing in this subdivision shall prohibit a landlord from applying a security deposit to satisfy COVID-19 rental debt after the tenancy ends, in accordance with Section 1950.5 of the Civil Code.

(b) Apply a monthly rental payment to any COVID-19 rental debt other than the prospective month's rent, unless the tenant has agreed, in writing, to allow the payment to be so applied.

SEC. 3.

Section 1785.20.4 of the Civil Code is amended to read:

1785.20.4.

A housing provider, tenant screening company, or other entity that evaluates tenants on behalf of a housing provider shall not use an alleged COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, as a negative factor for the purpose of evaluating a prospective housing application or as the basis for refusing to rent a dwelling unit to an otherwise qualified prospective tenant.

SEC. 4.

Section 1788.65 of the Civil Code is amended to read:

1788.65.

(a) Notwithstanding any other law, a person shall not sell or assign any unpaid COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the time period between March 1, 2020, and ~~September~~ *June* 30, 2021.

(b) This section shall remain in effect until ~~October~~ *July* 1, 2021, and as of that date is repealed.

SEC. 5.

Section 1788.66 of the Civil Code is amended to read:

1788.66.

Notwithstanding any other law, a person shall not sell or assign any unpaid COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the time period between March 1, 2020, and ~~September~~ *June* 30, 2021, of any person who would have qualified for rental assistance funding provided by the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law ~~116-260~~) ~~or Section 3201 of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2), if the person's~~ *116-260*), *where the person's* household income is at or below 80 percent of the area median income for the 2020 ~~or 2021~~ calendar year.

SEC. 6.

Section 1942.9 of the Civil Code is amended to read:

1942.9.

(a) Notwithstanding any other law, a landlord shall not, with respect to a tenant who has COVID-19 rental debt, as that term is defined in Section 1179.02 of the Code of Civil Procedure, and who has submitted a declaration of COVID-19-related financial distress, as defined in Section 1179.02 of the Code of Civil Procedure, do either of the following:

(1) Charge a tenant, or attempt to collect from a tenant, fees assessed for the late payment of that COVID-19 rental debt.

(2) Increase fees charged to the tenant or charge the tenant fees for services previously provided by the landlord without charge.

(b) Notwithstanding any other law, a landlord who temporarily reduces or makes unavailable a service or amenity as the result of compliance with federal, state, or local public health orders or guidelines shall not be considered to have violated the rental or lease agreement, nor to have provided different terms or conditions of tenancy or reduced services for purposes of any law, ordinance, rule, regulation, or initiative measure adopted by a local governmental entity that establishes a maximum amount that a landlord may charge a tenant for rent.

SEC. 7.

Section 871.10 of the Code of Civil Procedure is amended to read:

871.10.

(a) In any action seeking recovery of COVID-19 rental debt, as defined in Section 1179.02, the plaintiff shall, in addition to any other requirements provided by law, attach to the complaint documentation showing that the plaintiff has made a good faith effort to investigate whether governmental rental assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant's efforts to obtain rental assistance from any governmental entity, or other third party pursuant to paragraph (3) of subdivision (a) of Section 1947.3 of the Civil Code.

(b) ~~If~~ *Except as provided in subdivision (c)*, an action subject to subdivision (a), the court may reduce the damages awarded for any amount of COVID-19 rental debt, as defined in Section 1179.02, sought if the court determines that the landlord refused to obtain rental assistance from the state rental assistance program created pursuant to Chapter 17 (commencing with Section 50897) of Part 2 of Division 31 of the Health and Safety Code, if the tenant met the eligibility requirements and funding was available.

(c) Subdivision (b) shall not apply within any jurisdiction that received a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and did not accept a block grant pursuant to Section 50897.2 of the Health and Safety Code and is not subject to paragraph (5) of subdivision (a) of that section.

~~(c)~~ (d) An action to recover COVID-19 rental debt, as defined in Section 1179.02, that is subject to this section shall not be commenced before ~~November~~ *August* 1, 2021.

~~(d)~~ (e) Subdivisions (a) through ~~(c)~~, (d), inclusive, shall not apply to an action to recover COVID-19 rental debt, as defined in Section 1179.02, that was pending before the court as of January 29, 2021.

~~(e)~~ (f) Except as provided in subdivision ~~(g)~~, (h), any action to recover COVID-19 rental debt, as defined in Section 1179.02, that is subject to this section and is pending before the court as of January 29, 2021, shall be stayed until ~~November~~ *August* 1, 2021.

~~(f)~~ (g) This section shall not apply to any unlawful detainer action to recover possession pursuant to Section 1161.

~~(g) (1) Actions for breach of contract to recover rental debt that were filed before October 1, 2020, shall not be stayed and may proceed.~~

~~(2) (h) This subdivision does~~ *Actions for breach of contract to recover rental debt that were filed before October 1, 2020, shall not be stayed and may proceed, except that this subdivision shall* not apply to actions filed against any person who would have qualified under the rental assistance funding provided through the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) ~~if~~ *and where* the person's household income is at or below 80 percent of the area median income for the 2020 ~~or 2021~~ calendar year.

SEC. 8.

Section 1179.03 of the Code of Civil Procedure is amended to read:

1179.03.

(a) (1) Any notice that demands payment of COVID-19 rental debt served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 shall be modified as required by this section. A notice which does not meet the requirements of this section, regardless of when the notice was issued, shall not be sufficient to establish a cause of action for unlawful detainer or a basis for default judgment.

(2) Any case based solely on a notice that demands payment of COVID-19 rental debt served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 may be dismissed if the notice does not meet the requirements of this section, regardless of when the notice was issued.

(3) Notwithstanding paragraphs (1) and (2), this section shall have no effect if the landlord lawfully regained possession of the property or obtained a judgment for possession of the property before the operative date of this section.

(b) If the notice demands payment of rent that came due during the protected time period, as defined in Section 1179.02, the notice shall comply with all of the following:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall set forth the amount of rent demanded and the date each amount became due.

(3) The notice shall advise the tenant that the tenant cannot be evicted for failure to comply with the notice if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the date that the notice to pay rent or quit or notice to perform covenants or quit expires, by any of the methods specified in subdivision (f).

(4) The notice shall include the following text in at least 12-point font:

“NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, your landlord will not be able to evict you for this missed payment if you sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, but you will still owe this money to your landlord. If you do not sign and deliver the declaration within this time period, you may lose the eviction protections available to you. You must return this form to be protected. You should keep a copy or picture of the signed form for your records.

You will still owe this money to your landlord and can be sued for the money, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

For information about legal resources that may be available to you, visit lawhelpca.org.”

(c) If the notice demands payment of rent that came due during the transition time period, as defined in Section 1179.02, the notice shall comply with all of the following:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall set forth the amount of rent demanded and the date each amount became due.

(3) The notice shall advise the tenant that the tenant will not be evicted for failure to comply with the notice, except as allowed by this chapter, if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the date the notice to pay rent or quit or notice to perform covenants or quit expires, by any of the methods specified in subdivision (f).

(4) For notices served before February 1, 2021, the notice shall include the following text in at least 12-point type:

“NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, you may sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, and your landlord will not be able to evict you for this missed payment so long as you make the minimum payment (see below). You will still owe this money to your landlord. You should keep a copy or picture of the signed form for your records.

If you provide the declaration form to your landlord as described above AND, on or before January 31, 2021, you pay an amount that equals at least 25 percent of each rental payment that came due or will come due during the period between September 1, 2020, and January 31, 2021, that you were unable to pay as a result of decreased income or increased expenses due to COVID-19, your landlord cannot evict you. Your landlord may require you to submit a new declaration form for each rental payment that you do not pay that comes due between September 1, 2020, and January 31, 2021.

For example, if you provided a declaration form to your landlord regarding your decreased income or increased expenses due to COVID-19 that prevented you from making your rental payment in September and October of 2020, your landlord could not evict you if, on or before January 31, 2021, you made a payment equal to 25 percent of September's and October's rental payment (i.e., half a month's rent). If you were unable to pay any of the rental payments that came due between September 1, 2020, and January 31, 2021, and you provided your landlord with the declarations in response to each 15-day notice your landlord sent to you during that time period, your landlord could not evict you if, on or before January 31, 2021, you paid your landlord an amount equal to 25 percent of all the rental payments due from September through January (i.e., one and a quarter month's rent).

You will still owe the full amount of the rent to your landlord, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

For information about legal resources that may be available to you, visit lawhelpca.org.”

(5) For notices served on or after February 1, 2021, ~~and before July 1, 2021~~, the notice shall include the following text in at least 12-point type:

“NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, you may sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, and your landlord will not be able to evict you for this missed payment so long as you make the minimum payment (see below). You will still owe this money to your landlord. You should keep a copy or picture of the signed form for your records.

If you provide the declaration form to your landlord as described above AND, on or before June 30, 2021, you pay an amount that equals at least 25 percent of each rental payment that came due or will come due during the period between September 1, 2020, and June 30, 2021, that you were unable to pay as a result of decreased income or increased expenses due to COVID-19, your landlord cannot evict you. Your landlord may require you to submit a new declaration form for each rental payment that you do not pay that comes due between September 1, 2020, and June 30, 2021.

If you were unable to pay any of the rental payments that came due between September 1, 2020, and June 30, 2021, and you provided your landlord with the declarations in response to each 15-day notice your landlord sent to you during that time period, your landlord could not evict you if, on or before June 30, 2021, you paid your landlord an amount equal to 25 percent of all the rental payments due from September 2020 through June 2021.

You will still owe the full amount of the rent to your landlord, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

YOU MAY QUALIFY FOR RENTAL ASSISTANCE. In addition to extending these eviction protections, the State of California, in partnership with federal and local governments, has created an emergency rental assistance program to assist renters who have been unable to pay their rent and utility bills as a result of the COVID-19 pandemic. This program may be able to help you get caught up with past-due rent. Additionally, depending on the availability of funds, the program may also be able to assist you with making future rental payments.

While not everyone will qualify for this assistance, you can apply for it regardless of your citizenship or immigration status. There is no charge to apply for or receive this assistance.

Additional information about the extension of the COVID-19 Tenant Relief Act and new state or local rental assistance programs, including more information about how to qualify for assistance, can be found by visiting <http://housingiskey.com> or by calling ~~1-833-422-4255~~ **1-833-422-4255.**"

~~(6) For notices served on or after July 1, 2021, the notice shall include the following text in at least 12-point type:~~

~~NOTICE FROM THE STATE OF CALIFORNIA—YOU MUST TAKE ACTION TO AVOID EVICTION. If you are unable to pay the amount demanded in this notice because of the COVID-19 pandemic, you should take action right away.~~

~~IMMEDIATELY: Sign and return the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays. Sign and return the declaration even if you have done this before. You should keep a copy or a picture of the signed form for your records.~~

~~BEFORE SEPTEMBER 30, 2021: Pay your landlord at least 25 percent of any rent you missed between September 1, 2020, and September 30, 2021. If you need help paying that amount, apply for rental assistance. You will still owe the rest of the rent to your landlord, but as long as you pay 25 percent by September 30, 2021, your landlord will not be able to evict you for failing to pay the rest of the rent. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes.~~

~~AS SOON AS POSSIBLE: Apply for rental assistance! As part of California's COVID-19 relief plan, money has been set aside to help renters who have fallen behind on rent or utility payments. If you are behind on rent or utility payments, YOU SHOULD COMPLETE A RENTAL ASSISTANCE APPLICATION IMMEDIATELY! It is free and simple to apply. Citizenship or immigration status does not matter. You can find out how to start your application by calling 1-833-430-2122 or visiting <http://housingiskey.com> right away.~~

(d) An unsigned copy of a declaration of COVID-19-related financial distress shall accompany each notice delivered to a tenant to which subdivision (b) or (c) is applicable. If the landlord was required, pursuant to Section 1632 of the Civil Code, to provide a translation of the rental contract or agreement in the language in which the contract or agreement was negotiated, the landlord shall also provide the unsigned copy of a declaration of COVID-19-related financial distress to the tenant in the language in which the contract or agreement was negotiated. The Department of ~~Housing and Community Development~~ *Real Estate* shall make available an official translation of the text required by paragraph (4) of subdivision ~~(b) and paragraphs (4) to (6), inclusive, of subdivision (b), paragraph (4) of subdivision (c), and paragraph (5) of subdivision (c)~~ in the languages specified in Section 1632 of the Civil Code by no later than ~~July~~ *February* 15, 2021.

(e) If a tenant owes a COVID-19 rental debt to which both subdivisions (b) and (c) apply, the landlord shall serve two separate notices that comply with subdivisions (b) and (c), respectively.

(f) A tenant may deliver the declaration of COVID-19-related financial distress to the landlord by any of the following methods:

(1) In person, if the landlord indicates in the notice an address at which the declaration may be delivered in person.

(2) By electronic transmission, if the landlord indicates an email address in the notice to which the declaration may be delivered.

(3) Through United States mail to the address indicated by the landlord in the notice. If the landlord does not provide an address pursuant to subparagraph (1), then it shall be conclusively presumed that upon the mailing of the declaration by the tenant to the address provided by the landlord, the declaration is deemed received by the landlord on the date posted, if the tenant can show proof of mailing to the address provided by the landlord.

(4) Through any of the same methods that the tenant can use to deliver the payment pursuant to the notice if delivery of the declaration by that method is possible.

(g) Except as provided in Section 1179.02.5, the following shall apply to a tenant who, within 15 days of service of the notice specified in subdivision (b) or (c), excluding Saturdays, Sundays, and other judicial holidays, demanding payment of COVID-19 rental debt delivers a declaration of COVID-19-related financial distress to the landlord by any of the methods provided in subdivision (f):

(1) With respect to a notice served pursuant to subdivision (b), the tenant shall not then or thereafter be deemed to be in default with regard to that COVID-19 rental debt for purposes of subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161.

(2) With respect to a notice served pursuant to subdivision (c), the following shall apply:

(A) Except as provided by subparagraph (B), the landlord may not initiate an unlawful detainer action before ~~October~~ *July* 1, 2021.

(B) A tenant shall not be guilty of unlawful detainer, now or in the future, based upon nonpayment of COVID-19 rental debt that came due during the transition period if, on or before ~~September~~ *June* 30, 2021, the tenant tenders one or more payments that, when taken together, are of an amount equal to or not less than 25 percent of each transition period rental payment demanded in one or more notices served pursuant to ~~subdivision subsection~~ (c) and for which

the tenant complied with this subdivision by timely delivering a declaration of COVID-19-related financial distress to the landlord.

(h) (1) (A) Within the time prescribed in Section 1167, a tenant shall be permitted to file a signed declaration of COVID-19-related financial distress with the court.

(B) If the tenant files a signed declaration of COVID-19-related financial distress with the court pursuant to this subdivision, the court shall dismiss the case, pursuant to paragraph (2), if the court finds, after a noticed hearing on the matter, that the tenant's failure to return a declaration of COVID-19-related financial distress within the time required by subdivision (g) was the result of mistake, inadvertence, surprise, or excusable neglect, as those terms have been interpreted under subdivision (b) of Section 473.

(C) The noticed hearing required by this paragraph shall be held with not less than five days' notice and not more than 10 days' notice, to be given by the court, and may be held separately or in conjunction with any regularly noticed hearing in the case, other than a trial.

(2) If the court dismisses the case pursuant to paragraph (1), that dismissal shall be without prejudice as follows:

(A) If the case was based in whole or in part upon a notice served pursuant to subdivision (b), the court shall dismiss any cause of action based on the notice served pursuant to subdivision (b).

(B) Before ~~October~~ July 1, 2021, if the case is based in whole or in part on a notice served pursuant to subdivision (c), the court shall dismiss any cause of action based on the notice served pursuant to subdivision (c).

(C) On or after ~~October~~ July 1, 2021, if the case is based in whole or in part on a notice served pursuant to subdivision (c), the court shall dismiss any cause of action based upon the notice served pursuant to subdivision (c) if the tenant, within five days of the court's order to do so, makes the payment required by subparagraph (B) of paragraph (2) of subdivision (g), provided that if the fifth day falls on a Saturday, Sunday, or judicial holiday the last day to pay shall be extended to the next court day.

(3) If the court dismisses the case pursuant to this subdivision, the tenant shall not be considered the prevailing party for purposes of Section 1032, any attorney's fee provision appearing in contract or statute, or any other law.

(i) Notwithstanding any other law, a notice which is served pursuant to subdivision (b) or (c) that complies with the requirements of this chapter and subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161, as applicable, need not include specific language required by any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county.

SEC. 9.

Section 1179.05 of the Code of Civil Procedure is amended to read:

1179.05.

(a) Any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction is subject to all of the following:

(1) Any extension, expansion, renewal, reenactment, or new adoption of a measure, however delineated, that occurs between August 19, 2020, and ~~March 31, 2022~~, ~~June 30, 2021~~, shall have no effect before ~~April July 1, 2022~~. ~~2021~~.

(2) Any provision which allows a tenant a specified period of time in which to repay COVID-19 rental debt shall be subject to all of the following:

(A) If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date on or before ~~May August 1, 2022~~, ~~2021~~, any extension of that date made after August 19, 2020, shall have no effect.

(B) If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date after ~~May August 1, 2022~~, ~~2021~~, or conditioned commencement of the repayment period on the termination of a proclamation of state of emergency or local emergency, the repayment period is deemed to begin on ~~May August 1, 2022~~. ~~2021~~.

(C) The specified period of time during which a tenant is permitted to repay COVID-19 rental debt may not extend beyond the period that was in effect on August 19, 2020. In addition, a provision may not permit a tenant a period of time that extends beyond ~~May August 31, 2023~~, ~~2022~~, to repay COVID-19 rental debt.

(b) This section does not alter a city, county, or city and county's authority to extend, expand, renew, reenact, or newly adopt an ordinance that requires just cause for termination of a residential tenancy or amend existing ordinances that require just cause for termination of a residential tenancy, consistent with subdivision (g) of Section 1946.2, provided that a provision enacted or amended after August 19, 2020, shall not apply to rental payments that came due between March 1, 2020, and ~~March 31, 2022~~. ~~June 30, 2021~~.

(c) The one-year limitation provided in subdivision (2) of Section 1161 is tolled during any time period that a landlord is or was prohibited by any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction based on nonpayment of rental payments from serving a notice that demands payment of COVID-19 rental debt pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) of Section 1161.

(d) It is the intent of the Legislature that this section be applied retroactively to August 19, 2020.

(e) The Legislature finds and declares that this section addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

(f) It is the intent of the Legislature that the purpose of this section is to protect individuals negatively impacted by the COVID-19 pandemic, and that this section does not provide the Legislature's understanding of the legal validity on any specific ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction.

SEC. 10.

Section 50897.1 of the Health and Safety Code is amended to read:

50897.1.

(a) (1) Funds available for rental assistance pursuant to this chapter shall consist of state rental assistance funds made available pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and ~~Section 3201 of Subtitle B of~~

~~Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) and~~ shall be administered by the department in accordance with this chapter and applicable federal law.

(2) Each ~~grantee shall be eligible to locality described in Section 50987.2 shall~~ receive an allocation of rental assistance funds, calculated in accordance with the state reservation table.

~~(3) The state high-need grantee set aside provided pursuant to Section 3201(a)(2)(D) of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2) shall be allocated or administered by the department, or program implementer, pursuant to applicable federal requirements.~~

~~(4) Additional rental assistance funds allocated to the state from the United States Treasury pursuant to Section 501(d) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) or Section 3201(e) of Subtitle B of Title III of the federal American Rescue Plan Act of 2021 (Public Law 117-2) shall be allocated, at the department's discretion, with prioritization based on factors that include a grantee's unmet need, rate of application submissions, rate of attrition, and rate of expenditures.~~

~~(5)~~ (3) Except as otherwise provided in this chapter, funds available for rental assistance administered pursuant to Section 50897.3 ~~or 50897.3.1~~ shall consist of state rental assistance funds calculated pursuant to the state reservation table.

(b) Funds provided for and administered pursuant to this chapter shall be used in a manner consistent with federal law, including the prioritization of assistance specified in Section 501(c)(4) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260). In addition, in providing assistance pursuant to this chapter, the department and, if applicable, the program implementer shall prioritize communities disproportionately impacted by COVID-19, as determined by the department. State prioritization shall be as follows:

(1) ~~Priority Round~~ one ~~priority~~ shall be eligible households, as specified in Section 501(c)(4) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), to expressly target assistance for eligible households with a household income that is not more than 50 percent of the area median ~~or any eligible households that receive a notice described in Section 1179.10 of the Code of Civil Procedure or a summons described in Section 1179.11 of the Code of Civil Procedure~~ ~~income~~.

(2) ~~Priority Round~~ two ~~priority~~ shall be communities disproportionately impacted by COVID-19, as determined by the department.

(3) ~~Priority Round~~ three ~~priority~~ shall be eligible households that are not otherwise prioritized as described in paragraphs (1) and (2), to expressly include eligible households with a household income that is not more than 80 percent of the area median income.

(c) (1) Except as otherwise provided in paragraph (2), eligible uses for funds made available to a grantee under this chapter shall be as follows:

(A) Rental arrears.

(B) Prospective rent payments.

(C) Utilities, including arrears and prospective payments for utilities.

(D) Any other expenses related to housing as provided in Section 501(c)(2)(A) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

~~(E) Any additional use authorized under federal law and guidance.~~

(2) For purposes of stabilizing households and preventing evictions, rental arrears shall be given priority for purposes of providing rental assistance pursuant to this chapter.

(3) Remaining funds not used as described in paragraph (2) may be used for any eligible use described in subparagraphs (B), (C), and (D) of paragraph (1).

(d) ~~Assistance for rental arrears may be provided as a payment.~~ *A grantee may provide payment of rental arrears* directly to a landlord on behalf of an eligible household by entering into an agreement with the landlord, subject to both of the following:

(1) Assistance for rental arrears shall be set at compensation of ~~100~~ *80* percent of an eligible household's unpaid rental debt accumulated ~~on or after April 1, 2020.~~ *from April 1, 2020, to March 31, 2021, inclusive, per eligible household.*

(2) (A) Acceptance of a payment made pursuant to this subdivision shall be conditioned on the landlord's agreement to accept the payment as payment in full of the rental debt owed by any tenant within the eligible household for whom rental assistance is being provided for the specified time period. The landlord's release of claims pursuant to this subparagraph shall take effect only upon payment being made to the landlord pursuant to this subdivision.

(B) The landlord's agreement to accept payment pursuant to this subdivision as payment in full, as provided in subparagraph (A), shall include the landlord's agreement to release any and all claims for nonpayment of rental debt owed for the specified time period, including a claim for unlawful detainer pursuant to paragraph (2) and (3) of Section 1161 of the Code of Civil Procedure, against any tenant within the eligible household for whom the rental assistance is being provided.

(e) ~~(1) If a landlord refuses to participate in a rental assistance program for the payment of rental arrears, as described in subdivision (d), a~~ member of an eligible household may ~~directly~~ apply for rental arrears assistance from the grantee. Assistance for rental arrears pursuant to this subdivision shall be ~~set at~~ *limited to* compensation of ~~100~~ *25* percent of the eligible household's unpaid rental debt accumulated ~~on or after April 1, 2020.~~ *from April 1, 2020, to March 31, 2021, inclusive.*

~~(2) (A) Upon receipt of assistance, the eligible household shall provide the full amount of rental arrears to the landlord within 15 days, excluding Saturdays, Sundays, and judicial holidays, of receipt of the funds.~~

~~(B) (i) If the household does not comply with subparagraph (A), the landlord may charge a late fee not to exceed the amount that the landlord may charge a tenant for one late rental payment under the terms of the lease or rental agreement.~~

~~(ii) Failure to pay a late fee charged by a landlord pursuant to this subparagraph shall not be grounds for an unlawful detainer action.~~

~~(C) A member of an eligible household described by this paragraph shall attest under penalty of perjury that the household will comply with the requirements of this paragraph.~~

(f) Funds used to provide assistance for prospective rent payments for an eligible household shall ~~be set at 100~~ *not exceed 25* percent of the eligible household's monthly rent.

(g) ~~(1) An~~ *When a landlord or tenant submits a completed application, grantees shall provide notification to the respective parties included in the application.* *eligible household that receives*

assistance pursuant to subdivision (e) shall receive priority in providing assistance for the eligible uses specified in subparagraphs (B), (C), and (D) of paragraph (1) of subdivision (c).

~~(2) Upon approval of payment for a landlord or tenant application, as applicable, grantees shall provide notification to the respective parties included in the application.~~

(h) ~~(1)~~ Assistance provided under this chapter shall be provided to eligible households or, ~~if~~ *where* applicable, to landlords on behalf of eligible households that are currently housed and occupying the residential unit for which the assistance is requested at the time of the application.

~~(2) (A) Notwithstanding paragraph (1), eligible households that no longer occupy the residential unit with respect to which rental assistance has been requested and have demonstrated rental arrears shall be eligible for assistance.~~

~~(B) (i) Subject to clause (ii), assistance provided pursuant to this paragraph shall be prioritized to participating landlords.~~

~~(ii) If the landlord does not participate, payments may be provided directly to the eligible household if the eligible household provides any amount received for rental assistance to the landlord. A member of the eligible household shall attest under penalty of perjury that the household will comply with the requirements of this clause.~~

~~(C) It is the intent of the Legislature for grantees to exercise maximum discretion within the limitations of federal law and guidance to establish eligibility and documentation requirements for households no longer occupying the unit in question to ensure funds administered pursuant to this paragraph are deployed in a streamlined manner.~~

~~(D) A payment made directly to a participating landlord pursuant to this paragraph shall be considered as payment in full and shall include the landlord's agreement to release any and all claims for nonpayment of rental debt owed for the specified time period, including a claim for unlawful detainer pursuant to paragraphs (2) and (3) of Section 1161 of the Code of Civil Procedure.~~

(i) For purposes of the protections against housing discrimination provided under the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), assistance provided under this chapter shall be deemed to be a "source of income," as that term is defined in subdivision (i) of Section 12927 of the Government Code.

(j) (1) Notwithstanding any other law, except as otherwise provided in subdivision (i), assistance provided to an eligible household for a payment as provided in this chapter or as provided as a direct allocation to grantees from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) ~~or Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2)~~ shall not be deemed to be income for purposes of the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) or used to determine the eligibility of an eligible household, or any member of an eligible household, for any state program or local program financed wholly or in part by state funds.

(2) Notwithstanding any other law, for taxable years beginning on or after January 1, 2020, and before January 1, 2025, gross income shall not include a tenant's rent liability that is forgiven by a landlord as provided in this chapter or as rent forgiveness provided through funds grantees received as a direct allocation from the Secretary of the Treasury pursuant to Subtitle A of Title

V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law ~~116-260~~) or ~~Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2)~~. ~~116-260~~).

(k) ~~(1)~~ -The department may adopt, amend, and repeal rules, guidelines, or procedures necessary to carry out the purposes of this chapter, including guidelines regarding the administration of federal rental assistance funds received under Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) ~~or the administration of federal rental assistance funds received under Section 3201 of Subtitle B of Title III of the American Rescue Plan Act of 2021 (Public Law 117-2) that are consistent with the requirements of that federal law and any regulations promulgated pursuant to that federal law.~~ *that are consistent with the requirements of that federal law and any regulations promulgated pursuant to that federal law. The adoption, amendment, or repeal of rules, guidelines, or procedures authorized by this subdivision is hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).*

~~(2) The adoption, amendment, or repeal of rules, guidelines, or procedures authorized by this subdivision is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).~~

(l) Any interest that the state, a ~~grantee~~, *locality*, or, if applicable, the program implementer derives from the deposit of funds made available pursuant to this chapter or pursuant to subdivision (e) of Section 925.6 of the Government Code shall be used to provide additional assistance under this chapter.

(m) Upon notification from the Director of Finance to the Joint Legislative Budget Committee that additional federal rental assistance resources have been obtained, that assistance may be deployed in a manner consistent with this chapter. Any statutory provision established by subsequent federal law specific to the administration of those additional resources shall supersede the provisions contained in this chapter to the extent that there is a conflict between those federal statutory provisions and this chapter. ~~To~~ *Consistent with the authority provided in subdivision (l),* to implement future federal rental assistance, the department shall make corresponding programmatic changes to effectuate the program in compliance with federal law.

(n) Notwithstanding any other law, a third party shall be prohibited from receiving compensation for services provided to an eligible household in applying for or receiving assistance under this chapter, except that this prohibition shall not apply to any contracted entity that renders those services upon the express authorization by the department, the program implementer, or a ~~grantee~~. *locality*.

(o) Assistance provided under this chapter shall include a receipt that provides confirmation of payment ~~that has been made. The receipt shall include, but not be limited to, the amount of payment or forgiveness, as applicable, and the time period for which assistance was provided. The receipt shall be or forgiveness, or both payment and forgiveness, as applicable, that has been made.~~ *The receipt shall be* provided to both the eligible household and the landlord.

~~(p) (1) The department, program implementer, or grantee, as applicable, that has completed rental assistance payments subject to the provisions of this section, as amended by Chapter 5 of the Statutes of 2021, shall provide additional assistance to previous recipients so that total assistance provided is equivalent to 100 percent of an eligible household's rental arrears or prospective rent for the period originally requested, as applicable.~~

~~(2) To make payments pursuant to this subdivision in a timely manner, additional assistance shall be executed without the counter signature from the eligible household or landlord.~~

~~(q) A grantee may request a change to its administrative option as provided in Round 1 or Round 2, as applicable, subject to the approval of the department.~~

~~(r) (1) A grantee that receives funds and administer rental assistance programs pursuant to this chapter shall meet the requirements of Chapter 6 (commencing with Section 1179.08) of Title 3 of Part 3 of the Code of Civil Procedure.~~

~~(2) A grantee shall provide notification to the landlord and tenant when either the landlord or the tenant submits a completed application for rental assistance.~~

~~(3) A grantee shall provide notification to the landlord and tenant once a final decision has been rendered. The notification shall include the total amount of assistance paid and the time period for which assistance was provided, as applicable.~~

~~(4) Failure to comply with the requirements of this subdivision may result in the grantee's share of funds received from the state pursuant to Section 50897.2 or 50897.2.1 reverted to the department for reallocation at the department's discretion.~~

~~(e)~~ (p) For purposes of this section:

(1) "Rental debt" includes rent, fees, interest, or any other financial obligation under a lease for use and occupancy of the leased premises, but does not include liability for torts or damage to the property beyond ordinary wear and tear.

(2) "Specified time period" means the period of time for which payment is provided, as specified in the agreement entered into with the landlord.

SEC. 11.

Section 50897.3 of the Health and Safety Code is amended to read:

50897.3.

(a) (1) (A) The department may contract with a vendor to serve as the program implementer to manage and fund services and distribute emergency rental assistance resources pursuant to this section. A vendor selected to serve as program implementer shall demonstrate sufficient capacity and experience to administer a program of this scope and scale.

(B) The program implementer shall have existing relationships with community-level partners to ensure all regional geographies and target communities throughout the state have access to the program.

(C) (i) The program implementer shall have the technological capacity to develop and to implement a central technology-driven application portal and system that serves landlords and tenants, has mobile and multilanguage capabilities, and allows an applicant track the status of their application. The application system shall have the capacity to handle the volume of expected use without disruption.

(ii) The system shall begin accepting applications no later than March 15, 2021 and be available 24 hours a day, seven days a week, with 99 percent planned uptime rating.

(iii) The system shall support, at minimum, a database of 1,000,000 application records.

(iv) The system shall support at minimum 20,000 concurrent full-access users, allowing users to create, read, update and delete transactions based upon their user role.

(D) (i) The program implementer shall demonstrate experience with developing and managing direct payment or grant programs, or direct payment and grant programs, including, but not limited to, program and application development, outreach and marketing, translation and interpretation, fraud protections and approval processes, secure disbursement, prioritizing the use of direct deposit, customer service, compliance, and reporting.

(ii) The program interface shall include, but not be limited to, the following:

(I) Capability such that either the landlord or the tenant may initiate an application for assistance and that both parties are made aware of the opportunity to participate in the rental assistance program and accept the program parameters.

(II) Appropriate notifications to ensure that both parties understand that rental assistance is awarded in rounds of funding based on eligibility and that the eligible household is reminded that payment is ultimately being provided directly to the landlord, but the payment will directly address the eligible household's rental arrears or prospective rent, as applicable.

(III) Notification to both parties, including the landlord and the eligible household, respectively, of the initiation and completion of the application process, whether the process is initiated by the landlord or the eligible household. Upon payment, the program implementer shall provide an electronic record that payment has been made and keep all records available for the duration of the program, or as otherwise provided under state or federal law.

(E) The program implementer shall be able to manage a technology-driven duplication of benefits process in compliance with federal law.

(F) The program implementer shall comply with all state protections related to the use of personally identifiable information, including providing any necessary disclosures and assuring the secure storage of any personally identifiable information generated, as part of the application process.

(G) The program implementer shall coordinate its program activities with education and outreach contractors and any affiliated service or technical assistance providers, including those that reach non-English speaking and hard-to-reach households, with considerations for racial equity and traditionally underserved populations.

(2) The department may establish a contract with one or more education and outreach contractors to conduct a multilingual statewide campaign to promote program participation and accessibility.

(3) In accordance with paragraphs (1) and (2), the department shall seek contracted solutions that minimize total administrative costs, such that savings may be reallocated for use as direct assistance.

(4) The department may receive rental assistance program funding from localities or federally recognized tribes to administer on their behalf in a manner consistent with this chapter.

(b) (1) (A) A county with a population less than or equal to 200,000 and any **grantee locality** that is eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall receive assistance pursuant to the state reservation table, to be administered in accordance with this section.

(B) A **grantee locality** that was eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N

of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and was eligible for, but did not receive, block grant assistance under Section 50897.2 shall receive its proportionate share of assistance, as determined by the state reservation table, to be administered in accordance with this section.

(2) (A) A ~~grantee~~ *locality* that was eligible for, but did not receive, block grant funds pursuant to Section 50897.2, and has elected to administer its direct share of assistance provided under Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), shall have its proportionate share of block grant funds administered pursuant to this section.

(B) ~~(i)~~ -To minimize legal liability and potential noncompliance with federal law, specifically those violations described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), the department, or, if applicable, the program implementer, ~~shall~~ *may* request that ~~grantees~~ *localities* described in this paragraph enter into a data sharing agreement for the purpose of preventing unlawful duplication of rental assistance to eligible households. *Notwithstanding any other law, localities that enter into a data sharing agreement as required by this subparagraph may disclose personally identifying information of rental assistance applicants to the department or the program implementer for the purposes described in this subparagraph.*

~~(ii) Notwithstanding any other law, a grantee that enters into a data sharing agreement required by this subparagraph may disclose personally identifying information of rental assistance applicants to the department or the program implementer for the purposes described in this subparagraph.~~

~~(iii) A grantee described by clause (ii) shall provide all applicable data, as determined by the department, before the department or program implementer begins administering funds within the grantee's jurisdiction.~~

(C) Except as otherwise provided in subparagraph (B), a ~~grantee~~ *locality* that is subject to assistance provided under this paragraph and received a direct allocation from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall not be eligible for administrative and technical assistance provided by the department, including, but not limited to, support for long-term monitoring and reporting.

(D) The state, the department, or the program implementer acting on behalf of the department, shall be indemnified from liability in the administration of assistance pursuant to this paragraph, specifically any violation described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(3) To the extent permitted by federal law, a ~~grantee~~ *locality* that elects to participate in the program as provided in this section, and that received rental assistance funding directly from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), shall add those funds received directly from the Secretary of the Treasury and any share of rental assistance funding provided pursuant to Section 50897.2 to the funds allocated to it pursuant to this section. Except as otherwise provided in paragraph (1) of subdivision (d), the total amount of funds described in this subparagraph shall be used by the grantee in accordance with this section. Participation shall be conditioned upon having an executed standard agreement with the Department.

(4) To the extent permitted by federal law, a federally recognized tribe that receives rental assistance funds directly from the Secretary of the Treasury pursuant to Subtitle A of Title V of

Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) may add its direct federal allocation of funds to be administered pursuant to this section. Participation shall be conditioned upon having an executed standard agreement with the department.

(5) The department may establish additional funding targets within the reservation pool to support an equitable distribution that targets eligible households most impacted by COVID-19.

(c) Funds allocated pursuant to this section shall be used for those eligible uses specified in, and subject to the applicable requirements of, Section 50897.1.

(d) (1) Except as otherwise provided in paragraph (3), a grantee that receives funds pursuant to this section shall contractually obligate ~~65 percent of~~ those funds no later than ~~August 1,~~ *July 31,* 2021. The department may, in its discretion, reallocate any funds allocated to a grantee that are not contractually obligated by that date to other grantees ~~based on factors that include unmet need, rate of application submissions, rate of attrition, and rate of expenditures.~~ *participating in the program that have expended at least 50 percent of their reservation pools or have an oversubscribed application list for rental assistance.*

(2) In reallocating funds pursuant to this subdivision, the department or, if applicable, the program implementer acting on behalf of the department shall prioritize reallocating those unused funds to provide financial assistance for rental arrears accumulated on or after April 1, 2020, and before the expiration of the program.

~~(2)~~ (3) Funds administered on behalf of a federally recognized tribe as provided in paragraph (4) of subdivision (b) are not subject to the requirements of this subdivision.

(e) (1) In any legal action to recover rent or other financial obligations under the lease that accrued between April 1, 2020, and ~~September~~ *June* 30, 2021, before entry of any judgment in the plaintiff's favor, the plaintiff shall verify both of the following under penalty of perjury:

(A) The landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount claimed.

(B) The landlord does not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount claimed.

(2) In any unlawful detainer action seeking possession of residential rental property based on nonpayment of rent or any other financial obligation under the lease, the court shall not enter a judgment in favor of the landlord unless the landlord verifies all of the following under penalty of perjury:

(A) That the landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount demanded in the notice underlying the complaint.

(B) That the landlord has not received rental assistance or other financial compensation from any other source for rent accruing after the date of the notice underlying the complaint.

(C) That the landlord does not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount demanded in the notice underlying the complaint.

(D) That the landlord does not have any pending application for rental assistance or other financial compensation from any other sources for rent accruing after the date of the notice underlying the complaint.

(f) Notwithstanding any other state or local law, policy, or ordinance, for purposes of ensuring the timely implementation of resources pursuant to this ~~section~~ *section*, a ~~grantee~~ *locality* that has a population greater than 200,000 may enter into an agreement with the department to have its share of funds administered pursuant to this section by the department and may redirect those funds to the department for that purpose.

~~(g) (1) Except as provided in paragraph (2), the requirements of this section shall apply only to the administration of Round 1 funds.~~

~~(2) Subdivision (e) shall apply to the administration of Round 1 and Round 2 funds.~~

SEC. 12.

Section 4003 of the Unemployment Insurance Code is amended to read:

4003.

(a) The provisions and definitions of terms in the Federal-State Extended Unemployment Compensation Act of 1970, as amended by the federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), apply to this part. "Federal-state extended benefits" means benefits payable under this part.

(b) (1) To the extent that the provisions and definitions of terms in the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) are in effect in federal law and are in conflict with, or supplement the provisions and definitions applicable pursuant to subdivision (a), the provisions and definitions of the American Recovery and Reinvestment Act of 2009 shall apply to this part.

(2) To the extent that the provisions and definitions of terms in the federal Families First Coronavirus Response Act (Public Law 116-127) are in effect in federal law and are in conflict with, or supplement the provisions and definitions applicable pursuant to, subdivision (a), the provisions and definitions of the federal Families First Coronavirus Response Act shall apply to this part.

(c) There is an "on" indicator for purposes of federal-state extended benefits for a week if one of the following applies:

(1) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the preceding two calendar years, and equaled or exceeded 5 percent.

(2) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 6 percent, regardless of the rate of insured unemployment in the two previous years.

(3) With respect to weeks of unemployment beginning on or after February 1, 2009, and continuing until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by subdivision (a) of Section 2005 of Public Law 111-5 for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code, both of the following apply:

(A) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent.

(B) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period referred to in subparagraph (A) equals or exceeds 110 percent of that average rate of total unemployment for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(4) With respect to weeks of unemployment beginning on or after March 18, 2020, and continuing until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by the federal Families First Coronavirus Response Act (Public Law 116-127), which shall be interpreted to retroactively include any subsequent extension of the last week for which 100 percent of federal sharing is authorized under that act and shall take effect as if the amendment extending full federal funding was enacted as part of that act, or for weeks of unemployment ending four weeks prior to the last week for which Congress, pursuant to any future legislation, has authorized 100 percent federal sharing, for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code as that section read as of the operative of date of the act adding this paragraph, both of the following apply:

(A) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent.

(B) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period referred to in subparagraph (A) equals or exceeds 110 percent of that average rate of total unemployment for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(d) There is an "off" indicator for a week if, for the period consisting of that week, and the 12 weeks immediately preceding the week, none of the criteria specified in subdivision (c) results in an "on" indicator.

(e) For purposes of this section, the rate of insured unemployment for a 13-week period shall be determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of the period.

(f) The indicators specified in subdivisions (c) and (d) shall be operative only if mandated or permitted by federal law.

(g) Notwithstanding any other provision of this part, the Governor may, if permitted by federal law, suspend the payment of extended duration benefits under this part, to the extent necessary to ensure that otherwise eligible individuals are not denied, in whole or in part, the receipt of emergency unemployment compensation benefits authorized by the federal Supplemental Appropriations Act of 2008 (Public Law 110-252), the Unemployment Compensation Extension Act of 2008 (Public Law 110-449), and the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and that the state receives maximum reimbursement from the federal government for the payment of those emergency benefits.

(h) Notwithstanding the provisions of subdivision (c), with respect to weeks of unemployment beginning on or after December 19, 2010, and continuing until the earlier of the date authorized by Section 502(b) of Public Law 111-312, or the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by Section 2005(a) of Public Law 111-5 for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code, the following applies:

(1) There is an “on” indicator for purposes of federal-state extended benefits for a week if one of the following applies:

(A) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the preceding three calendar years, and equaled or exceeded 5 percent.

(B) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 6 percent, regardless of the rate of insured unemployment in the three previous years.

(C) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent and the average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period equals or exceeds 110 percent of that average rate of total unemployment for any or all of the corresponding three-month periods ending in the three preceding calendar years.

(2) There is an “off” indicator for a week if, for the period consisting of that week, and the 12 weeks immediately preceding the week, none of the criteria specified in paragraph (1) results in an “on” indicator.

(3) The indicators specified in paragraphs (1) and (2) shall be operative only if mandated or permitted by federal law.

(i) (1) Notwithstanding any other provision of this part, with respect to whether the state is in an extended benefit period beginning on November 1, 2020, through December 31, 2021, as permitted by the Continued Assistance for Unemployed Workers Act of 2020, the requirement in the Federal-State Extended Unemployment Compensation Act of 1970 that no extended benefit period may begin prior to the 14th week following the end of a prior extended benefit period which was in effect shall not apply.

(2) Notwithstanding any other provision of this part, when authorized by federal law to temporarily waive the “off” period, the requirement in the Federal-State Extended Unemployment Compensation Act of 1970 that no extended benefit period may begin prior to the 14th week following the end of a prior extended benefit period which was in effect shall not apply.

SEC. 13.

Section 11157 of the Welfare and Institutions Code is amended to read:

11157.

(a) Notwithstanding Section 11008, all lump-sum income received by an applicant or recipient shall be regarded as income in the month received, except nonrecurring lump-sum social insurance payments, which shall include social security income, railroad retirement benefits, veteran’s benefits, workers’ compensation, and disability insurance.

(b) Except as otherwise provided in this part, for purposes of this chapter and Chapter 2 (commencing with Section 11200), “income” shall be deemed to be the same as applied under the Aid to Families with Dependent Children program on August 21, 1996, except that the following are exempt from consideration as income:

(1) Income that is received too infrequently to be reasonably anticipated, as exempted in federal Supplemental Nutrition Assistance Program (SNAP) regulations.

(2) Income from a college work-study program under Title IV of the federal Higher Education Act or Article 18 (commencing with Section 69950) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code or college work-study program, as established in the annual Budget Act, for individuals receiving aid under Chapter 2 (commencing with Section 11200).

(3) (A) Except as provided for in subparagraph (B), an award or scholarship provided by a public or private entity to or on behalf of a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition.

(B) For purposes of Chapter 2 (commencing with Section 11200), an award or scholarship provided by a public or private entity to or on behalf of a dependent child.

(c) ~~(1)~~ -For purposes of Chapter 2 (commencing with Section 11200), any income or stipend paid by the United States Census Bureau, a governmental entity, or a nonprofit organization for temporary work related to *improving participation in* the decennial census ~~shall not be considered~~ that *is earned during the year preceding a decennial census and during the year of the decennial census is not* income.

~~(2) Paragraph (1) shall be retroactive and shall apply to any income or stipend paid by the United States Census Bureau, a governmental entity, or a nonprofit organization for temporary work related to the most recent decennial census.~~

~~(3) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement, interpret, or make specific this subdivision by means of all county letters or similar instructions from the department until regulations are adopted. These all county letters or similar written instructions shall have the same force and effect as regulations until the adoption of regulations.~~

(d) (1) Any federal pandemic unemployment compensation, as described under Subchapter 2 (commencing with Section 9021) of Chapter 116 of Title 15 of the United States Code, is exempt from consideration as income and resources for the purposes of determining initial and continued eligibility and grant amount for the CalWORKs program.

(2) The exemption described under paragraph (1) shall remain in effect so long as federal pandemic unemployment compensation is exempt as income for purposes of establishing eligibility for the CalFresh program (Chapter 10 (commencing with Section 18900) of Part 6), pursuant to the federal Consolidated Appropriations Act of 2021 or any other law.

SEC. 14.

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. 15.

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. 16.

No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for purposes of implementing this act.

SEC. 17.

Five million dollars (\$5,000,000) is hereby appropriated from the General Fund to augment Schedule (1) of Item 7730-001-0001 of the 2020 Budget Act for the Franchise Tax Board to be allocated to existing California Earned Income Tax Credit outreach contracts to provide increased awareness of the Golden State Stimulus. To provide timely distribution of funds for Golden State Stimulus awareness, the Franchise Tax Board, and its administrative partner, the Department of Community Services and Development are exempt from all provisions of state contracting law governing the amendment of contracts. Furthermore, funds for Golden State Stimulus outreach shall be distributed to contractors at the sole discretion Executive Officer of the Franchise Board.

SEC. 18.

This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

AB 137, Chapter 77

State government.

Effective Date 7/16/2021

SECTION 1.

Article 6.5 (commencing with Section 7086) is added to Chapter 9 of Division 3 of the Business and Professions Code, to read:

Article 6.5. Solar Energy System Restitution Program

7086.

The board shall administer the Solar Energy System Restitution Program upon appropriation of one-time resources by the Legislature for the purpose of providing restitution to consumers pursuant to this article.

7086.1.

For purposes of this article, the following definitions apply:

(a) "Program" means the Solar Energy System Restitution Program established pursuant to this article.

(b) "Consumer" means any of the following:

(1) A natural person who owns a single-family residence in this state and who contracted with a licensed or unlicensed contractor on or after January 1, 2016, for the installation of a solar energy system on that residence.

(2) A tenant or leaseholder of a single-family residence in this state owned by a natural person who contracted with a licensed or unlicensed contractor on or after January 1, 2016, for the installation of a solar energy system on the owner's residence.

(3) A natural person who purchases a single-family residence from a prior owner of the residence who contracted with a licensed or unlicensed contractor on or after January 1, 2016, for the installation of the solar energy system.

(c) "Solar energy system" has the same meaning as that term is defined in subdivision (g) of Section 7169.

(d) "Financial loss or injury" means an economic loss or expense suffered by a consumer resulting from fraud, misrepresentation, or another unlawful act committed by a residential solar energy system contractor that has not been and will not be fully reimbursed from any other source.

7086.2.

(a) This article governs the administration of the program and operates independently of, and does not affect or relate to the licensing, regulation, and discipline of, contractors.

(b) This article does not limit the authority of the registrar to take disciplinary action against a contractor.

7086.3.

The registrar or their designee shall only award moneys appropriated to the program to consumers who are eligible claimants pursuant to this article.

7086.4.

Except as provided in Section 7086.5, a consumer is an eligible claimant only if they meet one of the following criteria:

(a) The consumer has filed a complaint against a licensed contractor investigated pursuant to Article 7 (commencing with Section 7090), that resulted in one or more of the following:

(1) Issuance of an administrative citation that includes a payment of a specified sum to an injured party as prescribed by Section 7099 and that is not under appeal.

(2) Filing of accusation to suspend or revoke the license.

(3) Determination by the registrar or their designee that a probable violation of this chapter has occurred that if proven, would present a risk of harm to the public and would be appropriate for suspension, revocation, or criminal prosecution.

(b) The consumer has obtained a judgment in any civil court of competent jurisdiction for recovery of damages against a licensed or unlicensed contractor, proceedings in connection with the judgment have terminated, including appeals, and the consumer has not received the specified sum or restitution amount as of the date they claim eligibility.

(c) The consumer is the identified victim of a licensed or unlicensed contractor in a criminal case before a California superior court, with an established financial injury or restitution order, proceedings in connection with the judgment have terminated, including appeals, and the consumer has not received the specified sum or restitution amount as of the date they claim eligibility.

7086.5.

(a) If any consumer alleges financial harm because of the contract for the installation of a solar energy system on their residence, but the board's authority to discipline the contractor has lapsed due to a limitations period specified in Section 7091, then the registrar or their designee may consider whether the consumer who is unable to claim eligibility under Section 7086.4 is nonetheless eligible to receive restitution pursuant to the program. In all those cases, the following apply:

(1) The registrar or their designee may elect to refer the consumer to arbitration process prescribed in Section 7085.5 for the arbitrator to render an award pursuant to the program.

(2) The arbitration shall commence for the sole purpose of determining whether a financial loss occurred, and whether an amount may justifiably be paid to the consumer pursuant to the program. Discipline of the contractor shall not be at issue in any case referred to arbitration under this subdivision and the contractor need not to appear. Any payment amount for the attending consumer shall not be based solely on the fact that the contractor has failed to appear at the arbitration hearing.

(3) The arbitrator has the sole discretion to request the documentation or testimony from the consumer necessary to support payment pursuant to the program, as well as sole discretion to determine whether an award shall be issued pursuant to the program based on the information provided.

(4) The registrar or their designee, or any arbitrator, is not liable to any party for any act or omission in connection with any arbitration conducted under this section.

(5) The arbitrator shall render an award no later than 30 calendar days from the date of closing the hearing, closing a reopened hearing, or if oral hearing has been waived, from the date of transmitting the final statements and proofs to the arbitrator.

(6) A determination on payment to an eligible claimant shall consider all matters relevant to the consumer seeking restitution, including the financial condition of the moneys appropriated to the program, the amount of money being sought, whether the claim appears to be supported by the documentation, whether the claimant has received full or partial payment of their loss from another source, and if there is more than one claimant, the equitable division of available money appropriated to the program among the claimants.

(7) A determination or decision regarding claimant eligibility and payment pursuant to the program and all related issues under this subdivision are final and are not subject to judicial review.

(b) The registrar or their designee may refer a consumer to the arbitration process described in Section 7085.5 for resolution of any claim by a consumer that does not explicitly meet the criteria in subdivision (a) of Section 7086.4.

7086.6.

(a) A consumer may claim eligibility for payment pursuant to the program by filing a form with the registrar entitled "Solar Energy System Restitution Program Claim" that shall be provided by the board. A consumer seeking restitution shall include, without limitation:

(1) The name, address, and telephone number of the consumer and which criteria under Section 7086.4 or 7086.5 the consumer claims eligibility.

(2) The name, address, license number, and telephone number, if known, of the contractor who installed the solar energy system.

(3) A description of the facts concerning the loss caused by the contractor, the nature and extent of the claimed loss, and the date on which, or the period during which, the alleged loss occurred.

(4) A copy of the contract, and any or all other relevant documentation specified in Section 7086.7, as applicable, supporting the grounds under which the consumer claims eligibility.

(5) A statement confirming whether the consumer has previously recovered a portion of their loss from sources other than an award pursuant to the program, and if so, in what amount, from what source, and the date that recovery occurred.

(b) The registrar or their designee may request from the consumer any additional information or documentation not specified in this section that the registrar or their designee deems necessary to determine eligibility.

(c) A claim that appears to include false or altered information shall be automatically denied and shall not be considered for restitution pursuant to the program. The denial of the claim shall be the exclusive remedy for filing false information.

(d) Any information or documentation distributed by the board about the program shall include a notice that restitution payments are only available as long as there are appropriated moneys available for payment.

7086.7.

(a) For all claimants deemed eligible pursuant to subdivision (a) of Section 7086.4, a document stamped with the seal of the Contractors State License Board reflecting the complaint number, name of the contractor, name of the special investigator, date of the contract, violation or violations alleged, the specified sum to an injured party amount, the consumer's name, and any other information the registrar deems relevant to include shall be sufficient documentation upon which to make payment to the consumer pursuant to the program.

(b) For all claimants deemed eligible pursuant to subdivision (b) of Section 7086.4, a certified copy of the civil court judgment with the dollar amount of damages shall be sufficient documentation upon which to make payment to the consumer pursuant to the program.

(c) For all claimants deemed eligible pursuant to subdivision (c) of Section 7086.4, a certified minute order or other document of the court of relevant jurisdiction that includes the certified copy of an order of financial injury or restitution amount shall be sufficient documentation upon which to make payment to the consumer pursuant to the program.

(d) For all claimants deemed eligible pursuant to paragraph (1) of subdivision (a) of Section 7086.5, the award of the arbitrator, stamped with the seal of the Contractors State License Board reflecting the complaint number, name of the contractor, name of the arbitrator, date of the contract, violations alleged, the specified sum to an injured party amount, the consumer's name, and any other information the registrar deems relevant to include shall be sufficient documentation upon which to make payment to the consumer pursuant to the program.

7086.8.

(a) If the registrar or their designee determines that a consumer is eligible for restitution pursuant to this article, the amount paid to a consumer shall not exceed forty thousand dollars (\$40,000).

(b) If the registrar or their designee has determined that the injured person has recovered a portion of their loss from sources other than the program at the time they claim eligibility, the board shall deduct the amount recovered from the other sources from the amount payable upon the consumer's claim and direct the difference to be paid.

(c) Subject to appropriation by the Legislature, the board may expend up to one million dollars (\$1,000,000) from the moneys appropriated to the program to employ or contract with persons as necessary for the performance of the duties required to administer this article.

7086.9.

(a) The registrar or their designee shall not approve a claim seeking payment pursuant to the program until at least 90 days after the date of the action described in Section 7086.4 or 7086.5 on which the consumer bases their claim of eligibility.

(b) If the registrar or their designee approves payment pursuant to the program to an eligible claimant, the board will forward a copy of the approval of the eligible claim to the accounting office of the Department of Consumer Affairs.

(c) The accounting office shall not commence procedures for the disbursement of money pursuant to an approval of payment from the board until 90 days after the date on which the registrar or their designee approved the eligible claim.

(d) The accounting office shall, on or before February 1 of each year, prepare and submit to the board a statement of the condition of the moneys appropriated to the program that is prepared in accordance with generally accepted accounting principles.

7086.10.

(a) For any licensee whose actions have caused the payment of an award to a consumer pursuant to the program, the board shall display a notice on the public license detail on the board's internet website stating that the licensee was the subject of a payment pursuant to the program.

(b) The notice specified in subdivision (a) shall remain on the board's internet website until seven years after the date of the payment.

(c) This section shall operate independently of, and is not subject to, Section 7124.6.

7086.11.

This article shall remain in effect until June 30, 2024, and as of that date is repealed.

SEC. 2.

Section 19821.1 is added to the Business and Professions Code, to read:

19821.1.

(a) (1) Notwithstanding Sections 19841, 19951, 19952, and 19954, and any accompanying regulations designating annual fees, the department shall not collect, and a licensee shall not be required to pay, any annual fees ordinarily due from a state gambling licensee between January 31, 2020, to July 31, 2021, inclusive. This fee waiver does not apply to extensions or installment agreement due dates that are otherwise due and payable during that time period.

(2) The department shall refund any annual fees already paid for a state gambling license that were due on or after January 31, 2020, and the effective date of this section.

(b) (1) Notwithstanding Sections 19841 and 19984, and any accompanying regulations designating annual fees, the department shall not collect, and a licensee shall not be required to pay, any annual fees ordinarily due from a third-party provider of proposition player services between September 1, 2020, to August 31, 2022, inclusive. This fee waiver does not apply to extensions or installment agreement due dates that altered the original due date of an annual fee.

(2) The department shall refund any annual license fees already paid by a third-party provider of proposition player services that were due between September 1, 2020, and the effective date of this section.

(c) (1) Notwithstanding Sections 19841, 19867, 19868, 19876, 19877, 19912, and 19984, and any accompanying regulations designating a renewal application fee or a deposit associated with a renewal application, the department shall not collect, and the licensee or commission-issued work permittee shall not be required to pay, any renewal application fees or background deposits associated with a renewal application ordinarily due between March 1, 2020, to April

30, 2022, inclusive. This fee and deposit waiver does not apply to extensions that are otherwise due and payable during that time period.

(2) The department shall refund any renewal application fees or deposits associated with a renewal application already paid by a licensee or commission-issued work permittee that were due between March 1, 2020, and the effective date of this section.

(d) For the purposes of this section, in order to avoid delays in implementing the waiver of all annual fees, application fees, and deposits, the Legislature finds and declares that it is necessary to provide the commission with a limited exemption from the regular and emergency rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(e) This section shall become inoperative on July 1, 2022, and, as of January 1, 2023, is repealed.

SEC. 3.

Section 24000 of the Financial Code is amended to read:

24000.

(a) There is hereby established in the State Treasury the Financial Empowerment Fund. Notwithstanding Section 13340 of the Government Code, moneys in the fund are hereby continuously appropriated without regard to fiscal years to the Commissioner of the Department of Financial Protection and Innovation for purposes of the act.

(b) Notwithstanding Section 13340 of the Government Code, the Controller shall, on July 1, 2020, transfer from the State Corporations Fund to the Financial Empowerment Fund the sum of four million dollars (\$4,000,000) plus an amount estimated by the department to be the reasonable costs to administer the division.

(c) The Commissioner of the Department of Financial Protection and Innovation shall use moneys in the Financial Empowerment Fund for allocation to fund financial education and financial empowerment programs and services for at-risk populations in California, as described in Section 24001. The commissioner may additionally use moneys in the Financial Empowerment Fund to cover its costs to administer this act.

SEC. 4.

Section 24001 of the Financial Code is amended to read:

24001.

(a) The Commissioner of the Department of Financial Protection and Innovation shall administer an application process for grants of up to two hundred thousand dollars (\$200,000) per applicant from the Financial Empowerment Fund or shall contract with an independent third party to do so on the department's behalf. The commissioner, or the independent third party designated by the commissioner, may award up to two million dollars (\$2,000,000) in grant moneys per fiscal year. To be eligible for selection by the department to administer the grant program, an independent third party shall cap its administrative fees at no more than 15 percent of the grant moneys it administers on the department's behalf.

(b) An applicant shall apply to the commissioner or to an independent third party designated by the commissioner for a grant in a form and manner prescribed by the commissioner or the independent third party. To be eligible for a grant, an applicant shall meet both of the following criteria:

(1) The organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is organized and operated exclusively for one or more of the purposes described in Section 501(c)(3) of the Internal Revenue Code.

(2) No part of the net earnings of the organization shall inure to the benefit of a private shareholder or individual.

(c) A grantee shall only use grant moneys for the following financial education and financial empowerment programs and services for at-risk populations:

(1) Designing, developing, or offering, free of charge to consumers, classroom- or web-based financial education and empowerment content intended to help unbanked and underbanked consumers achieve, identify, and access lower cost financial products and services, establish or improve their credit, increase their savings, or lower their debt.

(2) Providing individualized, free financial coaching to unbanked and underbanked consumers.

(3) Designing, developing, or offering, free of charge to consumers, a financial product or service intended to help unbanked and underbanked consumers identify and access responsible financial products and financial services, establish or improve their credit, increase their savings, or lower their debt.

(d) A grantee shall use no more than 15 percent of its grant to cover its administrative costs. Failure to comply with this requirement shall render the organization ineligible for grant funding during the subsequent fiscal year.

(e) Every project funded with a grant from the Financial Empowerment Fund shall meet all of the following criteria:

(1) Promote and enhance the economic security of consumers.

(2) Adhere to the five principles of effective financial education described in the June 2017 report, "Effective financial education: Five principles and how to use them," issued by the federal Consumer Financial Protection Bureau.

(3) Include one or more specific outcome targets.

(4) Include an evaluation component designed to measure and document the extent to which the project achieves its intended outcomes and increases consumers' financial well-being.

(f) Each grantee shall submit a report, in a form and by a date acceptable to the Commissioner of the Department of Financial Protection and Innovation documenting the specific uses to which grant funds were allocated, documenting the number of individuals aided through use of the funds, providing quantitative results regarding the impact of grant funding, and including any other information requested by the commissioner. Failure to submit a report shall render the organization ineligible for grant funding during the subsequent fiscal year.

(g) On or before December 31, 2021, and at least once annually thereafter, the department shall post on its internet website a summary of the information received from grantees pursuant to subdivision (f).

SEC. 5.

Section 24002 of the Financial Code is amended to read:

24002.

- (a) This division shall remain in effect only until January 1, 2030, and as of that date is repealed.
- (b) Upon the repeal of this division, the Controller shall transfer any moneys remaining in the Financial Empowerment Fund to the Financial Protection Fund.

SEC. 6.

Section 100007 of the Financial Code is amended to read:

100007.

An applicant shall apply for a license by submitting all of the following to the commissioner:

- (a) A completed application for a license in a form prescribed by the commissioner and signed under penalty of perjury. An application shall include the location of the applicant's principal place of business and all branch office locations.
- (b) (1) An application fee, of three hundred fifty dollars (\$350), and an investigation fee, the amount of which shall be determined by the department, to cover any costs incurred in processing an application, including a fingerprint processing and criminal history record check under Section 100009. The investigation fee, including the amount for the criminal history record check, and the application fee are not refundable if an application is denied or withdrawn.
- (2) The fees assessed pursuant to this subdivision shall be billed and collected by the commissioner at the time of initial application.
- (c) A sample of the initial letter required pursuant to Section 1692g of Title 15 of the United States Code that the licensee will use in correspondence with California consumers.

SEC. 7.

Section 6103.8 of the Government Code is amended to read:

6103.8.

- (a) Sections 6103 and 27383 do not apply to any fee or charge for recording full releases executed or recorded pursuant to Section 7174 of the Government Code, Sections 4608 and 5003.7 of the Public Resources Code, and Sections 2194, 11496, 12494, and 32362 of the Revenue and Taxation Code, where there is full satisfaction of the amount due under the lien that is released.
- (b) The fee for recording full releases listed in subdivision (a) shall be the amount prescribed in subdivision (a) of Section 27361.3.
- (c) In the case of full releases recorded by the state taxing agency pursuant to Section 7174 of the Government Code, the recording agency shall be billed quarterly or, at the option of the agency, at more frequent intervals. All billing shall refer to the agency certificate number of the recorded releases.
- (d) The fee for recording full releases for any document relating to an agreement to reimburse a county for public aid granted by the county shall be the amount prescribed in subdivision (a) of Section 27361.3.
- (e) The fee for filing any release of judgment that was in favor of a government agency and recorded pursuant to Section 6103 or 27383 shall be the amount prescribed in subdivision (a) of Section 27361.3.

(f) Sections 6103 and 27383 do not apply to any fee or charge for recording a notice of state tax lien under subdivision (d) of Section 7171 or a certificate of release under subdivision (h) of Section 7174.

(g) The fee for recording a notice of state tax lien pursuant to subdivision (d) of Section 7171 and a certificate of release under subdivision (h) of Section 7174 shall be as permitted by Sections 27361, 27361.2, 27361.4, and 27361.8.

(h) In the case of recording a notice of state tax lien pursuant to subdivision (f) or a certificate of release pursuant to subdivision (f), the recording agency shall be billed quarterly or at the option of the agency at more frequent intervals. All billing shall refer to the agency notice or certificate number.

SEC. 8.

Section 7902.2 is added to the Government Code, to read:

7902.2.

(a) If, beginning with the 2020–21 fiscal year or any fiscal year thereafter, the proceeds of taxes of a city, county, or city and county exceed its appropriations limit determined pursuant to Section 7902 for that fiscal year, the governing body of the city, county, or city and county shall calculate the following amounts:

(1) The appropriations limit of the city, county, or city and county determined pursuant to Section 7902.

(2) The total amount of proceeds of taxes of the city, county, or city and county.

(3) The amount of proceeds of taxes of the city, county, or city and county attributable to funding received by the city, county, or city and county from the Local Revenue Fund, established pursuant to Section 17600 of the Welfare and Institutions Code, and the Local Revenue Fund 2011, established pursuant to Section 30025 of the Government Code.

(4) The total amount of proceeds of taxes of the city, county, or city and county calculated pursuant to paragraph (2), less the amount calculated pursuant to paragraph (3).

(5) The amount equal to the appropriations limit of the city, county, or city and county calculated pursuant to paragraph (1), less the amount calculated pursuant to paragraph (4).

(6) If the calculation in paragraph (5) results in a positive value, the amount calculated pursuant to paragraph (3) less the positive value calculated pursuant to paragraph (5).

(b) If the amount determined pursuant to paragraph (6) of subdivision (a) results in a positive value, the governing body of the city, county, or city and county may increase its appropriations limit for the applicable fiscal year by that amount.

(c) To the extent that the amount determined pursuant to paragraph (4) of subdivision (a) is equal to or exceeds the amount determined pursuant to paragraph (1) of subdivision (a), the governing body of the city, county, or city and county may increase its appropriations limit for the applicable fiscal year by the amount determined pursuant to paragraph (3) of subdivision (a).

(d) In the event that the governing body of a city, county, or city and county increases its appropriations limit pursuant to subdivision (b) or (c) of this section, it shall notify the Director of Finance of the change within 45 days.

(e) Commencing with the 2020–21 fiscal year, and each fiscal year thereafter, the appropriations limit of the state shall be reduced by the total amount reported pursuant to subdivision (d) by each city, county, or city and county in the fiscal year in which the change is made.

SEC. 9.

Section 8260 is added to the Government Code, immediately following Section 8259.5, to read:

8260.

(a) The State Department of Social Services, in consultation with the Commission on Asian and Pacific Islander American Affairs, shall administer a grant program that provides support and services to victims and survivors of hate crimes and their families and facilitates hate crime prevention measures. In developing the grant program criteria, the department shall consult with the Commission on Asian Pacific Islander American Affairs and may consult with other state departments as necessary.

(b) The department, in consultation with the Commission on the Asian Pacific Islander American Affairs, shall develop a process to award grants to qualified grantees to be used to provide either or both of the following:

(1) Community-based supports and services to victims and survivors of hate crimes, and their families, which may include health care services, mental health services, and legal services.

(2) Hate crime prevention measures, which may include community engagement and education, community conflict resolution, in-language outreach, services to escort community members in public, community healing, and community diversity training.

(c) (1) Qualified grantees shall include nonprofit entities that meet the requirements set forth in either paragraph (3) or paragraph (5) of subdivision (c) of Section 501 of the Internal Revenue Code. An entity may partner with another entity to meet the requirements of this paragraph.

(2) Qualified grantees shall have experience providing supports and services to victims and survivors of hate crimes and hate crime prevention measures in a language competent and culturally competent manner or funding organizations that provide such services. A qualified grantee that is awarded funds pursuant to this section shall comply with tracking and reporting procedures to be determined by the department.

(d) The department may use up to five percent of the funds appropriated for department administrative costs. Any funds in excess of five percent may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor is provided to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the Chairperson of the Joint Legislative Budget Committee, or the Chairperson's designee, may in each instance determine.

(e) The department may enter into a contract with an independent evaluation and research agency to evaluate the impacts of the program.

(f) Notwithstanding any other law, contracts issued pursuant to this section shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5, and from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(g) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3), the State Department of Social Services may implement and administer this provision without adopting regulations.

(h) The Legislature finds and declares that this section is a state law that provides assistance and services for undocumented persons within the meaning of subdivision (d) of Section 1621 of Title 8 of the United States Code.

(i) Beginning on October 1, 2022, and annually thereafter until October 1, 2025, the department, in consultation with the Commission on Asian Pacific Islander American Affairs, shall submit a report for the prior fiscal year to the budget committees of both houses. The report shall include a list of the grant recipients and the amounts allocated to each grantee, the supports and services and hate crime prevention measures provided by each grantee, and the geographic location of each grantee.

(j) This section shall remain in effect only until June 30, 2026, and as of that date is repealed.

SEC. 10.

Section 11546.45 is added to the Government Code, immediately following Section 11546.4, to read:

11546.45.

(a) (1) The Department of Technology shall identify, assess, and prioritize high-risk, critical information technology services and systems across state government, as determined by the Department of Technology, for modernization, stabilization or remediation.

(2) The Department of Technology shall submit an annual report to the Legislature that includes all of the following:

(A) An explanation of how the Department of Technology is prioritizing these efforts across state government.

(B) The impediments and risks that could, or issues that already have, led to changes in how the Department of Technology identifies, assesses, and prioritizes these efforts.

(3) In accordance with Section 6254.19, nothing in this section shall be construed to require the disclosure of information relating to high-risk, critical information technology services and systems by the Department of Technology, if, on the facts of the particular case, disclosure of that record would reveal vulnerabilities to, or otherwise increase the potential for an attack on, an information technology system of a public agency.

(b) (1) Notwithstanding any other law, all state agencies and state entities shall submit information relating to their information technology service contracts, as defined, to the Department of Technology before February 1, 2022, and annually thereafter, in a manner determined by the Department of Technology.

(2) The Department of Technology shall analyze the information submitted pursuant to subparagraph (1).

(3) After completing the analysis, the Department of Technology shall submit a report to the Legislature, as part of its annual information technology report submitted pursuant to subdivision (e) of Section 11545, that does all of the following:

(A) Identifies each service that the Department of Technology believes would be appropriately centralized as shared services contracts.

(B) Summarizes market research the department would conduct to estimate the one-time and ongoing costs to the state of each service.

(C) Calculates potential offsetting savings to the state from reduced overlap and redundancy of services.

(4) After submitting the report, the Department of Technology shall implement a plan to establish centralized contracts for identified shared services, as defined. The plan may include, but is not limited to, a list of existing service contracts of state agencies and state entities to be replaced with centralized service contracts managed by the Department of Technology and a proposed strategy and timeline for the transition from existing service contracts to centralized service contracts.

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

(1) "Information technology services and systems contracts" means contracts for services and systems, including, but not limited to, cloud services, including "Software as a Service," "Infrastructure as a Service," and "Platform as a Service," on-premises services and systems, information technology personal services, and information technology consulting services for not less than five hundred thousand dollars (\$500,000) annually, or such amounts determined by the Department of Technology pursuant to its policy.

(2) "Shared services" means information technology services commonly used across state agencies that may be consolidated under a single contract to achieve cost savings and process efficiencies.

SEC. 11.

Section 11549.3 of the Government Code is amended to read:

11549.3.

(a) The chief shall establish an information security program. The program responsibilities include, but are not limited to, all of the following:

(1) The creation, updating, and publishing of information security and privacy policies, standards, and procedures for state agencies in the State Administrative Manual.

(2) The creation, issuance, and maintenance of policies, standards, and procedures directing state agencies to effectively manage security and risk for both of the following:

(A) Information technology, which includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

(B) Information that is identified as mission critical, confidential, sensitive, or personal, as defined and published by the office.

(3) The creation, issuance, and maintenance of policies, standards, and procedures directing state agencies for the collection, tracking, and reporting of information regarding security and privacy incidents.

(4) The creation, issuance, and maintenance of policies, standards, and procedures directing state agencies in the development, maintenance, testing, and filing of each state agency's disaster recovery plan.

(5) Coordination of the activities of state agency information security officers, for purposes of integrating statewide security initiatives and ensuring compliance with information security and privacy policies and standards.

(6) Promotion and enhancement of the state agencies' risk management and privacy programs through education, awareness, collaboration, and consultation.

(7) Representing the state before the federal government, other state agencies, local government entities, and private industry on issues that have statewide impact on information security and privacy.

(b) All state entities defined in Section 11546.1 shall implement the policies and procedures issued by the office, including, but not limited to, performing both of the following duties:

(1) Comply with the information security and privacy policies, standards, and procedures issued pursuant to this chapter by the office.

(2) Comply with filing requirements and incident notification by providing timely information and reports as required by the office.

(c) (1) The office may conduct, or require to be conducted, an independent security assessment of every state agency, department, or office. The cost of the independent security assessment shall be funded by the state agency, department, or office being assessed.

(2) In addition to the independent security assessments authorized by paragraph (1), the office, in consultation with the Office of Emergency Services, shall perform all the following duties:

(A) Annually require no fewer than 35 state entities to perform an independent security assessment, the cost of which shall be funded by the state agency, department, or office being assessed.

(B) Determine criteria and rank state entities based on an information security risk index that may include, but not be limited to, analysis of the relative amount of the following factors within state agencies:

(i) Personally identifiable information protected by law.

(ii) Health information protected by law.

(iii) Confidential financial data.

(iv) Self-certification of compliance and indicators of unreported noncompliance with security provisions in the following areas:

(I) Information asset management.

(II) Risk management.

(III) Information security program management.

(IV) Information security incident management.

(V) Technology recovery planning.

(C) Determine the basic standards of services to be performed as part of independent security assessments required by this subdivision.

(3) The Military Department may perform an independent security assessment of any state agency, department, or office, the cost of which shall be funded by the state agency, department, or office being assessed.

(d) State agencies and entities required to conduct or receive an independent security assessment pursuant to subdivision (c) shall transmit the complete results of that assessment and recommendations for mitigating system vulnerabilities, if any, to the office and the Office of Emergency Services.

(e) The office shall report to the Department of Technology and the Office of Emergency Services any state entity found to be noncompliant with information security program requirements.

(f) (1) Notwithstanding any other law, during the process of conducting an independent security assessment pursuant to subdivision (c), information and records concerning the independent security assessment are confidential and shall not be disclosed, except that the information and records may be transmitted to state employees and state contractors who have been approved as necessary to receive the information and records to perform that independent security assessment, subsequent remediation activity, or monitoring of remediation activity.

(2) The results of a completed independent security assessment performed pursuant to subdivision (c), and any related information shall be subject to all disclosure and confidentiality provisions pursuant to any state law, including, but not limited to, the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), including, but not limited to, Section 6254.19.

(g) The office may conduct or require to be conducted an audit of information security to ensure program compliance.

(h) The office shall notify the Office of Emergency Services, Department of the California Highway Patrol, and the Department of Justice regarding any criminal or alleged criminal cyber activity affecting any state entity or critical infrastructure of state government.

SEC. 12.

Article 10 (commencing with Section 12100.110) is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, to read:

Article 10. Energy Unit

12100.110.

(a) The Energy Unit is hereby created within the Governor's Office of Business and Economic Development.

(b) The Governor shall appoint a deputy director who shall have direct authority over the Energy Unit and serve at the pleasure of the Governor.

(c) The purpose of the Energy Unit is to accelerate the planning, financing, and execution of critical energy infrastructure projects that are necessary for the state to reach its climate, energy, and sustainability policy goals.

(d) The Energy Unit shall work with energy project developers and load-serving entities, as defined in Section 380 of the Public Utilities Code, to identify barriers to construction and development of critical energy infrastructure projects and to make recommendations to relevant state agencies and local governments on how to overcome those barriers.

(e) The Energy Unit shall create a working group that includes local and federal partners to address land use issues related to critical energy infrastructure projects.

(f) In organizing and managing the Energy Unit, the deputy director shall establish and implement a process to coordinate between the state's climate and energy agencies in order to identify the critical energy infrastructure projects that will form the operational mandate of the Energy Unit.

(g) In operating the Energy Unit, the deputy director shall cooperate with local, regional, federal, and California public and private businesses and investors to eliminate barriers to the completion of critical energy infrastructure projects.

(h) The Energy Unit's work shall complement, not conflict with, efforts by the state's climate and energy agencies.

(i) This section, and the Energy Unit's implementation of this section, does not change the regulatory authority of the state's climate and energy agencies.

(j) (1) On or before February 1 of each year, the Energy Unit shall annually submit a report to the relevant policy and fiscal committees of the Legislature that includes all of the following information:

(A) The infrastructure priorities identified for purposes of the prior calendar year.

(B) The constituencies coordinated with in order to advance those infrastructure priorities in the prior calendar year.

(C) The strategies implemented and steps taken to address barriers to and advance critical energy infrastructure projects in the prior calendar year.

(D) Any recommendations to the Legislature that would accelerate the Energy Unit's progress.

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

SEC. 13.

Section 13332.19 of the Government Code is amended to read:

13332.19.

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

(1) "Design-build" means a construction procurement process in which both the design and construction of a project are procured from a single entity.

(2) "Progressive design-build" means a project delivery process in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project.

(3) "Design-build project" means a capital outlay project using the design-build construction procurement process.

(4) "Progressive design-build project" means a capital outlay project using the progressive design-build construction procurement process.

(5) "Design-build entity" means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed.

(6) "Design-build solicitation package" means the performance criteria, any concept drawings, the form of contract, and all other documents and information that serve as the basis on which bids or proposals will be solicited from the design-build entities for design-build projects.

(7) "Design-build phase" means the period following the award of a contract to a design-build entity for a design-build project in which the design-build entity completes the design and construction activities necessary to fully complete the project in compliance with the terms of the contract.

(8) "Performance criteria" means the information that fully describes the scope of a proposed design-build project and includes, but is not limited to, the size, type, and design character of the buildings and site; the required form, fit, function, operational requirements, and quality of design, materials, equipment, and workmanship; and any other information deemed necessary to sufficiently describe the state's needs. Performance criteria may include concept drawings, which include any schematic drawings or architectural renderings that are prepared in the detail necessary to sufficiently describe the state's needs.

(9) "Qualification-based selection" means the process by which a state agency solicits for services from the design-build entities for a progressive design-build project.

(10) "Preconstruction phase" means the period following the award of a contract to a design-build entity for a progressive design-build project in which the design-build entity completes design activities and any preconstruction activities necessary to produce a guaranteed maximum price.

(11) "Guaranteed maximum price" means the maximum payment amount agreed upon by the Department of General Services and the design-build entity for the design-build entity to finish all remaining design, preconstruction, and construction activities sufficient to complete and close out a progressive design-build project. If the cost for completing all remaining design, preconstruction, and construction activities sufficient to complete and close out the progressive design-build project exceed the guaranteed maximum price, the costs exceeding the guaranteed maximum price shall be the responsibility of the design-build entity. If the cost for these activities is less than the guaranteed maximum price, the design-build entity shall not be entitled to the difference between the cost and the guaranteed maximum price. These amounts shall be revert to the fund from which the appropriation was made.

(12) "Progressive design-build phase" means the remaining design and preconstruction activities necessary after the preconstruction phase, and all construction activities, necessary to complete construction and closeout of a progressive design-build project.

(b) (1) Except as described in paragraphs (2) and (3), funds appropriated for a design-build project or progressive design-build project shall not be expended by any state agency, including, but not limited to, the University of California, the California State University, the California Community Colleges, and the Judicial Council, until the Department of Finance and the State Public Works Board have approved performance criteria or the guaranteed maximum price.

(2) Paragraph (1) shall not apply to any of the following for funds appropriated for a design-build project:

(A) Amounts for acquisition of real property, in fee or any lesser interest.

(B) Amounts for equipment.

(C) Amounts appropriated for performance criteria.

(D) Amounts appropriated for preliminary plans, if the appropriation was made prior to January 1, 2005.

(3) Paragraph (1) shall not apply to any of the following for funds appropriated for a progressive design-build project:

(A) Amounts for acquisition of real property, in fee or any lesser interest.

(B) Amounts for equipment.

(C) Amounts appropriated for qualification-based selection.

(D) Amounts appropriated for the preconstruction phase.

(c) (1) If funds have been expended on the design-build phase or the progressive design-build phase of a project by any state agency prior to the approval of the performance criteria or the guaranteed maximum price by the Department of Finance and the State Public Works Board, all appropriated amounts for the design-build phase or the progressive design-build phase of a project, including all amounts expended on design-build or progressive design-build activities, shall revert to the fund from which the appropriation was made.

(2) A design-build project for which a capital outlay appropriation is made shall not be put out to design-build solicitation until the bid package has been approved by the Department of Finance. A substantial change shall not be made to the performance criteria as approved by the board and the Department of Finance without written approval by the Department of Finance. The Department of Finance shall approve any proposed bid or proposal alternates set forth in the design-build solicitation package.

(d) The State Public Works Board may augment a design-build project or a progressive design-build project in an amount of up to 20 percent of the capital outlay appropriations for the project, irrespective of whether any such appropriation has reverted. For projects authorized through multiple fund sources, including, but not limited to, general obligation bonds and lease-revenue bonds, to the extent permissible, the Department of Finance shall have full authority to determine which of the fund sources will bear all or part of an augmentation. The board shall defer all augmentations in excess of 20 percent of the amount appropriated for each design-build project or a progressive design-build project until the Legislature makes additional funds available for the specific project.

(e) In addition to the powers provided by Section 15849.6, the State Public Works Board may further increase the additional amount in Section 15849.6 to include a reasonable construction reserve within the construction fund for any capital outlay project without augmenting the project. The amount of the construction reserve shall be within the 20 percent augmentation limitation. The board may use this amount to augment the project, when and if necessary, after the lease-revenue bonds are sold to ensure completion of the project.

(f) Any augmentation in excess of 10 percent of the amounts appropriated for each design-build project or a progressive design-build project shall be reported to the Chairperson of the Joint Legislative Budget Committee, or their designee, 20 days prior to board approval, or not sooner than whatever lesser time the chairperson, or their designee, may in each instance determine.

(g) (1) The Department of Finance may change the administratively or legislatively approved scope for major design-build projects or a progressive design-build projects.

(2) If the Department of Finance changes the approved scope pursuant to paragraph (1), the department shall report the changes and associated cost implications to the Chairperson of the

Joint Legislative Budget Committee, the chairpersons of the respective fiscal committees, and the legislative members of the State Public Works Board 20 days prior to the proposed board action to recognize the scope change.

(h) The Department of Finance shall report to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the respective fiscal committees, and the legislative members of the State Public Works Board 20 days prior to the proposed board approval of performance criteria or guaranteed maximum price for any project when it is determined that the estimated cost of the total project is in excess of 20 percent of the amount recognized by the Legislature.

SEC. 14.

Section 27361 of the Government Code is amended to read:

27361.

(a) The fee for recording and indexing every instrument, paper, or notice required or permitted by law to be recorded shall not exceed ten dollars (\$10) for recording the first page and three dollars (\$3) for each additional page, to reimburse the county for the costs of services rendered pursuant to this subdivision, except the recorder may charge additional fees as follows:

(1) If the printing on printed forms is spaced more than nine lines per vertical inch or more than 22 characters and spaces per inch measured horizontally for not less than three inches in one sentence, the recorder shall charge one dollar (\$1) extra for each page or sheet on which printing appears, except, however, the extra charge shall not apply to printed words that are directive or explanatory in nature for completion of the form or on vital statistics forms. Fees collected under this paragraph are not subject to subdivision (b) or (c).

(2) If a page or sheet does not conform to the dimensions described in subdivision (a) of Section 27361.5, the recorder shall charge three dollars (\$3) extra per page or sheet of the document. The funds generated by the extra charge authorized under this paragraph shall be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents. Fees collected under this paragraph are not subject to subdivision (b) or (c).

(b) One dollar (\$1) of each three dollar (\$3) fee for each additional page shall be deposited in the county general fund.

(c) Notwithstanding Section 68085, one dollar (\$1) for recording the first page and one dollar (\$1) for each additional page shall be available solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents.

(d) (1) In addition to all other fees authorized by this section, a county recorder may charge a fee of one dollar (\$1) for recording the first page of every instrument, paper, or notice required or permitted by law to be recorded, as authorized by each county's board of supervisors. The funds generated by this fee shall be used only by the county recorder collecting the fee for the purpose of implementing a social security number truncation program pursuant to Article 3.5 (commencing with Section 27300).

(2) A county recorder shall not charge the fee described in paragraph (1) after December 31, 2017, unless the county recorder has received reauthorization by the county's board of supervisors. A county recorder shall not seek reauthorization of the fee by the board before June 1, 2017, or after December 31, 2017. In determining the additional period of authorization, the board shall consider the review described in paragraph (4).

(3) Notwithstanding paragraph (2), a county recorder who, pursuant to subdivision (c) of Section 27304, secures a revenue anticipation loan, or other outside source of funding, for the implementation of a social security number truncation program, may be authorized to charge the fee described in paragraph (1) for a period not to exceed the term of repayment of the loan or other outside source of funding.

(4) A county board of supervisors that authorizes the fee described in this subdivision shall require the county auditor to conduct two reviews to verify that the funds generated by this fee are used only for the purpose of the program, as described in Article 3.5 (commencing with Section 27300) and for conducting these reviews. The reviews shall state the progress of the county recorder in truncating recorded documents pursuant to subdivision (a) of Section 27301, and shall estimate any ongoing costs to the county recorder of complying with subdivisions (a) and (b) of Section 27301. The board shall require that the first review be completed not before June 1, 2012, or after December 31, 2013, and that the second review be completed not before June 1, 2017, or after December 31, 2017. The reviews shall adhere to generally accepted accounting standards, and the review results shall be made available to the public.

(e) Except as provided in subdivision (g) of Section 6103.8, the fee authorized by this section shall not be charged to those entities exempted from the payment of recording fees under Section 6103 or 27383.

SEC. 15.

Section 27361.2 of the Government Code is amended to read:

27361.2.

(a) Whenever any instrument, paper, or notice is recorded that contains references to more than one previously recorded document and requires additional indexing by the county recorder to give notice required by law, an additional fee of one dollar (\$1) shall be charged for each reference to a previously recorded document, other than the first such reference, requiring additional indexing. References to group mining claims listed on a proof of labor shall be considered as only one reference when they are consecutively numbered or lettered alphabetically, and each break in consecutive numbers or letters shall be considered as an additional mine for fee purposes under this section and shall be so indexed in the index.

(b) Except as provided in subdivision (g) of Section 6103.8, the fee authorized by this section shall not be charged to those entities exempted from the payment of recording fees under Section 6103 or 27383.

SEC. 16.

Section 27361.4 of the Government Code, as amended by Section 3 of Chapter 41 of the Statutes of 2019, is amended to read:

27361.4.

(a) The board of supervisors of any county may provide for an additional fee of one dollar (\$1) for filing every instrument, paper, or notice for record for any of the following purposes:

(1) To defray the cost of converting the county recorder's document storage system to micrographics and for restoration and preservation of the county recorder's permanent archival microfilm.

(2) To implement and fund a county recorder archive program as determined by the county recorder.

(3) To implement and maintain or utilize a trusted system, as defined by Section 12168.7, for the permanent preservation of recorded document images.

(b) The board of supervisors of any county may provide for an additional fee, other than the fees authorized in subdivisions (a) and (c), of one dollar (\$1) for filing every instrument, paper, or notice for record provided that the resolution providing for the additional fee establishes the days of operation of the county recorder's offices as every business day except for legal holidays and those holidays designated as judicial holidays pursuant to Section 135 of the Code of Civil Procedure.

(c) The board of supervisors of any county may provide for an additional fee, other than the fees authorized in subdivisions (a) and (b), of one dollar (\$1) for filing every instrument, paper, or notice for record provided that the resolution providing for the additional fee requires that the instrument, paper, or notice be indexed within two business days after the date of recordation.

(d) Except as provided in subdivision (g) of Section 6103.8, the fees authorized by this section shall not be charged to those entities exempted from the payment of recording fees under Section 6103 or 27383.

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

SEC. 17.

Section 27361.4 of the Government Code, as amended by Section 155 of Chapter 370 of the Statutes of 2020, is amended to read:

27361.4.

(a) The board of supervisors of any county may provide for an additional fee of one dollar (\$1) for filing every instrument, paper, or notice for ~~record for any of the following purposes:~~ *record, in order to defray the cost of converting the county recorder's document storage system to micrographics. Upon completion of the conversion and payment of the costs therefor, this additional fee shall no longer be imposed.*

~~(1) To defray the cost of converting the county recorder's document storage system to micrographics and for restoration and preservation of the county recorder's permanent archival microfilm.~~

~~(2) To implement and fund a county recorder archive program as determined by the county recorder.~~

~~(3) To implement and maintain or utilize a trusted system, as defined by Section 12168.7, for the permanent preservation of recorded document images.~~

(b) The board of supervisors of any county may provide for an additional fee, other than the fees authorized in subdivisions (a) and (c), of one dollar (\$1) for filing every instrument, paper, or notice for record provided that the resolution providing for the additional fee establishes the days of operation of the county recorder's offices as every business day except for legal holidays and those holidays designated as judicial holidays pursuant to Section 135 of the Code of Civil Procedure.

(c) The board of supervisors of any county may provide for an additional fee, other than the fees authorized in subdivisions (a) and (b), of one dollar (\$1) for filing every instrument, paper, or notice for record provided that the resolution providing for the additional fee requires that the instrument, paper, or notice be indexed within two business days after the date of recordation.

(d) Except as provided in subdivision (g) of Section 6103.8, the fees authorized by this section shall not be charged to those entities exempted from the payment of recording fees under Section 6103 or 27383.

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

SEC. 18.

Section 27361.8 of the Government Code is amended to read:

27361.8.

(a) Whenever any instrument, paper, or notice is recorded that requires additional indexing by the county recorder to give notice required by law and does not refer to a previously recorded document by reference, as covered in Section 27361.2, an additional fee of one dollar (\$1) shall be charged for each group of 10 names or fractional portion thereof after the initial group of 10 names.

(b) Except as provided in subdivision (g) of Section 6103.8, the fee authorized by this section shall not be charged to those entities exempted from the payment of recording fees under Section 6103 or 27383.

SEC. 19.

Section 27388 of the Government Code is amended to read:

27388.

(a) (1) In addition to any other recording fees specified in this code, upon the adoption of a resolution by the county board of supervisors, a fee of up to ten dollars (\$10) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded within that county, except those expressly exempted from payment of recording fees and except as provided in paragraph (2). For purposes of this section, "real estate instrument" means a deed of trust, an assignment of deed of trust, an amended deed of trust, an abstract of judgment, an affidavit, an assignment of rents, an assignment of a lease, a construction trust deed, covenants, conditions, and restrictions (CC&Rs), a declaration of homestead, an easement, a lease, a lien, a lot line adjustment, a mechanics lien, a modification for deed of trust, a notice of completion, a quitclaim deed, a subordination agreement, a release, a reconveyance, a request for notice, a notice of default, a substitution of trustee, a notice of trustee sale, a trustee's deed upon sale, or a notice of rescission of declaration of default, or any Uniform Commercial Code amendment, assignment, continuation, statement, or termination. The fees, after deduction of any actual and necessary administrative costs incurred by the county recorder in carrying out this section, shall be paid quarterly to the county auditor or director of finance, to be placed in the Real Estate Fraud Prosecution Trust Fund. The amount deducted for administrative costs shall not exceed 10 percent of the fees paid pursuant to this section.

(2) The fee imposed by paragraph (1) shall not apply to any real estate instrument, paper, or notice if any of the following apply:

(A) The real estate instrument, paper, or notice is accompanied by a declaration stating that the transfer is subject to a documentary transfer tax pursuant to Section 11911 of the Revenue and Taxation Code.

(B) The real estate instrument, paper, or notice is recorded concurrently with a document subject to a documentary transfer tax pursuant to Section 11911 of the Revenue and Taxation Code.

(C) The real estate instrument, paper, or notice is presented for recording within the same business day as, and is related to the recording of, a document subject to a documentary transfer tax pursuant to Section 11911 of the Revenue and Taxation Code. A real estate instrument, paper, or notice that is exempt under this subparagraph shall be accompanied by a statement that includes both of the following:

(i) A statement that the real estate instrument, paper, or notice is exempt from the fee imposed under paragraph (1).

(ii) A statement of the recording date and the recorder identification number or book and page of the previously recorded document.

(D) The real estate instrument, paper, or notice is presented for recording by and is for the benefit of the state or any county, municipality, or other political subdivision of the state.

(b) Money placed in the Real Estate Fraud Prosecution Trust Fund shall be expended to fund programs to enhance the capacity of local police and prosecutors to deter, investigate, and prosecute real estate fraud crimes. After deduction of the actual and necessary administrative costs referred to in subdivision (a), 60 percent of the funds shall be distributed to district attorneys subject to review pursuant to subdivision (d), and 40 percent of the funds shall be distributed to local law enforcement agencies within the county in accordance with subdivision (c). In those counties where the investigation of real estate fraud is done exclusively by the district attorney, after deduction of the actual and necessary administrative costs referred to in subdivision (a), 100 percent of the funds shall be distributed to the district attorney, subject to review pursuant to subdivision (d). A portion of the funds may be directly allocated to the county recorder to support county recorder fraud prevention programs, including, but not limited to, the fraud prevention program provided for in Section 27297.7. Prior to establishing or increasing fees pursuant to this section, the board of supervisors may consider support for county recorder fraud prevention programs. The funds so distributed shall be expended for the exclusive purpose of deterring, investigating, and prosecuting real estate fraud crimes.

(c) The county auditor or director of finance shall distribute funds in the Real Estate Fraud Prosecution Trust Fund to eligible law enforcement agencies within the county pursuant to subdivision (b), as determined by a Real Estate Fraud Prosecution Trust Fund Committee composed of the district attorney, the county chief administrative officer, the chief officer responsible for consumer protection within the county, and the chief law enforcement officer of one law enforcement agency receiving funding from the Real Estate Fraud Prosecution Trust Fund, the latter being selected by a majority of the other three members of the committee. The chief law enforcement officer shall be a nonvoting member of the committee and shall serve a one-year term, which may be renewed. Members may appoint representatives of their offices to serve on the committee. If a county lacks a chief officer responsible for consumer protection, the county board of supervisors may appoint an appropriate representative to serve on the committee. The committee shall establish and publish deadlines and written procedures for local law enforcement agencies within the county to apply for the use of funds and shall review applications and make determinations by majority vote as to the award of funds using the following criteria:

(1) Each law enforcement agency that seeks funds shall submit a written application to the committee setting forth in detail the agency's proposed use of the funds.

(2) In order to qualify for receipt of funds, each law enforcement agency submitting an application shall provide written evidence that the agency either:

(A) Has a unit, division, or section devoted to the investigation or prosecution of real estate fraud, or both, and the unit, division, or section has been in existence for at least one year prior to the application date.

(B) Has on a regular basis, during the three years immediately preceding the application date, accepted for investigation or prosecution, or both, and assigned to specific persons employed by the agency, cases of suspected real estate fraud, and actively investigated and prosecuted those cases.

(3) The committee's determination to award funds to a law enforcement agency shall be based on, but not be limited to, (A) the number of real estate fraud cases filed in the prior year; (B) the number of real estate fraud cases investigated in the prior year; (C) the number of victims involved in the cases filed; and (D) the total aggregated monetary loss suffered by victims, including individuals, associations, institutions, or corporations, as a result of the real estate fraud cases filed, and those under active investigation by that law enforcement agency.

(4) Each law enforcement agency that, pursuant to this section, has been awarded funds in the previous year, upon reapplication for funds to the committee in each successive year, in addition to any information the committee may require in paragraph (3), shall be required to submit a detailed accounting of funds received and expended in the prior year. The accounting shall include (A) the amount of funds received and expended; (B) the uses to which those funds were put, including payment of salaries and expenses, purchase of equipment and supplies, and other expenditures by type; (C) the number of filed complaints, investigations, arrests, and convictions that resulted from the expenditure of the funds; and (D) other relevant information the committee may reasonably require.

(d) The county board of supervisors shall annually review the effectiveness of the district attorney in deterring, investigating, and prosecuting real estate fraud crimes based upon information provided by the district attorney in an annual report. The district attorney shall submit the annual report to the board on or before September 1 of each year.

(e) A county shall not expend funds held in that county's Real Estate Fraud Prosecution Trust Fund until the county's auditor-controller verifies that the county's district attorney has submitted an annual report for the county's most recent full fiscal year pursuant to the requirements of subdivision (d).

(f) The intent of the Legislature in enacting this section is to have an impact on real estate fraud involving the largest number of victims. To the extent possible, an emphasis should be placed on fraud against individuals whose residences are in danger of, or are in, foreclosure as defined in subdivision (b) of Section 1695.1 of the Civil Code. Case filing decisions continue to be at the discretion of the prosecutor.

(g) A district attorney's office or a local enforcement agency that has undertaken investigations and prosecutions that will continue into a subsequent program year may receive nonexpended funds from the previous fiscal year subsequent to the annual submission of information detailing the accounting of funds received and expended in the prior year.

(h) No money collected pursuant to this section shall be expended to offset a reduction in any other source of funds. Funds from the Real Estate Fraud Prosecution Trust Fund shall be used only in connection with criminal investigations or prosecutions involving recorded real estate documents.

SEC. 20.

Section 11165.1 of the Health and Safety Code, as added by Section 8 of Chapter 677 of the Statutes of 2019, is amended to read:

11165.1.

(a) (1) (A) (i) A health care practitioner authorized to prescribe, order, administer, furnish, or dispense Schedule II, Schedule III, *Schedule IV*, or Schedule ~~IV~~ *V* controlled substances pursuant to Section 11150 shall, ~~before July 1, 2016, or~~ upon receipt of a federal Drug Enforcement Administration (DEA) registration, ~~whichever occurs later,~~ submit an application developed by the department to obtain approval to electronically access information regarding the controlled substance history of a patient that is maintained by the department. Upon approval, the department shall release to ~~that practitioner~~ *the practitioner or their delegate* the electronic history of controlled substances dispensed to an individual under the practitioner's care based on data contained in the CURES Prescription Drug Monitoring Program (PDMP).

(ii) A pharmacist shall, ~~before July 1, 2016, or upon licensure, whichever occurs later,~~ *upon licensure*, submit an application developed by the department to obtain approval to electronically access information regarding the controlled substance history of a patient that is maintained by the department. Upon approval, the department shall release to ~~that pharmacist~~ *the pharmacist or their delegate* the electronic history of controlled substances dispensed to an individual under the pharmacist's care based on data contained in the CURES PDMP.

(iii) A licensed physician and surgeon who does not hold a DEA registration may submit an application developed by the department to obtain approval to electronically access information regarding the controlled substance history of the patient that is maintained by the department. Upon approval, the department shall release to the physician and surgeon or their delegate the electronic history of controlled substances dispensed to a patient under their care based on data contained in the CURES PDMP.

(iv) The department shall implement its duties described in clauses (i), (ii), and (iii) upon completion of any technological changes to the CURES database necessary to support clauses (i), (ii), and (iii), or by October 1, 2022, whichever is sooner.

(B) ~~An application may be denied, or a subscriber may be suspended,~~ *The department may deny an application or suspend a subscriber*, for reasons that include, but are not limited to, the following:

(i) Materially falsifying an application to access information contained in the CURES database.

(ii) Failing to maintain effective controls for access to the patient activity report.

(iii) Having their federal DEA registration suspended or revoked.

(iv) Violating a law governing controlled substances or ~~any other~~ *another* law for which the possession or use of a controlled substance is an element of the crime.

(v) Accessing information for a reason other than to diagnose or treat a patient, or to document compliance with the law.

(C) An authorized subscriber shall notify the department within 30 days of ~~any changes~~ *a change* to the subscriber account.

(D) ~~Commencing no later than October 1, 2018, an~~ *An* approved health care practitioner, pharmacist, ~~and any or a~~ person acting on behalf of a health care practitioner or pharmacist

pursuant to subdivision (b) of Section 209 of the Business and Professions Code may use the department's online portal or a health information technology system that meets the criteria required in subparagraph (E) to access information in the CURES database pursuant to this section. A subscriber who uses a health information technology system that meets the criteria required in subparagraph (E) to access the CURES database may submit automated queries to the CURES database that are triggered by predetermined criteria.

(E) ~~Commencing no later than October 1, 2018, an~~ An approved health care practitioner or pharmacist may submit queries to the CURES database through a health information technology system if the entity that operates the health information technology system ~~can certify~~ certifies all of the following:

(i) The entity will not use or disclose data received from the CURES database for ~~any~~ a purpose other than delivering the data to an approved health care practitioner or pharmacist or performing data processing activities that may be necessary to enable the delivery unless authorized by, and pursuant to, state and federal privacy and security laws and regulations.

(ii) The health information technology system will authenticate the identity of an authorized health care practitioner or pharmacist initiating queries to the CURES database and, at the time of the query to the CURES database, the health information technology system submits the following data regarding the query to CURES:

(I) The date of the query.

(II) The time of the query.

(III) The first and last name of the patient queried.

(IV) The date of birth of the patient queried.

(V) The identification of the CURES user for whom the system is making the query.

(iii) The health information technology system meets applicable patient privacy and information security requirements of state and federal law.

(iv) The entity has entered into a memorandum of understanding with the department that solely addresses the technical specifications of the health information technology system to ensure the security of the data in the CURES database and the secure transfer of data from the CURES database. The technical specifications shall be universal for all health information technology systems that establish a method of system integration to retrieve information from the CURES database. The memorandum of understanding shall not govern, or in any way impact or restrict, the use of data received from the CURES database or impose any additional burdens on covered entities in compliance with the regulations promulgated pursuant to the federal Health Insurance Portability and Accountability Act of 1996 found in Parts 160 and 164 of Title 45 of the Code of Federal Regulations.

(F) No later than October 1, 2018, the department shall develop a programming interface or other method of system integration to allow health information technology systems that meet the requirements in subparagraph (E) to retrieve information in the CURES database on behalf of an authorized health care practitioner or pharmacist.

(G) The department shall not access patient-identifiable information in an entity's health information technology system.

(H) An entity that operates a health information technology system that is requesting to establish an integration with the CURES database shall pay a reasonable fee to cover the cost of establishing and maintaining integration with the CURES database.

(I) The department may prohibit integration or terminate a health information technology system's ability to retrieve information in the CURES database if the health information technology system fails to meet the requirements of subparagraph (E), or the entity operating the health information technology system does not fulfill its obligation under subparagraph (H).

(2) A health care practitioner authorized to prescribe, order, administer, furnish, or dispense Schedule II, Schedule III, *Schedule IV*, or Schedule ~~IV~~ V controlled substances pursuant to Section 11150 or a pharmacist shall be deemed to have complied with paragraph (1) if the licensed health care practitioner or pharmacist has been approved to access the CURES database through the process developed pursuant to subdivision (a) of Section 209 of the Business and Professions Code.

(b) A request for, or release of, a controlled substance history pursuant to this section shall be made in accordance with guidelines developed by the department.

(c) In order to prevent the inappropriate, improper, or illegal use of Schedule II, Schedule III, *Schedule IV*, or Schedule ~~IV~~ V controlled substances, the department may initiate the referral of the history of controlled substances dispensed to an individual based on data contained in CURES to licensed health care practitioners, pharmacists, or both, providing care or services to the individual.

(d) The history of controlled substances dispensed to an individual based on data contained in CURES that is received by a practitioner or pharmacist from the department pursuant to this section is medical information subject to the provisions of the Confidentiality of Medical Information Act contained in Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code.

(e) Information concerning a patient's controlled substance history provided to a practitioner or pharmacist pursuant to this section shall include prescriptions for controlled substances listed in Sections 1308.12, 1308.13, *1308.14*, and ~~1308.14~~ *1308.15* of Title 21 of the Code of Federal Regulations.

(f) A health care practitioner, pharmacist, ~~and any or a~~ person acting on behalf of a health care practitioner or pharmacist, when acting with reasonable care and in good faith, is not subject to civil or administrative liability arising from ~~any~~ false, incomplete, inaccurate, or misattributed information submitted to, reported by, or relied upon in the CURES database or for ~~any a~~ resulting failure of the CURES database to accurately or timely report that information.

(g) For purposes of this section, the following terms have the following meanings:

(1) "Automated basis" means using predefined criteria to trigger an automated query to the CURES database, which can be attributed to a specific health care practitioner or pharmacist.

(2) "Department" means the Department of Justice.

(3) "Entity" means an organization that operates, or provides or makes available, a health information technology system to a health care practitioner or pharmacist.

(4) "Health information technology system" means an information processing application using hardware and software for the storage, retrieval, sharing of or use of patient data for communication, decisionmaking, coordination of care, or the quality, safety, or efficiency of the

practice of medicine or delivery of health care services, including, but not limited to, electronic medical record applications, health information exchange systems, or other interoperable clinical or health care information system.

~~(5) "User-initiated basis" means an authorized health care practitioner or pharmacist has taken an action to initiate the query to the CURES database, such as clicking a button, issuing a voice command, or taking some other action that can be attributed to a specific health care practitioner or pharmacist.~~

(h) This section shall become ~~inoperative~~ **operative** on July 1, 2021, or upon the date the department promulgates regulations to implement this section and posts those regulations on its internet website, whichever date is ~~earlier, and, as of January 1, 2022, is repealed.~~ **earlier.**

SEC. 21.

Chapter 1.6 (commencing with Section 24210) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 1.6. Forced or Involuntary Sterilization Compensation Program 24210.

(a) There is hereby established the Forced or Involuntary Sterilization Compensation Program, to be administered by the California Victim Compensation Board.

(b) The purpose of the program is to provide victim compensation to the following individuals:

(1) Any survivor of state-sponsored sterilization conducted pursuant to eugenics laws that existed in the State of California between 1909 and 1979.

(2) Any survivor of coercive sterilization performed on an individual under the custody and control of the Department of Corrections and Rehabilitation after 1979.

(c) For purposes of this chapter, the following definitions apply:

(1) "Board" means the California Victim Compensation Board.

(2) "Program" means the Forced or Involuntary Sterilization Compensation Program.

(3) "Qualified recipient" means an individual who is eligible for victim compensation pursuant to this chapter by meeting the following requirements of either eligibility as a survivor of eugenics sterilization or as a survivor of coercive sterilization of imprisoned populations:

(A) Eligibility as a survivor of eugenics sterilization requires an individual to meet all of the following requirements:

(i) The individual was sterilized pursuant to eugenics laws that existed in the State of California between 1909 and 1979.

(ii) The individual was sterilized while the individual was at a facility under the control of the State Department of State Hospitals or the State Department of Developmental Services, including any of the following institutions:

(I) Agnews Developmental Center, formerly known as Agnews State Mental Hospital.

(II) Atascadero State Hospital.

(III) Camarillo State Hospital and Developmental Center.

(IV) DeWitt State Hospital.

(V) Fairview Developmental Center, formerly known as Fairview State Hospital.

(VI) Mendocino State Hospital.

(VII) Modesto State Hospital.

(VIII) Napa State Hospital, formerly known as Napa State Asylum for the Insane.

(IX) Metropolitan State Hospital, formerly known as Norwalk State Hospital.

(X) Frank D. Lanterman State Hospital and Developmental Center, formerly known as Pacific State Hospital or Pacific Colony.

(XI) Patton State Hospital, formerly known as Southern California State Asylum for the Insane and Inebriates.

(XII) Porterville Developmental Center, formerly known as Porterville State Hospital.

(XIII) Sonoma Developmental Center, formerly known as Sonoma State Hospital, Sonoma State Home, or California Home for the Care and Training of the Feeble Minded.

(XIV) Stockton Developmental Center, formerly known as Stockton State Hospital.

(iii) The individual is alive as of the start date of the program.

(B) Eligibility as a survivor of coercive sterilization of imprisoned populations requires an individual to meet all of the following requirements:

(i) The individual was sterilized while under the custody and control of the Department of Corrections and Rehabilitation and imprisoned in a state prison or reentry facility, community correctional facility, county jail, or any other institution in which they were involuntarily confined or detained under a civil or criminal statute.

(ii) The sterilization was not required for the immediate preservation of the individual's life in an emergency medical situation.

(iii) The sterilization was not the consequence of a chemical sterilization program administered to convicted sex offenders.

(iv) The individual's sterilization meets one of the following requirements:

(I) The individual was sterilized for a purpose that was not medically necessary, as determined by contemporaneous standards of evidence-based medicine.

(II) The individual was sterilized for the purpose of birth control.

(III) The individual was sterilized without demonstrated informed consent, for which evidence of a lack of consent includes, but is not limited to, the following:

(ia) Procurement of a pregnant individual's written consent within 30 days of anticipated or actual labor or delivery or less than 72 hours before emergency abdominal surgery and premature delivery.

(ib) Procurement of an individual's written consent less than 30 days before sterilization.

(ic) Failure of the prison administration to document written informed consent signed by the imprisoned individual.

(id) Failure of the prison administration to document the use of interpreters for non-English speakers to ensure understanding by the imprisoned individual of the medical treatment being consented to.

(ie) Failure of the prison administration to document the counseling of the imprisoned individual on, and offering a consultation of, treatment options that would not result in loss of reproductive capacity.

(if) Failure of the prison administration to document written informed consent to sterilization signed by the imprisoned individual if sterilization is performed in conjunction with or in addition to other surgery.

(ig) Failure of prison staff, employees, or agents to comply with requirements of Section 3440 of the Penal Code after its enactment, designed to prohibit and deter coercive sterilization of people in prison.

(IV) The sterilization was performed by means that are otherwise prohibited by law or regulation.

(4) "Start date of the program" means the date the program becomes operative pursuant to Section 24212.

24211.

(a) The board shall do all of the following to implement the program:

(1) In consultation with community-based organizations, conduct outreach to locate qualified recipients and notify the qualified recipients of the process through which to apply for victim compensation. The board may use various methods to conduct outreach, including, but not limited to, modalities such as radio announcements, social media posts, and flyers to libraries, social service agencies, long-term care facilities, group homes, supported living organizations, regional centers, and reentry programs. Additionally, the Department of Corrections and Rehabilitation shall post notice of the program, qualifications, and claim process in all California parole and probation offices, and all state prison yards in an area accessible to the prison population.

(2) Review and verify all applications for victim compensation.

(A) The board shall consult the HIPAA-compliant eugenic sterilization database developed by the Sterilization and Social Justice Lab at the University of Michigan and may consult records of the State Archives to verify the identity of an individual claiming the individual was sterilized pursuant to eugenics laws during the period of 1919 to 1952, inclusive.

(B) The board shall consult the records of the State Department of State Hospitals and the State Department of Developmental Services to verify the identity of an individual claiming to have been sterilized pursuant to eugenics laws during the period of 1953 to 1979, inclusive. The State Department of State Hospitals and the State Department of Developmental Services shall make every reasonable effort to locate and share with the board records that will help the board verify claims of individuals sterilized in state institutions from 1953 to 1979, inclusive. This information shall be provided to the board pursuant to the authorizations described in subdivision (aa) of Section 4514 of the Welfare and Institutions Code and paragraph (26) of subdivision (a) of Section 5328 of the Welfare and Institutions Code. The information may include, but is not limited to, documentation of the individual's sterilization, sterilization recommendation, surgical consent forms, relevant court or institutional records, or a sworn statement by the survivor or another individual with personal knowledge of the sterilization. These data may be contained in documents such as institutional reports, annual reports, extant

patient records, superintendents' files, and administrative records. The board shall maintain the confidentiality of any information received from the State Department of State Hospitals and the State Department of Developmental Services in accordance with Part 160 (commencing with Section 160.101) and Part 164 (commencing with Section 164.102) of Subchapter C of Subtitle A of Title 45 of the Code of Federal Regulations and Sections 4514 and 5328 of the Welfare and Institutions Code.

(C) The board shall consult the records obtained, collected, and considered within the state audit into coercive sterilizations in California women's prisons to verify the identity of individuals under the custody and control of the Department of Corrections and Rehabilitation who were coercively sterilized during labor and delivery within the scope and timeframe considered by the audit.

(D) The board shall consult with the Federal Receiver for Inmate Medical Services and the Department of Corrections and Rehabilitation to identify individuals who were coercively sterilized while under the custody and control of the Department of Corrections and Rehabilitation.

(E) The board shall consult the records of the Department of Corrections and Rehabilitation and its contracting medical facilities or providers, as necessary, to verify the identity of an individual claiming to have been coercively sterilized while under the custody and control of the Department of Corrections and Rehabilitation. The Department of Corrections and Rehabilitation shall make every reasonable effort to locate and share with the board records that will help the board verify claims of individuals sterilized while under state custody and control.

(F) The board shall allow a claimant to submit evidence that proves the claimant was either sterilized during the period of 1919 to 1979, inclusive, or was coercively sterilized while under the custody and control of the Department of Corrections and Rehabilitation after 1979. The board shall evaluate this evidence by a preponderance of the evidence standard to determine whether it is more likely than not that the claimant is a qualified recipient. The claimant's submission of evidence does not relieve the board of its responsibility to verify an individual's identity by consulting the resources described in subparagraphs (A) through (E), inclusive.

(G) The board shall not have the discretion to deny compensation to any claimant who is a qualified recipient.

(3) Include an area on the application for a claimant to voluntarily report demographic information about gender, race, ethnicity, disability, age, sexual orientation, and gender identity.

(4) Affirmatively identify and disclose coercive sterilizations that occurred in California prisons.

(A) The board shall affirmatively employ the measures outlined in subparagraphs (C) and (D) of paragraph (2) to identify qualified recipients who were sterilized while in the custody and control of the Department of Corrections and Rehabilitation after 1979 and who have not personally or through an agent filed a claim for compensation.

(B) Upon identifying a qualified recipient, the board shall consult with other state and federal agencies and departments to determine contact information for the individual for purposes of disclosing the sterilization. To the extent permitted by federal law governing confidentiality of the applicable information, the board shall consult with additional entities, including, but not limited to, the Department of Corrections and Rehabilitation, the Employment Development Department, the Department of Motor Vehicles, the California Secretary of State, the United States Department of Homeland Security, the United States Immigration and Customs Enforcement, the United States Department of Justice, and the Social Security Administration.

(C) In consultation with community-based prisoner advocacy organizations and municipal health agencies responsible for communicating risk of exposure to communicable diseases, the board shall develop a culturally competent and technologically appropriate mechanism of disclosing the sterilization and available compensation to qualified recipients. The notification protocol and procedure shall require access to free counseling, culturally and linguistically appropriate notification, and a diversity of communications technologies to maximize the likelihood that disclosure is successfully relayed to the individual. If the review of an individual's qualifications was initiated at an individual's request by the individual's physician, that physician shall be consulted and included in the notification and disclosure process.

(D) Upon identifying a qualified recipient who has not already submitted a claim for compensation and obtaining the qualified recipient's contact information, the board shall contact the municipal health agency responsible for communicating possible exposure to communicable diseases in that qualified recipient's geographic area when developing the notification protocol pursuant to subparagraph (C).

(E) Any notification protocol shall include notice of the availability of compensation under this chapter and information on how to submit a claim.

(5) Oversee the appeal process.

(b) (1) The board shall annually submit a report to the Legislature, including the number of applications submitted, the number of qualified individuals identified who have not filed an application and for whom disclosure is required, the number of disclosures communicated, the number of applications approved, the number of applications denied, the number of claimants paid, the number of appeals submitted, the result of those appeals, and the total amount paid in compensation.

(2) The report shall also include data on claimants' demographic information, including gender, race, ethnicity, disability, age, sexual orientation, and gender identity, as voluntarily provided on a claimant's application form. The report shall also include data about the age a claimant was sterilized and the facility where sterilization occurred, as verified by the board. Demographic information shall be reported in aggregate and the names of individual claimants shall be kept confidential.

(3) The report shall also include data on outreach methods or processes used by the board to reach potential claimants.

(4) The report shall be submitted in compliance with Section 9795 of the Government Code.

(5) The report shall be made available to the public.

(c) (1) The board shall develop and implement procedures to receive and process applications for victim compensation under this program no later than six months after the start date of the program.

(2) The board shall implement the outreach plan described in paragraph (4) of subdivision (a) beginning six months after the start date of the program.

24212.

(a) This chapter shall become operative only upon an appropriation in the annual Budget Act or any other act approved by the Legislature for the express purpose of implementing this chapter. Upon appropriation, the board and departments specified in this chapter shall each post a notice on their internet websites informing the public of the date on which the program became operative.

(b) The Forced or Involuntary Sterilization Compensation Account is hereby established in the State Treasury, and shall be administered by the California Victim Compensation Board. Any funds appropriated for purposes of this chapter shall be held in this account and shall be used for the purpose of implementing this chapter. Any costs incurred by any state department or agency for these purposes may be reimbursed from this account.

24213.

(a) (1) An individual seeking victim compensation pursuant to the program shall submit an application to the board beginning six months after the start date of the program and no later than two years and six months after the start date of the program.

(2) An individual incarcerated or otherwise under the control of the Department of Corrections and Rehabilitation at the time of filing an application need not exhaust administrative remedies before submitting an application for, or receiving, victim compensation pursuant to the program and shall not be disqualified from receiving compensation based on the individual's incarcerated status.

(3) The board shall screen the application and accompanying documentation for completeness. If the board determines that an application is incomplete, it shall notify the claimant or the claimant's lawfully authorized representative that the application is not complete in writing by certified mail no later than 30 calendar days following the screening of the application. The notification shall specify the additional documentation required to complete the application. If the application is incomplete, the claimant shall have 60 calendar days from the receipt of the notification to submit the required documentation. If the required documentation is not received within 60 calendar days, the application will be closed and the claimant shall submit a new application if the claimant seeks victim compensation pursuant to the program, to be reviewed without prejudice.

(4) The board shall not consider an application or otherwise act on it until the board determines the application is complete with all required documentation.

(5) If a claimant receives an adverse claim decision, the claimant may file an appeal to the board within 30 days of the receipt of the notice of decision. After receiving the appeal, the board shall again attempt to verify the claimant's identity pursuant to paragraph (2) of subdivision (a) of Section 24211. If the claimant's identity cannot be verified, then the claimant shall produce sufficient evidence to establish, by a preponderance of the evidence, that it is more likely than not that the claimant is a qualified recipient. This evidence may include, but is not limited to, documentation of the individual's sterilization, sterilization recommendation, surgical consent forms, relevant court or institutional records, or a sworn statement by the survivor or another individual with personal knowledge of the sterilization. The board shall make a determination on the appeal within 30 days of the date of the appeal and notify the claimant of the decision. A claimant who is successful in an appeal shall receive compensation in accordance with subdivision (b).

(b) The board shall award victim compensation to a qualified recipient pursuant to the following payment schedule:

(1) A claimant who is determined to be a qualified recipient by the board shall receive an initial payment within 60 days of the board's determination. This initial payment shall be calculated by dividing the funds described in subdivision (b) of Section 24212 for victim compensation payments by the anticipated number of qualified recipients who are expected to apply for compensation, as determined by the board, and then dividing that dollar amount in half.

(2) After exhaustion of all appeals arising from the denial of an individual's application, but by no later than two years and nine months after the start date of the program, the board shall send a final payment to all qualified recipients. This final payment shall be calculated by dividing the remaining unencumbered balance of funds described in Section 24212 for victim compensation payments by the total number of qualified recipients.

24214.

(a) A qualified recipient may assign victim compensation to a trust established for the qualified recipient's benefit.

(b) (1) The board shall include a provision on the application for victim compensation under this program that a claimant is authorized to designate a beneficiary for the claimant's victim compensation.

(2) If the claimant dies during the pendency of the claimant's application, or after the board determines that the claimant is a qualified recipient, the board shall award the victim compensation to the named beneficiary. If the claimant did not name a beneficiary, then the victim compensation shall remain with the board for expenditure in accordance with subdivision (b) of Section 24213.

(c) An application may be made by an individual's legally authorized representative if the individual satisfies the criteria for a qualified recipient, as specified in subdivision (c) of Section 24210.

24215.

The State Department of State Hospitals, the State Department of Developmental Services, and the Department of Corrections and Rehabilitation, in consultation with stakeholders, including at least one member and one advocate of those who were sterilized under California's eugenics laws between 1909 to 1979, inclusive, and of those who were sterilized without proper authorization while imprisoned in California state prisons after 1979, shall establish markers or plaques at designated sites that acknowledge the wrongful sterilization of thousands of vulnerable people under eugenics policies and the subsequent sterilization of people in California's women's prisons caused, in part, by the forgotten lessons of the harms of the eugenics movement.

24216.

The board shall keep confidential and not disclose to the public any record pertaining to either an individual's application for victim compensation or the board's verification of the application, including, but not limited to, claimant names and demographic information submitted on the application. Public disclosure of aggregated claimant information or the annual report required under subdivision (b) of Section 24211 is not a violation of this section.

24217.

(a) Notwithstanding any other law, the payment made to a qualified recipient pursuant to this program shall not be considered any of the following:

(1) Taxable income for state tax purposes.

(2) Income or resources for purposes of determining the eligibility for, or amount of, any benefits or assistance under any state or local means-tested program.

(3) Income or resources in determining the eligibility for, or the amount of, any federal public benefits as provided by the Treatment of Certain Payments in Eugenics Compensation Act (42 U.S.C. Sec. 18501).

(4) Community property for the purpose of determining property rights under the Family Code and Probate Code.

(b) Notwithstanding any other law, the payment made to a qualified recipient pursuant to this program shall not be subject to any of the following:

(1) Enforcement of a money judgment under state law.

(2) A money judgment in favor of the State Department of Health Care Services for any period of time in which federal law or guidance has not been issued by the federal Centers for Medicare and Medicaid Services requiring the department to recover funds from the payments pursuant to this chapter for reimbursement of qualifying Medi-Cal expenditures. Following the death of a qualified recipient, both of the following shall apply as long as the federal law or guidance has not been issued:

(A) The state shall not seek recovery pursuant to Section 14009.5 of the Welfare and Institutions Code of any amount of the payment under the state's Medicaid plan established under Title XIX of the Social Security Act.

(B) The state shall not file a claim for the payment under Section 529A(f) of the Internal Revenue Code.

(3) The collection of owed child support.

(4) The collection of court-ordered restitution, fees, or fines.

SEC. 22.

Section 880 of the Military and Veterans Code is amended to read:

880.

(a) (1) The department shall, with existing funds or through appropriation by the Legislature, operate a competitive grant program, to be administered by the department. For purposes of this section, "existing funds" means funding already appropriated to any state department or agency, other than the department, for the purpose of providing services to veterans. The department may enter into memoranda of understanding with other state departments and agencies to implement this section.

(2) The department may cover reasonable administrative costs of implementing this section using the funds available for the competitive grant program.

(b) (1) Competitive grants shall be awarded to certified California veteran service providers, as defined in Section 881, for purposes of providing supportive services that improve the quality of life for veterans and their families. Supportive services may include, but are not limited to, housing assistance, health services, including mental and behavioral health services, counseling, small business assistance, case management, employment assistance, and job placement.

(2) Only a certified California veteran service provider is eligible to be awarded funds under the competitive grant program.

(3) Competitive grants shall be awarded in support of the state's strategic plan for providing veterans with transitional assistance, as described in Section 90.

(c) The department shall, no later than July 1, 2019, develop regulations for the implementation of the program. These standards shall include, but not be limited to, the grant application

criteria, application scoring process, data collection, and accountability for grant program expenditures and metrics for evaluation of grants made.

(d) Prior to awarding competitive grants under this section, the department shall develop regulations to define criteria for supporting the state's strategic plan.

(e) All funds appropriated pursuant to this chapter shall be deposited in the Certified Veteran Service Provider Program Fund, which is hereby created in the State Treasury, and shall be available for expenditure by the department and exclusively for the support of the department in carrying out their duties and responsibilities under this chapter.

SEC. 23.

Section 3502 of the Public Contract Code is amended to read:

3502.

(a) By January 1, 2022, the department, in consultation with the State Air Resources Board, shall establish, and publish in the State Contracting Manual or a department management memorandum, or make available on the department's internet website, a maximum acceptable global warming potential for each category of eligible materials in accordance with both of the following requirements:

(1) The department shall set the maximum acceptable global warming potential at the industry average of facility-specific global warming potential emissions for that material with a phase-in period of not more than two years. The department shall determine the industry average by consulting recognized databases of environmental product declarations. If the department determines that the facility-specific environmental product declarations available do not adequately represent the industry as a whole, it may use industrywide environmental product declarations based on domestic production data in its calculation of the industry average. When determining the industry averages pursuant to this paragraph, the department should include all stages of manufacturing required by the relevant product category rule. However, when setting the initial industry average, the department may exclude emissions that occur during fabrication stages, and make reasonable judgments aligned with the product category rule.

(2) The department shall express the maximum acceptable global warming potential as a number that states the maximum acceptable facility-specific global warming potential for each category of eligible materials. The department may set different maximums for different products within each category and, when more than one set of product category rules exists for a category or set of products, may set a different maximum for each set of product category rules. The global warming potential shall be provided in a manner that is consistent with criteria in an Environmental Product Declaration.

(b) The department, by January 1, 2022, shall submit a report to the Legislature that describes the method that the department used to develop the maximum global warming potential for each category of eligible materials pursuant to subdivision (a). The report required by this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(c) By January 1, 2025, and every three years thereafter, the department shall review the maximum acceptable global warming potential for each category of eligible materials established pursuant to subdivision (a), and may adjust that number downward for any eligible material to reflect industry improvements if the department, based on the process described in paragraph (1) of subdivision (a), determines that the industry average has changed, but the department shall not adjust that number upward for any eligible material. At that time, the

department shall update the State Contracting Manual, department management memorandum, or information available on the department's internet website, to reflect that adjustment.

SEC. 24.

Section 3503 of the Public Contract Code is amended to read:

3503.

(a) An awarding authority shall require the successful bidder for a contract described in subdivision (b) to submit a current facility-specific Environmental Product Declaration, Type III, as defined by the International Organization for Standardization (ISO) standard 14025, or similarly robust life cycle assessment methods that have uniform standards in data collection consistent with ISO standard 14025, industry acceptance, and integrity, for each eligible material proposed to be used.

(b) An awarding authority shall include in a specification for bids for an eligible project that the facility-specific global warming potential for any eligible material does not exceed the maximum acceptable global warming potential for that material determined pursuant to Section 3502. An awarding authority may include in a specification for bids for an eligible project a facility-specific global warming potential for any eligible material that is lower than the maximum acceptable global warming potential for that material determined pursuant to Section 3502.

(c) A successful bidder for a contract described in subdivision (b) shall not install any eligible materials on the project until that bidder submits a facility-specific Environmental Product Declaration for that material pursuant to subdivision (a).

(d) This section shall only apply to a contract entered into on or after July 1, 2022.

(e) This section shall not apply to an eligible material for a particular contract if the awarding authority determines, upon written justification published on its internet website, that requiring those eligible materials to comply would be technically infeasible, would result in a significant increase in the project cost or a significant delay in completion, or would result in only one source or manufacturer being able to provide the type of material needed by the state.

(f) This section shall not apply if the awarding authority determines that an emergency exists, as defined in Section 1102, or that any of the circumstances described in subdivisions (a) to (d), inclusive, of Section 10122 exist.

SEC. 25.

Section 3505 of the Public Contract Code is amended to read:

3505.

The department, by July 1, 2023, shall submit a report to the Legislature on any obstacles to the implementation of this article, and the effectiveness of this article to reduce global warming potential. The report required by this section shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 26.

Article 6.5 (commencing with Section 10198) is added to Chapter 1 of Part 2 of Division 2 of the Public Contract Code, to read:

Article 6.5. Progressive Design-Build Contracting

10198.

For purposes of this article, the following definitions shall apply:

(a) "Best value" means a value determined by evaluation of objective criteria that relate to demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Other factors such as price, features, functions, and life-cycle costs may be considered. If the qualifications-based selection process includes estimates of cost as a factor, a best value determination may involve the selection of the lowest cost proposal meeting the interests of the department and meeting the objectives of the project, or a tradeoff between price and other specified factors.

(b) "Construction subcontract" means each subcontract awarded by the design-build entity to a subcontractor that will perform work or labor or render service to the design-build entity in or about the construction of the work or improvement, or a subcontractor licensed by the State of California that, under subcontract to the design-build entity, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications produced by the design-build team.

(c) "Department" means the Department of General Services.

(d) "Design-build entity" means a corporation, limited liability company, partnership, joint venture, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(e) "Design-build project" means a capital outlay project using the progressive design-build construction procurement process described in this article.

(f) "Design-build team" means the design-build entity itself and the individuals and other entities identified by the design-build entity as members of its team. Members shall include the general contractor and, if utilized in the design of the project, all electrical, mechanical, and plumbing contractors.

(g) "Director" means the Director of General Services or their designee.

(h) "Guaranteed maximum price" means the maximum payment amount agreed upon by the department and the design-build entity for the design-build entity to finish all remaining design, preconstruction, and construction activities sufficient to complete and close out the project.

(i) "Progressive design-build" means a project delivery process in which both the design and construction of a project are procured from a single entity that is selected through a qualifications-based selection at the earliest feasible stage of the project.

(j) "Qualifications-based selection" means the process by which the department solicits for services from the design-build entities.

10198.1.

(a) (1) Notwithstanding any other law, and subject to the limitation of paragraph (2), the director may procure progressive design-build contracts.

(2) The authority under this article shall apply to no more than three capital outlay projects, which shall be determined jointly by the department and the Department of Finance.

(b) The director shall develop guidelines for a standard organizational conflict-of-interest policy, consistent with applicable law, regarding the ability of a person or entity that performs services for the department relating to the solicitation of a design-build project, to submit a proposal as a design-build entity, or to join a design-build team. This conflict-of-interest policy shall apply to each department entering into design-build contracts authorized under this article.

10198.2.

The procurement process for progressive design-build projects shall progress as follows:

(a) The department shall prepare and issue a request for qualifications in order to select a design-build entity to execute the project. The request for qualifications shall include, but is not limited to, the following elements:

(1) Documentation of the size, type, and desired design character of the project and any other information deemed necessary to describe adequately the department's needs, including the expected cost range, the methodology that will be used by the department to evaluate the design-build entity's qualifications, the procedure for final selection of the design-build entity, and any other information deemed necessary by the department to inform interested parties of the contracting opportunity.

(2) Significant factors that the department reasonably expects to consider in evaluating qualifications, including technical design and construction expertise, and all other nonprice-related factors. The department may require that a cost estimate, including the detailed basis for the estimate, be included in the design-build entities' responses and consider those costs in evaluating the statements of qualifications.

(3) The relative importance or the weight assigned to each of the factors identified in the request for qualifications.

(4) A request for statements of qualifications with a template for the statement that is prepared by the department. The department shall require all of the following information in the statement and indicate, in the template, that the following information is required:

(A) If the design-build entity is a privately held corporation, limited liability company, partnership, or joint venture, a listing of all of the entity's shareholders, partners, or members known at the time of the statement of qualification submission who will perform work on the project.

(B) Evidence that the members of the design-build team have completed, or have demonstrated the experience, competency, capability, and capacity to complete, projects of similar size, scope, or complexity, and that proposed key personnel have sufficient experience and training to competently manage and complete the design and construction of the project, and a financial statement that ensures that the design-build entity has the capacity to complete the project.

(C) The licenses, registration, and credentials required to design and construct the project, including, but not limited to, information on the revocation or suspension of any license, credential, or registration.

(D) Evidence that establishes that the design-build entity has the capacity to obtain all required payment and performance bonding, liability insurance, and errors and omissions insurance.

(E) Information concerning workers' compensation experience history and a worker safety program.

(F) If the proposed design-build entity is a corporation, limited liability company, partnership, joint venture, or other legal entity, a copy of the organizational documents or agreement committing to form the organization.

(G) An acceptable safety record. A proposer's safety record shall be deemed acceptable if its experience modification rate for the most recent three-year period is an average of 1.00 or less, and its average total recordable injury or illness rate and average lost work rate for the most recent three-year period does not exceed the applicable statistical standards for its business

category or if the proposer is a party to an alternative dispute resolution system as provided for in Section 3201.5 of the Labor Code.

(5) The information required under this subdivision shall be certified under penalty of perjury by the design-build entity and its general partners or joint venture members.

(b) (1) A design-build entity shall not be evaluated for selection unless the entity provides an enforceable commitment to the director that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeshipable occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1.

(2) This subdivision shall not apply if one or more of the following requirements are met:

(A) The department has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce, and the entity agrees to be bound by that project labor agreement.

(B) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the department prior to January 1, 2022.

(C) The entity has entered into a project labor agreement that will bind the entity and all its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.

(3) For purposes of this subdivision, "project labor agreement" has meaning provided in paragraph (1) of subdivision (b) of Section 2500.

(c) At the close of the solicitation period, the department shall review the submissions. The department may evaluate submissions based solely upon the information provided in each design-build entities' statement of qualifications. The department may also interview some or all of the design-build entities to further evaluate their qualifications for the project.

(d) Notwithstanding any other provision of this code, upon issuance of a contract award, the department shall publicly announce its award, identifying the design-build entity to which the award is made, along with a statement regarding the basis of the award. The statement regarding the department's contract award and the contract file shall provide sufficient information to satisfy an external audit.

10198.3.

(a) The design-build entity shall provide payment and performance bonds for the project in the form and in the amount required by the director, and issued by a California admitted surety. The amount of the payment bond shall not be less than the amount of the performance bond.

(b) The design-build contract shall require errors and omissions insurance coverage for the design elements of the project.

(c) The department shall develop a standard form of payment and performance bond for its design-build projects.

10198.4.

(a) After selecting a design-build entity based upon qualifications, the department may enter into a contract and direct the design-build entity to begin design and preconstruction activities sufficient to establish a guaranteed maximum price for the project.

(b) (1) Subject to Section 13332.19 of the Government Code, upon agreement of the guaranteed maximum price for the project, the department, at its sole and absolute discretion, may amend its contract to direct the design-build entity to complete the remaining design, preconstruction, and construction activities sufficient to complete and close out the project, and may add funds not exceeding the guaranteed maximum price to the contract for these activities.

(2) If the cost for completing all remaining design, preconstruction, and construction activities sufficient to complete and close out the project exceed the guaranteed maximum price, the costs exceeding the guaranteed maximum price shall be the responsibility of the design-build entity. If the cost for these activities are less than the guaranteed maximum price, the design-build entity shall not be entitled to the difference between the cost and the guaranteed maximum price. These amounts shall revert to the fund from which the appropriation was made.

(c) If the department and the design-build entity do not reach agreement on a guaranteed maximum price, or the department otherwise elects not to amend the design-build entity's contract to complete the remaining work, the department may solicit proposals to complete the project from firms that submitted statements of qualifications pursuant to Section 10198.2. The department may also, upon written determination that it is in the best interest of the state to do so, formally solicit proposals from other design-build entities. Subject to Section 13332.19 of the Government Code, contract award shall be made on a best value basis.

10198.5.

(a) The department, in each design-build request for qualifications, may identify specific types of subcontractors that shall be included in the design-build entity's statement of qualifications. All construction subcontractors that are identified in the statement of qualifications shall be afforded the protections of Chapter 4 (commencing with Section 4100) of Part 1.

(b) Following award of the design-build contract, except for those construction subcontractors listed in the statement of qualifications, the design-build entity shall proceed as listed in this subdivision in awarding construction subcontracts with a value exceeding one-half of 1 percent of the contract price allocable to construction work.

(1) Provide public notice of availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process of the department, including a fixed date and time on which qualifications statements, bids, or proposals will be due.

(2) Establish reasonable qualification criteria and standards.

(3) Award the subcontract either on a best value basis or to the lowest responsible bidder. The process may include prequalification or short-listing.

(c) Subcontractors awarded construction subcontracts under this subdivision shall be afforded all the protections of Chapter 4 (commencing with Section 4100) of Part 1.

10198.6.

(a) If the department elects to award a project pursuant to this article, retention proceeds withheld by the department from the design-build entity shall not exceed 5 percent if a performance and payment bond, issued by an admitted surety insurer, is required in the solicitation. Work performed to establish the guaranteed maximum price shall not be subject to retention.

(b) In a contract between the design-build entity and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds

withheld shall not exceed the percentage specified in the contract between the department and the design-build entity. If the design-build entity provides written notice to any subcontractor that is not a member of the design-build entity, before or at the time the bid is requested, that a bond may be required, and the subcontractor subsequently is unable or refuses to furnish a bond to the design-build entity, then the design-build entity may withhold retention proceeds in excess of the percentage specified in the contract between the department and the design-build entity from any payment made by the design-build entity to the subcontractor.

10198.7.

Nothing in this article affects, expands, alters, or limits any rights or remedies otherwise available at law.

10198.8.

(a) The department shall submit to the Joint Legislative Budget Committee, on or before January 1, 2026, a report containing a description of each public works project procured by the department through the progressive design-build process described in this article that is completed after January 1, 2022, and before December 1, 2025.

(b) The report described in subdivision (a) shall include, but is not limited to, all of the following information:

- (1) The type of project.*
 - (2) The gross square footage of the project.*
 - (3) The design-build entity that was awarded the project.*
 - (4) The estimated and actual project costs.*
 - (5) An assessment of the selection process and criteria required by this article.*
 - (6) An assessment of the effects of the progressive design-build process described in this article on cost and schedule for the project.*
 - (7) The number of specialty subcontractors listed by construction trade type, on each project, that provided design services, but did not meet the target price for their scope of work and therefore did not perform construction services on that project.*
 - (8) Whether or not any portion of a design prepared by the specialty subcontractor that did not perform the construction work for that design was used by the department.*
 - (9) In instances where the department determined that the guaranteed maximum price of any subcontract exceeded the anticipated target price for that portion of the project, which subcontracts were impacted and on what basis the department determined what the anticipated target price was.*
 - (10) The number of specialty subcontractors listed by construction trade type, on each project, that meet the definition of a small business under subparagraphs (A) and (B) of paragraph (1) of subdivision (d) of Section 14837 of the Government Code.*
 - (11) The number of specialty subcontractors listed by construction trade type, on each project, that meet the definition of a microbusiness under paragraph (2) of subdivision (d) of Section 14837 of the Government Code.*
- (c) The report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.*

SEC. 27.

Section 25208 is added to the Public Resources Code, to read:

25208.

(a) By March 1, 2022, and by each March 1 thereafter, until March 1, 2027, the commission shall submit a report to the relevant policy committees of the Legislature and the Joint Legislative Budget Committee describing programmatic activities and spending pursuant to the School Energy Efficiency Stimulus Program.

(b) The report shall include both of the following:

(1) A description of any changes to guidelines and budget.

(2) A summary of past spending, activities funded, and expected changes in funding and activities for the next year.

(c) As part of the report, the commission may include information that is already provided in reports submitted to and approved by the Public Utilities Commission, as applicable.

(d) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2032.

SEC. 28.

Section 25403.2 is added to the Public Resources Code, to read:

25403.2.

(a) Using the moneys appropriated pursuant to Items 3360-105-0001 and 3360-005-0001 of Section 2.00 of the Budget Act of 2021, the commission shall implement and administer a statewide program to incentivize the construction of new multifamily and single-family market-rate residential buildings as all-electric buildings or with energy storage systems. The commission shall provide a combined incentive if a building is both all electric and has an energy storage system.

(b) The program implemented and administered pursuant to this section shall be known as the Building Initiative for Low-Emissions Development Program Phase 2.

(c) In implementing and administering the Building Initiative for Low-Emissions Development Program Phase 2, the commission shall do all of the following:

(1) Before June 30, 2022, develop and approve program guidelines in a public process.

(2) Make program applications available within 30 days of the commission approving the guidelines pursuant to paragraph (1).

(3) Ensure, to the extent reasonable, that the program incentivizes the construction of buildings as all electric or with energy storage systems that would not have otherwise been constructed as all electric or with energy storage systems but for the Building Initiative for Low-Emissions Development Program Phase 2.

(4) Ensure, to the extent reasonable, that the program incentivizes the installation of technologies not otherwise required pursuant to the applicable local and state building codes.

(d) A goal of the Building Initiative for Low-Emissions Development Program Phase 2 is to spur significant market adoption of all-electric buildings and energy storage systems.

(e) The commission may pay an incentive upfront if not doing so would inhibit participation in the Building Initiative for Low-Emissions Development Program Phase 2.

SEC. 29.

Section 1601 of the Public Utilities Code is amended to read:

1601.

For purposes of this chapter, the following terms have the following meanings:

(a) "Local educational agency" means a school district as defined in Section 41302.5 of the Education Code, a charter school that has been granted a charter pursuant to Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code, or a regional occupational center established pursuant to Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee pursuant to Section 8070 of the Education Code.

(b) "SRVEVR Program" means the School Reopening Ventilation and Energy Efficiency Verification and Repair Program as specified in Article 3 (commencing with Section 1620).

(c) "Skilled and trained workforce" has the same meaning as set forth in Section 2601 of the Public Contract Code.

(d) "SNPFA Program" means the School Noncompliant Plumbing Fixture and Appliance Program as specified in Article 4 (commencing with Section 1630).

(e) "Underserved community" means a community that meets one of the following criteria:

(1) Is a "disadvantaged community" as defined by subdivision (g) of Section 75005 of the Public Resources Code.

(2) Is included within the definition of "low-income communities" as defined by paragraph (2) of subdivision (d) of Section 39713 of Health and Safety Code.

(3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen.

(4) Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program.

(5) Is a community located on lands belonging to a federally recognized California Indian tribe.

(f) "Utility" or "utilities" means both of the following:

(1) An electrical corporation with 250,000 or more customer accounts within the state.

(2) A gas corporation with 400,000 or more customer accounts within the state.

SEC. 30.

Section 1615 of the Public Utilities Code is amended to read:

1615.

(a) (1) The commission shall require each utility to fund the School Energy Efficiency Stimulus Program by allocating their energy efficiency budgets for program years 2021, 2022, and 2023, in both of the following amounts:

(A) An amount equal to the applicable percentage of the difference between the budget contained in each utility's 2020 annual budget advice letter approved as of July 1, 2020, and the annual portfolio funding limitation for program year 2020 as set forth in the 2018–2025 business plan of each utility as approved and modified in ordering paragraph 45 of the commission's Decision 18-05-041 (May 31, 2019) Decision Addressing Energy Efficiency Business Plans, as modified by Decision 20-02-029 (February 6, 2020) Order Modifying Decision (D.) 18-05-041 and Denying Rehearing of Decision, as Modified. The applicable percentage is 80 percent for program year 2021, 70 percent for program year 2022, and 60 percent for program year 2023.

(B) Any carryover amount from unspent and uncommitted energy efficiency funds for program year 2020, 2021, or 2022 to the School Energy Efficiency Stimulus Program for the following year's budget.

(2) Funding allocations required by this subdivision shall only apply to program years 2021, 2022, and 2023.

(3) Any funds allocated towards the School Energy Efficiency Stimulus Program pursuant to this section that remain unspent by the end of each program year may be carried over and contribute to the next year's budget for the School Energy Efficiency Stimulus Program until the end of the 2023 energy efficiency program year.

(b) (1) This section does not authorize the levy of a charge or any increase in the amount collected pursuant to an existing charge beyond the amounts authorized by the commission in Decision 18-05-041, or as modified by Decision 20-02-029, nor does it add to, or detract from, any existing authority of the commission to levy or increase charges.

(2) This subdivision does not change the commission's authority to determine revenue allocation and rate design, including its ability to prioritize customers participating in the California Alternative Rates for Energy or Family Electric Rate Assistance programs when considering appropriate revenue allocation for energy efficiency programs.

(c) The Energy Commission shall ensure that moneys from each utility for the School Energy Efficiency Stimulus Program are used for projects located in the service territory of that utility from which the moneys are received.

(d) The Energy Commission may use no more than 5 percent, not to exceed five million dollars (\$5,000,000) per year, of the SRVEVR Program and the SNPFA Program funds for administering the programs, including providing technical support to program participants. The commission shall ensure that funds allocated to the Energy Commission pursuant to this section are transferred to an account specified by the Energy Commission within 60 days after the completion of the prior energy efficiency program year.

(e) (1) The School Energy Efficiency Stimulus Program Fund was administratively established for the Energy Commission to receive funds allocated pursuant to this chapter.

(2) Notwithstanding Section 13340 of the Government Code, the moneys in the School Energy Efficiency Stimulus Program Fund are hereby continuously appropriated to the Energy Commission without regard to fiscal years for the purposes of the School Energy Efficiency Stimulus Program established pursuant to this chapter, including, but not limited to, paying the costs of program administration.

(f) All funds allocated in subdivision (a) shall be spent or returned to each utility by December 1, 2026.

(g) The Energy Commission may set application and encumbrance deadlines to ensure that the reversion of funds as required by subdivision (f) occurs by December 1, 2026.

(h) The Energy Commission shall take steps, consistent with Section 25230 of the Public Resources Code, to ensure that a diverse group of contractors are aware of funding opportunities available through the School Energy Efficiency Stimulus Program.

SEC. 31.

Section 1604 of the Revenue and Taxation Code is amended to read:

1604.

(a) (1) In counties of the first class, annually, on the fourth Monday in September, the county board shall meet to equalize the assessment of property on the local roll. It shall continue to meet for that purpose, from time to time, until the business of equalization is disposed of.

(2) In all other counties, annually, on the third Monday in July, the county board shall meet to equalize the assessment of property on the local roll. It shall continue to meet for that purpose, from time to time, until the business of equalization is disposed of.

(b) (1) An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund, if the applicant states in the application that the application is also intended to constitute a claim for refund pursuant to the provisions of Section 5097.

(2) The county board shall have no power to receive or hear any application for a reduction in an escaped assessment made pursuant to Section 531.1 nor a penal assessment levied in respect thereto, nor to reduce those assessments.

(c) If the county board fails to hear evidence and fails to make a final determination on the application for reduction in assessment of property within two years of the timely filing of the application, the applicant's opinion of value as reflected on the application for reduction in assessment shall be the value upon which taxes are to be levied for the tax year or tax years covered by the application, unless either of the following occurs:

(1) The applicant and the county board mutually agree in writing, or on the record, to an extension of time for the hearing.

(2) The application for reduction is consolidated for hearing with another application by the same applicant with respect to which an extension of time for the hearing has been granted pursuant to paragraph (1). In no case shall the application be consolidated without the applicant's written agreement after the two-year time period has passed or after an extension of the two-year time period previously agreed to by the applicant has expired.

The reduction in assessment reflecting the applicant's opinion of value shall not be made, however, until two years after the close of the filing period during which the timely application was filed. Further, this subdivision shall not apply to applications for reductions in assessments of property where the applicant has failed to provide full and complete information as required by law or where litigation is pending directly relating to the issues involved in the application.

(d) (1) When the applicant's opinion of value, as stated on the application, has been placed on the assessment roll pursuant to subdivision (c), and the application requested a reduction in the base year value of an assessment, the applicant's opinion of value shall remain on the roll until the county board makes a final determination on the application. The value so determined by the county board, plus appropriate adjustments for the inflation factor, shall be entered on the

assessment roll for the fiscal year in which the value is determined. No increased or escape taxes other than those required by a purchase, change in ownership, or new construction, or resulting from application of the inflation factor to the applicant's opinion of value shall be levied for the tax years during which the county board failed to act.

(2) When the applicant's opinion of value has been placed on the assessment roll pursuant to subdivision (c) for any application other than an application requesting a reduction in base year value, the applicant's opinion of value shall be enrolled on the assessment roll for the tax year or tax years covered by that application.

(e) The county board shall notify the applicant in writing of any decision by that board not to hold a hearing on the applicant's application for reduction in assessment within the two-year period specified in subdivision (c) or, if applicable, within the period as modified by subdivision (f). This notice shall also inform the applicant that the applicant's opinion of value as reflected on the application for reduction in assessment shall, as a result of the county board's failure to hold a hearing within the prescribed time period, be the value upon which taxes are to be levied in the absence of the application of either paragraph (1) or (2) of subdivision (c).

(f) (1) Notwithstanding subdivision (c) or any other law, the two-year deadline by which a county board is required under subdivision (c) to render a final determination on a qualified application shall be extended until December 31, 2021. This extension of the two-year deadline shall apply retroactively to all qualified applications that have a two-year deadline under subdivision (c) occurring during the period beginning on March 4, 2020, through December 31, 2021, inclusive.

(2) For purposes of this subdivision, "qualified application" means a pending application for reduction in assessment of property as described in subdivision (c) that is timely filed with the county board and has a two-year deadline under subdivision (c) occurring during the period beginning on March 4, 2020, through December 31, 2021, inclusive.

SEC. 32.

Section 4514 of the Welfare and Institutions Code is amended to read:

4514.

All information and records obtained in the course of providing intake, assessment, and services under Division 4.1 (commencing with Section 4400), Division 4.5 (commencing with Section 4500), Division 6 (commencing with Section 6000), or Division 7 (commencing with Section 7100) to persons with developmental disabilities shall be confidential. Information and records obtained in the course of providing similar services to either voluntary or involuntary recipients before 1969 shall also be confidential. Information and records shall be disclosed only in any of the following cases:

(a) In communications between qualified professional persons, whether employed by a regional center or state developmental center, or not, in the provision of intake, assessment, and services or appropriate referrals. The consent of the person with a developmental disability, or the person's guardian or conservator, shall be obtained before information or records may be disclosed by regional center or state developmental center personnel to a professional not employed by the regional center or state developmental center, or a program not vendored by a regional center or state developmental center.

(b) When the person with a developmental disability, who has the capacity to give informed consent, designates individuals to whom information or records may be released. This chapter does not compel a physician and surgeon, psychologist, social worker, marriage and family therapist, professional clinical counselor, nurse, attorney, or other professional to reveal

information that has been given to the person in confidence by a family member of the person unless a valid release has been executed by that family member.

(c) To the extent necessary for a claim, or for a claim or application to be made on behalf of a person with a developmental disability for aid, insurance, government benefit, or medical assistance to which the person may be entitled.

(d) If the person with a developmental disability is a minor, dependent ward, or conservatee, and the person's parent, guardian, conservator, limited conservator with access to confidential records, or authorized representative, designates, in writing, persons to whom records or information may be disclosed. This chapter does not compel a physician and surgeon, psychologist, social worker, marriage and family therapist, professional clinical counselor, nurse, attorney, or other professional to reveal information that has been given to the person in confidence by a family member of the person unless a valid release has been executed by that family member.

(e) For research, if the Director of Developmental Services designates, by regulation, rules for the conduct of research and requires the research to be first reviewed by the appropriate institutional review board or boards. These rules shall include, but need not be limited to, the requirement that all researchers shall sign an oath of confidentiality as follows:

	"
	Date

As a condition of doing research concerning persons with developmental disabilities who have received services from ____ (fill in the facility, agency, or person), I, ____, agree to obtain the prior informed consent of persons who have received services to the maximum degree possible as determined by the appropriate institutional review board or boards for protection of human subjects reviewing my research, or the person's parent, guardian, or conservator, and I further agree not to divulge any information obtained in the course of the research to unauthorized persons, and not to publish or otherwise make public any information regarding persons who have received services so those persons who received services are identifiable.

I recognize that the unauthorized release of confidential information may make me subject to a civil action under provisions of the Welfare and Institutions Code.

	"
	Signed

(f) To the courts, as necessary to the administration of justice.

(g) To governmental law enforcement agencies as needed for the protection of federal and state elective constitutional officers and their families.

(h) To the Senate Committee on Rules or the Assembly Committee on Rules for the purposes of legislative investigation authorized by the committee.

(i) To the courts and designated parties as part of a regional center report or assessment in compliance with a statutory or regulatory requirement, including, but not limited to, Section 1827.5 of the Probate Code, Sections 1001.22 and 1370.1 of the Penal Code, and Section 6502 of this code.

(j) To the attorney for the person who was sterilized or alleges they have been sterilized, or to the attorney of an individual with a developmental disability in any and all proceedings upon presentation of a release of information signed by the person, except that when the person lacks the capacity to give informed consent, the regional center or state developmental center director or designee, upon satisfying themselves of the identity of the attorney, and of the fact that the attorney represents the person, shall release all information and records relating to the person. This article does not compel a physician and surgeon, psychologist, social worker, marriage and family therapist, professional clinical counselor, nurse, attorney, or other professional to reveal information that has been given to the person in confidence by a family member of the person unless a valid release has been executed by that family member.

(k) Upon written consent by a person with a developmental disability previously or presently receiving services from a regional center or state developmental center, the director of the regional center or state developmental center, or the director's designee, may release any information, except information that has been given in confidence by members of the family of the person with a developmental disability, requested by a probation officer charged with the evaluation of the person after the person's conviction of a crime if the regional center or state developmental center director or designee determines that the information is relevant to the evaluation. The consent shall only be operative until sentence is passed on the crime for which the person was convicted. The confidential information released pursuant to this subdivision shall be transmitted to the court separately from the probation report and shall not be placed in the probation report. The confidential information shall remain confidential except for purposes of sentencing. After sentencing, the confidential information shall be sealed.

(l) Between persons who are trained and qualified to serve on multidisciplinary personnel teams, as defined in subdivision (d) of Section 18951. The information and records sought to be disclosed shall be relevant to the prevention, identification, management, or treatment of an abused child and the child's parents pursuant to Chapter 11 (commencing with Section 18950) of Part 6 of Division 9.

(m) When a person with a developmental disability dies from any cause, natural or otherwise, while hospitalized in a state developmental center, the State Department of Developmental Services, the physician and surgeon in charge of the client, or the professional in charge of the facility or the professional's designee, shall release the patient's medical record to a medical examiner, forensic pathologist, or coroner, upon request. Except for the purposes included in paragraph (8) of subdivision (b) of Section 56.10 of the Civil Code, a medical examiner, forensic pathologist, or coroner shall not disclose any information contained in the medical record obtained pursuant to this subdivision without a court order or authorization pursuant to paragraph (4) of subdivision (c) of Section 56.11 of the Civil Code.

(n) To authorized licensing personnel who are employed by, or who are authorized representatives of, the State Department of Public Health, and who are licensed or registered health professionals, and to authorized legal staff or special investigators who are peace officers who are employed by, or who are authorized representatives of, the State Department of Social Services, as necessary to the performance of their duties to inspect, license, and investigate health facilities and community care facilities, and to ensure that the standards of care and services provided in these facilities are adequate and appropriate and to ascertain compliance with the rules and regulations to which the facility is subject. The confidential information shall remain confidential except for purposes of inspection, licensing, or investigation pursuant to Chapter 2 (commencing with Section 1250) and Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code, or a criminal, civil, or administrative proceeding in relation thereto. The confidential information may be used by the State Department of Public

Health or the State Department of Social Services in a criminal, civil, or administrative proceeding. The confidential information shall be available only to the judge or hearing officer and to the parties to the case. Names that are confidential shall be listed in attachments separate to the general pleadings. The confidential information shall be sealed after the conclusion of the criminal, civil, or administrative hearings, and shall not subsequently be released except in accordance with this subdivision. If the confidential information does not result in a criminal, civil, or administrative proceeding, it shall be sealed after the State Department of Public Health or the State Department of Social Services decides that no further action will be taken in the matter of suspected licensing violations. Except as otherwise provided in this subdivision, confidential information in the possession of the State Department of Public Health or the State Department of Social Services shall not contain the name of the person with a developmental disability.

(o) To a board that licenses and certifies professionals in the fields of mental health and developmental disabilities pursuant to state law, when the Director of Developmental Services has reasonable cause to believe that there has occurred a violation of a law subject to the jurisdiction of a board and the records are relevant to the violation. The information shall be sealed after a decision is reached in the matter of the suspected violation, and shall not subsequently be released except in accordance with this subdivision. Confidential information in the possession of the board shall not contain the name of the person with a developmental disability.

(p) (1) To governmental law enforcement agencies by the director of a regional center or state developmental center, or the director's designee, when (A) the person with a developmental disability has been reported lost or missing or (B) there is probable cause to believe that a person with a developmental disability has committed, or has been the victim of, murder, manslaughter, mayhem, aggravated mayhem, kidnapping, robbery, carjacking, assault with the intent to commit a felony, arson, extortion, rape, forcible sodomy, forcible oral copulation, assault or battery, or unlawful possession of a weapon, as provided in any provision listed in Section 16590 of the Penal Code.

(2) This subdivision shall be limited solely to information directly relating to the factual circumstances of the commission of the enumerated offenses and shall not include information relating to the mental state of the patient or the circumstances of the patient's treatment unless relevant to the crime involved.

(3) This subdivision is not an exception to, and does not in any other way affect, the provisions of Article 7 (commencing with Section 1010) of Chapter 4 of Division 8 of the Evidence Code, or Chapter 11 (commencing with Section 15600) and Chapter 13 (commencing with Section 15750) of Part 3 of Division 9.

(q) To the Division of Juvenile Facilities and Department of Corrections and Rehabilitation or any component thereof, as necessary to the administration of justice.

(r) To an agency mandated to investigate a report of abuse filed pursuant to either Section 11164 of the Penal Code or Section 15630 of this code for the purposes of either a mandated or voluntary report or when those agencies request information in the course of conducting their investigation.

(s) When a person with a developmental disability, or the parent, guardian, or conservator of a person with a developmental disability who lacks capacity to consent, fails to grant or deny a request by a regional center or state developmental center to release information or records relating to the person with a developmental disability within a reasonable period of time, the

director of the regional or developmental center, or the director's designee, may release information or records on behalf of that person if both of the following conditions are met:

(1) Release of the information or records is deemed necessary to protect the person's health, safety, or welfare.

(2) The person, or the person's parent, guardian, or conservator, has been advised annually in writing of the policy of the regional center or state developmental center for release of confidential client information or records when the person with developmental disabilities, or the person's parent, guardian, or conservator, fails to respond to a request for release of the information or records within a reasonable period of time. A statement of policy contained in the client's individual program plan shall be deemed to comply with the notice requirement of this paragraph.

(t) (1) When an employee is served with a notice of adverse action, as defined in Section 19570 of the Government Code, the following information and records may be released:

(A) All information and records that the appointing authority relied upon in issuing the notice of adverse action.

(B) All other information and records that are relevant to the adverse action, or that would constitute relevant evidence as defined in Section 210 of the Evidence Code.

(C) The information described in subparagraphs (A) and (B) may be released only if both of the following conditions are met:

(i) The appointing authority has provided written notice to the consumer and the consumer's legal representative or, if the consumer has no legal representative or if the legal representative is a state agency, to the clients' rights advocate, and the consumer, the consumer's legal representative, or the clients' rights advocate has not objected in writing to the appointing authority within five business days of receipt of the notice, or the appointing authority, upon review of the objection has determined that the circumstances on which the adverse action is based are egregious or threaten the health, safety, or life of the consumer or other consumers and without the information the adverse action could not be taken.

(ii) The appointing authority, the person against whom the adverse action has been taken, and the person's representative, if any, have entered into a stipulation that does all of the following:

(I) Prohibits the parties from disclosing or using the information or records for any purpose other than the proceedings for which the information or records were requested or provided.

(II) Requires the employee and the employee's legal representative to return to the appointing authority all records provided to them under this subdivision, including, but not limited to, all records and documents or copies thereof that are no longer in the possession of the employee or the employee's legal representative because they were from a source containing confidential information protected by this section, and all copies of those records and documents, within 10 days of the date that the adverse action becomes final, except for the actual records and documents submitted to the administrative tribunal as a component of an appeal from the adverse action.

(III) Requires the parties to submit the stipulation to the administrative tribunal with jurisdiction over the adverse action at the earliest possible opportunity.

(2) For the purposes of this subdivision, the State Personnel Board may issue, before an appeal from adverse action being filed with it, a protective order, upon application by the appointing

authority, for the limited purpose of prohibiting the parties from disclosing or using information or records for any purpose other than the proceeding for which the information or records were requested or provided, and to require the employee or the employee's legal representative to return to the appointing authority all records provided to them under this subdivision, including, but not limited to, all records and documents from any source containing confidential information protected by this section, and all copies of those records and documents, within 10 days of the date that the adverse action becomes final, except for the actual records and documents that are no longer in the possession of the employee or the employee's legal representatives because they were submitted to the administrative tribunal as a component of an appeal from the adverse action.

(3) Individual identifiers, including, but not limited to, names, social security numbers, and hospital numbers, that are not necessary for the prosecution or defense of the adverse action, shall not be disclosed.

(4) All records, documents, or other materials containing confidential information protected by this section that have been submitted or otherwise disclosed to the administrative agency or other person as a component of an appeal from an adverse action shall, upon proper motion by the appointing authority to the administrative tribunal, be placed under administrative seal and shall not, thereafter, be subject to disclosure to any person or entity except upon the issuance of an order of a court of competent jurisdiction.

(5) For purposes of this subdivision, an adverse action becomes final when the employee fails to answer within the time specified in Section 19575 of the Government Code, or, after filing an answer, withdraws the appeal, or, upon exhaustion of the administrative appeal or of the judicial review remedies as otherwise provided by law.

(u) To the person appointed as the developmental services decisionmaker for a minor, dependent, or ward pursuant to Section 319, 361, or 726.

(v) To a protection and advocacy agency established pursuant to Section 4901, to the extent that the information is incorporated within any of the following:

(1) An unredacted facility evaluation report form or an unredacted complaint investigation report form of the State Department of Social Services. This information shall remain confidential and subject to the confidentiality requirements of subdivision (f) of Section 4903.

(2) An unredacted citation report, unredacted licensing report, unredacted survey report, unredacted plan of correction, or unredacted statement of deficiency of the State Department of Public Health, prepared by authorized licensing personnel or authorized representatives described in subdivision (n). This information shall remain confidential and subject to the confidentiality requirements of subdivision (f) of Section 4903.

(w) To the regional center clients' rights advocate who provides service pursuant to Section 4433, unless the consumer objects on the consumer's own behalf, for the purpose of providing authorized clients' rights advocacy services pursuant to Section 4418.25 or 4418.7, subparagraph (B) or (C) of paragraph (9) of subdivision (a) of Section 4648, Sections 4684.80 to 4684.87, inclusive, or Section 4698 or 7502.5 of this code, or Section 1267.75 or 1531.15 of the Health and Safety Code.

(x) For purposes of this section, a reference to a "medical examiner, forensic pathologist, or coroner" means a coroner or deputy coroner, as described in subdivision (c) of Section 830.35 of the Penal Code, or a licensed physician who currently performs official autopsies on behalf of

a county coroner's office or a medical examiner's office, whether as a government employee or under contract to that office.

(y) To authorized personnel who are employed by the Employment Development Department as necessary to enable the Employment Development Department to provide the information required to be disclosed to the State Department of Developmental Services pursuant to subdivision (ak) of Section 1095 of the Unemployment Insurance Code. The Employment Development Department shall maintain the confidentiality of information provided to it by the State Department of Developmental Services to the same extent as if the Employment Development Department had acquired the information directly.

(z) To authorized personnel who are employed by the State Department of Social Services as necessary to enable the department to provide the information required to be disclosed to the State Department of Developmental Services pursuant to Section 10850.6. The State Department of Social Services shall maintain the confidentiality of any information provided to it by the State Department of Developmental Services to the same extent as if the State Department of Social Services had directly acquired that information.

(aa) To authorized personnel who are employed by the California Victim Compensation Board for the purposes of verifying the identity and eligibility of individuals claiming compensation pursuant to the Forced or Involuntary Sterilization Compensation Program described in Chapter 1.6 (commencing with Section 24210) of Division 20 of the Health and Safety Code. The California Victim Compensation Board shall maintain the confidentiality of any information or records received from the department in accordance with Part 160 (commencing with Section 160.101) and Part 164 (commencing with Section 164.102) of Subchapter C of Subtitle A of Title 45 of the Code of Federal Regulations and this section. Public disclosure of aggregated claimant information or the annual report required under subdivision (b) of Section 24211 of the Health and Safety Code is not a violation of this section.

SEC. 33.

Section 5328 of the Welfare and Institutions Code is amended to read:

5328.

(a) All information and records obtained in the course of providing services under Division 4 (commencing with Section 4000), Division 4.1 (commencing with Section 4400), Division 4.5 (commencing with Section 4500), Division 5 (commencing with Section 5000), Division 6 (commencing with Section 6000), or Division 7 (commencing with Section 7100), to either voluntary or involuntary recipients of services are confidential. Information and records obtained in the course of providing similar services to either voluntary or involuntary recipients before 1969 are also confidential. Information and records shall be disclosed only in any of the following cases:

(1) In communications between qualified professional persons in the provision of services or appropriate referrals, or in the course of conservatorship proceedings. The consent of the patient, or the patient's guardian or conservator, shall be obtained before information or records may be disclosed by a professional person employed by a facility to a professional person not employed by the facility who does not have the medical or psychological responsibility for the patient's care.

(2) If the patient, with the approval of the physician and surgeon, licensed psychologist, social worker with a master's degree in social work, licensed marriage and family therapist, or licensed professional clinical counselor, who is in charge of the patient, designates persons to whom information or records may be released, except that this article does not compel a physician and

surgeon, licensed psychologist, social worker with a master's degree in social work, licensed marriage and family therapist, licensed professional clinical counselor, nurse, attorney, or other professional person to reveal information that has been given to the person in confidence by members of a patient's family. This paragraph does not authorize a licensed marriage and family therapist or licensed professional clinical counselor to provide services or to be in charge of a patient's care beyond the therapist's or counselor's lawful scope of practice.

(3) To the extent necessary for a recipient to make a claim, or for a claim to be made on behalf of a recipient for aid, insurance, or medical assistance to which the recipient may be entitled.

(4) If the recipient of services is a minor, ward, dependent, or conservatee, and the recipient's parent, guardian, guardian ad litem, conservator, or authorized representative designates, in writing, persons to whom records or information may be disclosed, except that this article does not compel a physician and surgeon, licensed psychologist, social worker with a master's degree in social work, licensed marriage and family therapist, licensed professional clinical counselor, nurse, attorney, or other professional person to reveal information that has been given to the person in confidence by members of a patient's family.

(5) For research, provided that the Director of Health Care Services, the Director of State Hospitals, the Director of Social Services, or the Director of Developmental Services designates by regulation, rules for the conduct of research and requires the research to be first reviewed by the appropriate institutional review board or boards. The rules shall include, but need not be limited to, the requirement that all researchers shall sign an oath of confidentiality as follows:

	Date

As a condition of doing research concerning persons who have received services from ____ (fill in the facility, agency, or person), I, ____, agree to obtain the prior informed consent of those persons who have received services to the maximum degree possible as determined by the appropriate institutional review board or boards for protection of human subjects reviewing my research, and I further agree not to divulge any information obtained in the course of that research to unauthorized persons, and not to publish or otherwise make public any information regarding persons who have received services such that the person who received services is identifiable.

I recognize that the unauthorized release of confidential information may make me subject to a civil action under provisions of the Welfare and Institutions Code.

(6) To the courts, as necessary to the administration of justice.

(7) To governmental law enforcement agencies as needed for the protection of federal and state elective constitutional officers and their families.

(8) To the Senate Committee on Rules or the Assembly Committee on Rules for the purposes of legislative investigation authorized by the committee.

(9) If the recipient of services who applies for life or disability insurance designates in writing the insurer to which records or information may be disclosed.

(10) To the attorney for the patient in any and all proceedings upon presentation of a release of information signed by the patient, except that when the patient is unable to sign the release, the staff of the facility, upon satisfying itself of the identity of the attorney, and of the fact that the

attorney does represent the interests of the patient, may release all information and records relating to the patient, except that this article does not compel a physician and surgeon, licensed psychologist, social worker with a master's degree in social work, licensed marriage and family therapist, licensed professional clinical counselor, nurse, attorney, or other professional person to reveal information that has been given to the person in confidence by members of a patient's family.

(11) Upon written agreement by a person previously confined in or otherwise treated by a facility, the professional person in charge of the facility or the professional person's designee may release any information, except information that has been given in confidence by members of the person's family, requested by a probation officer charged with the evaluation of the person after the person's conviction of a crime if the professional person in charge of the facility determines that the information is relevant to the evaluation. The agreement shall only be operative until sentence is passed on the crime of which the person was convicted. The confidential information released pursuant to this paragraph shall be transmitted to the court separately from the probation report and shall not be placed in the probation report. The confidential information shall remain confidential except for purposes of sentencing. After sentencing, the confidential information shall be sealed.

(12) (A) Between persons who are trained and qualified to serve on multidisciplinary personnel teams pursuant to subdivision (d) of Section 18951. The information and records sought to be disclosed shall be relevant to the provision of child welfare services or the investigation, prevention, identification, management, or treatment of child abuse or neglect pursuant to Chapter 11 (commencing with Section 18950) of Part 6 of Division 9. Information obtained pursuant to this paragraph shall not be used in any criminal or delinquency proceeding. This paragraph does not prohibit evidence identical to that contained within the records from being admissible in a criminal or delinquency proceeding, if the evidence is derived solely from means other than this paragraph, as permitted by law.

(B) As used in this paragraph, "child welfare services" means those services that are directed at preventing child abuse or neglect.

(13) To county patients' rights advocates who have been given knowing voluntary authorization by a client or a guardian ad litem. The client or guardian ad litem, whoever entered into the agreement, may revoke the authorization at any time, either in writing or by oral declaration to an approved advocate.

(14) To a committee established in compliance with Section 14725.

(15) In providing information as described in Section 7325.5. This paragraph does not permit the release of any information other than that described in Section 7325.5.

(16) To the county behavioral health director or the director's designee, or to a law enforcement officer, or to the person designated by a law enforcement agency, pursuant to Sections 5152.1 and 5250.1.

(17) If the patient gives consent, information specifically pertaining to the existence of genetically handicapping conditions, as defined in Section 125135 of the Health and Safety Code, may be released to qualified professional persons for purposes of genetic counseling for blood relatives upon request of the blood relative. For purposes of this paragraph, "qualified professional persons" means those persons with the qualifications necessary to carry out the genetic counseling duties under this paragraph as determined by the genetic disease unit established in the State Department of Health Care Services under Section 125000 of the Health and Safety Code. If the patient does not respond or cannot respond to a request for

permission to release information pursuant to this paragraph after reasonable attempts have been made over a two-week period to get a response, the information may be released upon request of the blood relative.

(18) If the patient, in the opinion of the patient's psychotherapist, presents a serious danger of violence to a reasonably foreseeable victim or victims, then any of the information or records specified in this section may be released to that person or persons and to law enforcement agencies and county child welfare agencies as the psychotherapist determines is needed for the protection of that person or persons. For purposes of this paragraph, "psychotherapist" has the same meaning as provided in Section 1010 of the Evidence Code.

(19) (A) To the designated officer of an emergency response employee, and from that designated officer to an emergency response employee regarding possible exposure to HIV or AIDS, but only to the extent necessary to comply with the federal Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (Public Law 101-381; 42 U.S.C. Sec. 201).

(B) For purposes of this paragraph, "designated officer" and "emergency response employee" have the same meaning as these terms are used in the federal Ryan White Comprehensive AIDS Resources Emergency Act of 1990 (Public Law 101-381; 42 U.S.C. Sec. 201).

(C) The designated officer shall be subject to the confidentiality requirements specified in Section 120980 of the Health and Safety Code, and may be personally liable for unauthorized release of any identifying information about the HIV results. Further, the designated officer shall inform the exposed emergency response employee that the employee is also subject to the confidentiality requirements specified in Section 120980 of the Health and Safety Code, and may be personally liable for unauthorized release of any identifying information about the HIV test results.

(20) (A) To a law enforcement officer who personally lodges with a facility, as defined in subparagraph (B), a warrant of arrest or an abstract of a warrant showing that the person sought is wanted for a serious felony, as defined in Section 1192.7 of the Penal Code, or a violent felony, as defined in Section 667.5 of the Penal Code. The information sought and released shall be limited to whether or not the person named in the arrest warrant is presently confined in the facility. This subparagraph shall be implemented with minimum disruption to health facility operations and patients, in accordance with Section 5212. If the law enforcement officer is informed that the person named in the warrant is confined in the facility, the officer may not enter the facility to arrest the person without obtaining a valid search warrant or the permission of staff of the facility.

(B) For purposes of subparagraph (A), a facility means all of the following:

(i) A state hospital, as defined in Section 4001.

(ii) A general acute care hospital, as defined in subdivision (a) of Section 1250 of the Health and Safety Code, solely with regard to information pertaining to a person with mental illness subject to this section.

(iii) An acute psychiatric hospital, as defined in subdivision (b) of Section 1250 of the Health and Safety Code.

(iv) A psychiatric health facility, as described in Section 1250.2 of the Health and Safety Code.

(v) A mental health rehabilitation center, as described in Section 5675.

(vi) A skilled nursing facility with a special treatment program for individuals with mental illness, as described in Sections 51335 and 72445 to 72475, inclusive, of Title 22 of the California Code of Regulations.

(21) Between persons who are trained and qualified to serve on multidisciplinary personnel teams pursuant to Section 15610.55. The information and records sought to be disclosed shall be relevant to the prevention, identification, management, or treatment of an abused elder or dependent adult pursuant to Chapter 13 (commencing with Section 15750) of Part 3 of Division 9.

(22) (A) When an employee is served with a notice of adverse action, as defined in Section 19570 of the Government Code, all of the following information and records may be released:

(i) All information and records that the appointing authority relied upon in issuing the notice of adverse action.

(ii) All other information and records that are relevant to the adverse action, or that would constitute relevant evidence as defined in Section 210 of the Evidence Code.

(iii) The information described in clauses (i) and (ii) may be released only if both of the following conditions are met:

(I) The appointing authority has provided written notice to the consumer and the consumer's legal representative or, if the consumer has no legal representative or if the legal representative is a state agency, to the clients' rights advocate, and the consumer, the consumer's legal representative, or the clients' rights advocate has not objected in writing to the appointing authority within five business days of receipt of the notice, or the appointing authority, upon review of the objection, has determined that the circumstances on which the adverse action is based are egregious or threaten the health, safety, or life of the consumer or other consumers and without the information the adverse action could not be taken.

(II) The appointing authority, the person against whom the adverse action has been taken, and the person's representative, if any, have entered into a stipulation that does all of the following:

(ia) Prohibits the parties from disclosing or using the information or records for any purpose other than the proceedings for which the information or records were requested or provided.

(ib) Requires the employee and the employee's legal representative to return to the appointing authority all records provided to them under this paragraph, including, but not limited to, all records and documents from any source containing confidential information protected by this section, and all copies of those records and documents, within 10 days of the date that the adverse action becomes final, except for the actual records and documents or copies thereof that are no longer in the possession of the employee or the employee's legal representative because they were submitted to the administrative tribunal as a component of an appeal from the adverse action.

(ic) Requires the parties to submit the stipulation to the administrative tribunal with jurisdiction over the adverse action at the earliest possible opportunity.

(B) For purposes of this paragraph, the State Personnel Board may, before any appeal from adverse action being filed with it, issue a protective order, upon application by the appointing authority, for the limited purpose of prohibiting the parties from disclosing or using information or records for any purpose other than the proceeding for which the information or records were requested or provided, and to require the employee or the employee's legal representative to return to the appointing authority all records provided to them under this paragraph, including,

but not limited to, all records and documents from any source containing confidential information protected by this section, and all copies of those records and documents, within 10 days of the date that the adverse action becomes final, except for the actual records and documents or copies thereof that are no longer in the possession of the employee or the employee's legal representatives because they were submitted to the administrative tribunal as a component of an appeal from the adverse action.

(C) Individual identifiers, including, but not limited to, names, social security numbers, and hospital numbers, that are not necessary for the prosecution or defense of the adverse action, shall not be disclosed.

(D) All records, documents, or other materials containing confidential information protected by this section that have been submitted or otherwise disclosed to the administrative agency or other person as a component of an appeal from an adverse action shall, upon proper motion by the appointing authority to the administrative tribunal, be placed under administrative seal and shall not, thereafter, be subject to disclosure to any person or entity except upon the issuance of an order of a court of competent jurisdiction.

(E) For purposes of this paragraph, an adverse action becomes final when the employee fails to answer within the time specified in Section 19575 of the Government Code, or, after filing an answer, withdraws the appeal, or, upon exhaustion of the administrative appeal or of the judicial review remedies as otherwise provided by law.

(23) To the person appointed as the developmental services decision maker for a minor, dependent, or ward pursuant to Section 319, 361, or 726.

(24) During the provision of emergency services and care, as defined in Section 1317.1 of the Health and Safety Code, the communication of patient information between a physician and surgeon, licensed psychologist, social worker with a master's degree in social work, licensed marriage and family therapist, licensed professional clinical counselor, nurse, emergency medical personnel at the scene of an emergency or in an emergency medical transport vehicle, or other professional person or emergency medical personnel at a health facility licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code.

(25) To a business associate or for health care operations purposes, in accordance with Part 160 (commencing with Section 160.101) and Part 164 (commencing with Section 164.102) of Subchapter C of Subtitle A of Title 45 of the Code of Federal Regulations.

(26) To authorized personnel who are employed by the California Victim Compensation Board for the purposes of verifying the identity and eligibility of individuals claiming compensation pursuant to the Forced or Involuntary Sterilization Compensation Program described in Chapter 1.6 (commencing with Section 24210) of Division 20 of the Health and Safety Code. The California Victim Compensation Board shall maintain the confidentiality of any information or records received from the department in accordance with Part 160 (commencing with Section 160.101) and Part 164 (commencing with Section 164.102) of Subchapter C of Subtitle A of Title 45 of the Code of Federal Regulations and this section. Public disclosure of aggregated claimant information or the annual report required under subdivision (b) of Section 24211 of the Health and Safety Code is not a violation of this section.

(b) The amendment of paragraph (4) of subdivision (a) enacted at the 1970 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the preexisting law.

(c) This section is not limited by Section 5150.05 or 5332.

SEC. 34.

The Legislature hereby finds and declares all of the following:

(a) In 1909, California passed the nation's third eugenic sterilization law (Chapter 720 of the Statutes of 1909). Between 1909 and 1979, more than 20,000 Californians were sterilized, which made up more than one-third of the 60,000 persons sterilized nationwide in 32 states during that era and more than the amount of people sterilized in the next top four states combined.

(b) California's eugenics laws, which were revised in 1913 (Chapter 363 of the Statutes of 1913) and 1917 (Chapters 489 and 776 of the Statutes of 1917), authorized medical superintendents in state homes and state hospitals to perform "asexualization" on patients (vasectomies for men and salpingectomies for women) identified as "afflicted with mental disease which may have been inherited and is likely to be transmitted to descendants, the various grades of feeble-mindedness, those suffering from perversion or marked departures from normal mentality or from disease of a syphilitic nature."

(c) California maintained 12 state homes and state hospitals that housed thousands of patients who were committed by the courts, family members, and medical authorities. Although many families, patients, and court officials signed consent forms for sterilization, that action would not meet today's criteria for consent because in some institutions sterilization was a precondition for release, and true voluntariness and autonomy were not possible in the context in which the consent forms were signed.

(d) There was little to no oversight of California's sterilization program, which was implemented during a time in United States history when many reformers believed that sterilization was an important instrument of public health protection that would reduce the number of "defectives" in society, result in cost savings for welfare programs, and only allow "fit" people to become parents. The authority granted both to state agencies and medical experts during this era meant that sterilization proceeded with little contestation or pushback from the health establishment or legal system.

(e) While the law did not target specific racial or ethnic groups, in practice, labels of "mental deficiency" and "feeble-mindedness" were applied disproportionately to racial and ethnic minorities, people with actual and perceived disabilities, poor people, and women. During the height of the program, between 1919 and 1952, women and girls were 14 percent more likely to be sterilized than men and boys. Male Latino patients were 23 percent more likely to be sterilized than non-Latino male patients, and female Latina patients were 59 percent more likely to be sterilized than non-Latina female patients.

(f) Sterilizations pursuant to California's eugenics laws persisted for 70 years. The laws were repealed in 1979.

(g) On March 11, 2003, Governor Gray Davis apologized for California's eugenic sterilization program. Attorney General Bill Lockyer issued an apology on the same day.

(h) On June 30, 2003, the Senate of the State of California passed a resolution expressing "profound regret over the state's past role in the eugenics movement and the injustice done to thousands of California men and women," addressing "past bigotry and intolerance against the persons with disabilities and others who were viewed as 'genetically unfit' by the eugenics movement," recognizing that "all individuals must honor human rights and treat others with respect regardless of race, ethnicity, religious belief, economic status, disability, or illness," and urging "every citizen of the state to become familiar with the history of the eugenics movement,

in the hope that a more educated and tolerant populace will reject any similar abhorrent pseudoscientific movement should it arise in the future.”

(i) The State of California recognizes that further involuntary and systematic sterilization abuse occurred during the following periods:

(1) Between 1965 and 1975, at least 240 women who delivered babies at the LA County University of Southern California Medical Center were subjected to nonconsensual postpartum tubal ligations. These procedures were carried out overwhelmingly on Mexican-origin mothers who were not informed that they were being sterilized, were coerced into signing sterilization forms, or were misled into giving their signatures.

(2) Between 2006 and 2010, at least 144 people imprisoned in California’s women’s prisons were sterilized without proper authorization while giving birth. A state audit explicitly to review cases of sterilization during labor and delivery of people in California’s women’s prisons during this period found that people had been sterilized without adherence to required protocol, including instances of “deficiencies in the informed consent process.” Significantly, the audit found that people sterilized included a disproportionate number of people of color and that there was an absence of use of interpreter assistance for imprisoned patients unable to speak or read in English. Additionally, the Senate Budget Committee heard testimony documenting further instances of coercive sterilization occurring in California’s women’s prisons outside the limited scope of the audit. As a response, Senate Bill 1135 (Chapter 558 of the Statutes of 2014) was signed into law in 2014 to shine light on and reaffirm prohibition of sterilization for the purpose of birth control in county jails and state prison facilities, and to offer additional protections to imprisoned people surrounding sterilization in medically essential circumstances outside the scope of birth control.

(j) The state has not issued an apology for the coerced sterilizations of people in women’s prisons occurring after 1979, the date marking the formal abandonment of state eugenic policy.

(k) It is unclear if many or all of the sterilized imprisoned people are aware that they were sterilized.

(l) The Legislature has expressed its profound regret over the state’s role in the eugenics movement as the most aggressive eugenics sterilizer in the country. The Legislature also hereby expresses its profound regret over the state’s past role in coercive sterilizations of people in women’s prisons and the injustice done to the people in those prisons and their families and communities.

(m) Eugenics and coercive sterilizations were based on contemporary bigotry and intolerance against persons and communities targeted for imprisonment whose fundamental human right to family was devalued and disregarded. All individuals must honor human rights and treat others with respect regardless of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, gender, age, sexual orientation, gender identity, economic status, or imprisonment.

(n) The Legislature urges every citizen of the state to become familiar with the history of eugenics, in the hope that a more educated and tolerant populace will reject any similar abhorrent pseudoscientific movement in the future. A failure to appreciate, remember, and recall the horrors of eugenics contributed to conditions under which coercive sterilizations could continue to occur in the context of California’s women’s prisons through 2010.

SEC. 35.

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. 36.

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. 37.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because 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.

SEC. 38.

The Legislature finds and declares that the fees and deposits waived and refunded pursuant to Section 2 of this act, which adds and repeals Section 19821.1 of the Business and Professions Code, serve the public purpose of protecting the solvency of businesses that were forced to close their doors or limit business due to the coronavirus disease 2019 (COVID-19) pandemic and does not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

SEC. 39.

The Legislature finds and declares that the addition of Section 7902.2 to the Government Code, as provided in Section 8 of this act, relates solely to the determination of appropriations subject to the limit for the state, a city, a county, or a city and county pursuant to Article XIII B of the California Constitution. As added by this act, Section 7902.2 of the Government Code, commencing with the 2020–21 fiscal year, establishes the intent of the Legislature that funding allocated by the state to a city, county, or city and county from the Local Revenue Fund or Local Revenue Fund 2011 be considered proceeds of taxes for the recipient city, county, or city and county, subject to limitations prescribed in that section. Section 7902.2 of the Government Code, as added by this act, shall not be construed to alter or affect the legal character or status of money received by a city, county or city and county from the Local Revenue Fund or Local Revenue Fund 2011.

SEC. 40.

The Legislature finds and declares that Section 10 of this act, which adds Section 11546.45 to 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:

The state has a very strong interest in protecting its information technology systems from intrusion, because those systems contain confidential information and play a critical role in the performance of the duties of state government. Thus, information regarding the specific vulnerabilities of those systems must be protected to preclude use of that information to facilitate attacks on those systems.

SEC. 41.

The Legislature finds and declares that Section 20 of this act, which adds Section 24216 to the Health and Safety 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:

This act strikes an appropriate balance between the public's right to access information and the need to protect personal information of survivors of state-sponsored sterilization conducted pursuant to eugenics laws that existed in the State of California between 1909 and 1979.

SEC. 42.

This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

AB 287, Chapter 264

Civil actions: statute of limitations.

Effective Date 1/1/2022

SECTION 1.

Section 338 of the Code of Civil Procedure is amended to read:

338.

Within three years:

- (a) An action upon a liability created by statute, other than a penalty or forfeiture.
- (b) An action for trespass upon or injury to real property.
- (c) (1) An action for taking, detaining, or injuring goods or chattels, including an action for the specific recovery of personal property.
- (2) The cause of action in the case of theft, as described in Section 484 of the Penal Code, of an article of historical, interpretive, scientific, or artistic significance is not deemed to have accrued until the discovery of the whereabouts of the article by the aggrieved party, ~~his or her~~ *the aggrieved party's* agent, or the law enforcement agency that originally investigated the theft.
- (3) (A) Notwithstanding paragraphs (1) and (2), an action for the specific recovery of a work of fine art brought against a museum, gallery, auctioneer, or dealer, in the case of an unlawful taking or theft, as described in Section 484 of the Penal Code, of a work of fine art, including a taking or theft by means of fraud or duress, shall be commenced within six years of the actual discovery by the claimant or ~~his or her~~ *the claimant's* agent, of both of the following:
 - (i) The identity and the whereabouts of the work of fine art. In the case where there is a possibility of misidentification of the object of fine art in question, the identity can be satisfied by the identification of facts sufficient to determine that the work of fine art is likely to be the work of fine art that was unlawfully taken or stolen.
 - (ii) Information or facts that are sufficient to indicate that the claimant has a claim for a possessory interest in the work of fine art that was unlawfully taken or stolen.

(B) This paragraph shall apply to all pending and future actions commenced on or before December 31, 2017, including an action dismissed based on the expiration of statutes of ~~limitation~~ *limitations* in effect prior to the date of enactment of this statute if the judgment in that action is not yet final or if the time for filing an appeal from a decision on that action has not expired, provided that the action concerns a work of fine art that was taken within 100 years prior to the date of enactment of this statute.

(C) For purposes of this paragraph:

(i) "Actual discovery," notwithstanding Section 19 of the Civil Code, does not include constructive knowledge imputed by law.

(ii) "Auctioneer" means an individual who is engaged in, or who by advertising or otherwise holds ~~himself or herself~~ *the individual* out as being available to engage in, the calling for, the recognition of, and the acceptance of, offers for the purchase of goods at an auction as defined in subdivision (b) of Section 1812.601 of the Civil Code.

(iii) "Dealer" means a person who holds a valid seller's permit and who is actively and principally engaged in, or conducting the business of, selling works of fine art.

(iv) "Duress" means a threat of force, violence, danger, or retribution against an owner of the work of fine art in question, or ~~his or her~~ *the owner's* family member, sufficient to coerce a reasonable person of ordinary susceptibilities to perform an act that otherwise would not have been performed or to acquiesce to an act to which ~~he or she~~ *the person* would otherwise not have acquiesced.

(v) "Fine art" has the same meaning as defined in paragraph (1) of subdivision (d) of Section 982 of the Civil Code.

(vi) "Museum or gallery" shall include any public or private organization or foundation operating as a museum or gallery.

(4) Section 361 shall not apply to an action brought pursuant to paragraph (3).

(5) A party in an action to which paragraph (3) applies may raise all equitable and legal affirmative defenses and doctrines, including, without limitation, laches and unclean hands.

(d) An action for relief on the ground of fraud or mistake. The cause of action in that case is not deemed to have accrued until the discovery, by the aggrieved party, of the facts constituting the fraud or mistake.

(e) An action upon a bond of a public official except any cause of action based on fraud or embezzlement is not deemed to have accrued until the discovery, by the aggrieved party or ~~his or her~~ *the aggrieved party's* agent, of the facts constituting the cause of action upon the bond.

(f) (1) An action against a notary public on ~~his or her~~ *the notary public's* bond or in ~~his or her~~ *the notary public's* official capacity except that a cause of action based on malfeasance or misfeasance is not deemed to have accrued until discovery, by the aggrieved party or ~~his or her~~ *the aggrieved party's* agent, of the facts constituting the cause of action.

(2) Notwithstanding paragraph (1), an action based on malfeasance or misfeasance shall be commenced within one year from discovery, by the aggrieved party or ~~his or her~~ *the aggrieved party's* agent, of the facts constituting the cause of action or within three years from the performance of the notarial act giving rise to the action, whichever is later.

(3) Notwithstanding paragraph (1), an action against a notary public on ~~his or her~~ *the notary public's* bond or in ~~his or her~~ *the notary public's* official capacity shall be commenced within six years.

(g) An action for slander of title to real property.

(h) An action commenced under Section 17536 of the Business and Professions Code. The cause of action in that case shall not be deemed to have accrued until the discovery by the aggrieved party, the Attorney General, the district attorney, the county counsel, the city prosecutor, or the city attorney of the facts constituting grounds for commencing the action.

(i) An action commenced under the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code). The cause of action in that case shall not be deemed to have accrued until the discovery by the State Water Resources Control Board or a regional water quality control board of the facts constituting grounds for commencing actions under their jurisdiction.

(j) An action to recover for physical damage to private property under Section 19 of Article I of the California Constitution.

(k) An action commenced under Division 26 (commencing with Section 39000) of the Health and Safety Code. These causes of action shall not be deemed to have accrued until the discovery by the State Air Resources Board or by a district, as defined in Section 39025 of the Health and Safety Code, of the facts constituting grounds for commencing the action under its jurisdiction.

(l) An action commenced under Section 1602, 1615, or 5650.1 of the Fish and Game Code. These causes of action shall not be deemed to have accrued until discovery by the agency bringing the action of the facts constituting the grounds for commencing the action.

(m) An action challenging the validity of the levy upon a parcel of a special tax levied by a local agency on a per parcel basis.

(n) An action commencing under Section 51.7 of the Civil Code.

(o) An action commenced under Section 4601.1 of the Public Resources Code, if the underlying violation is of Section 4571, 4581, or 4621 of the Public Resources Code, or of Section 1103.1 of Title 14 of the California Code of Regulations, and the underlying violation is related to the conversion of timberland to nonforestry-related agricultural uses. These causes of action shall not be deemed to have accrued until discovery by the Department of Forestry and Fire Protection.

(p) An action for civil penalties commenced under Section 26038 of the Business and Professions Code.

SEC. 2.

The Legislature finds and declares that this act furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

AB 633, Chapter 119

Partition of real property: Uniform Partition of Heirs Property Act.

Effective Date 1/1/2022

SECTION 1.

Section 872.020 of the Code of Civil Procedure is amended to read:

872.020.

(a) This title governs actions for partition of real property and, except to the extent not applicable, actions for partition of personal property.

(b) *Chapter 10 (commencing with Section 874.311) shall apply to actions filed on or after January 1, 2022, for partition of real property that is heirs property, as defined in Section 874.312.*

SEC. 2.

Chapter 10 (commencing with Section 874.311) is added to Title 10.5 of Part 2 of the Code of Civil Procedure, to read:

CHAPTER 10. Uniform Partition of Heirs Property Act

874.311.

This act shall be known, and may be cited, as the Uniform Partition of Heirs Property Act.

874.312.

For purposes of this chapter, the following definitions apply:

(a) *"Ascendant" means an individual who precedes another individual in lineage, in the direct line of ascent from the other individual.*

(b) *"Collateral" means an individual who is related to another individual under the law of intestate succession of this state but who is not the other individual's ascendant or descendant.*

(c) *"Descendant" means an individual who follows another individual in lineage, in the direct line of descent from the other individual.*

(d) *"Determination of value" means a court order determining the fair market value of heirs property under Section 874.316 or 874.320 or adopting the valuation of the property agreed to by all cotenants.*

(e) *"Heirs property" means real property held in tenancy in common which satisfies all of the following requirements as of the filing of a partition action:*

(1) *There is no agreement in a record binding all the cotenants which governs the partition of the property.*

(2) *One or more of the cotenants acquired title from a relative, whether living or deceased.*

(3) *Any of the following applies:*

(A) *Twenty percent or more of the interests are held by cotenants who are relatives.*

(B) *Twenty percent or more of the interests are held by an individual who acquired title from a relative, whether living or deceased.*

(C) *Twenty percent or more of the cotenants are relatives.*

(f) *"Partition by sale" means a court-ordered sale of the entire heirs property, whether by auction, sealed bids, or open-market sale conducted under Section 874.320.*

(g) *"Partition in kind" means the division of heirs property into physically distinct and separately titled parcels.*

(h) *"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.*

(i) *"Relative" means an ascendant, descendant, or collateral or an individual otherwise related to another individual by blood, marriage, adoption, or state law other than this chapter.*

874.313.

(a) *This act applies to partition actions filed on or after January 1, 2022.*

(b) *In an action to partition real property under this title, the court shall determine whether the property is heirs property. If the court determines that the property is heirs property, the property shall be partitioned under this chapter unless all of the cotenants otherwise agree in a record.*

(c) *This chapter supplements the other provisions of this title and, if an action is governed by this chapter, this chapter shall control over any provisions of this title that are inconsistent with this chapter.*

874.314.

(a) *This act does not limit or affect the method by which service of a complaint in a partition action may be made.*

(b) *If the plaintiff in a partition action seeks an order of notice by publication and the court determines that the property may be heirs property, the plaintiff, not later than 10 days after the court's determination, shall post and maintain while the action is pending a conspicuous sign on the property that is the subject of the action. The sign shall state that the action has commenced and identify the name and address of the court and the common designation by which the property is known. The court may require the plaintiff to publish on the sign the name of the plaintiff and the known defendants.*

874.315.

If the court appoints referees pursuant to Section 873.010, each referee, in addition to any other requirements and disqualifications applicable to referees, shall be disinterested and impartial and not a party to or a participant in the action.

874.316.

(a) *Except as otherwise provided in subdivisions (b) and (c), if the court determines that the property that is the subject of a partition action is heirs property, the court shall determine the fair market value of the property by ordering an appraisal pursuant to subdivision (d).*

(b) *If all cotenants have agreed to the value of the property or to another method of valuation, the court shall adopt that value or the value produced by the agreed method of valuation.*

(c) *If the court determines that the evidentiary value of an appraisal is outweighed by the cost of the appraisal, the court, after an evidentiary hearing, shall determine the fair market value of the property and send notice to the parties of the value.*

(d) *If the court orders an appraisal, the court shall appoint a disinterested real estate appraiser licensed in this state to determine the fair market value of the property assuming sole ownership of the fee simple estate. On completion of the appraisal, the appraiser shall file a sworn or verified appraisal with the court.*

(e) If an appraisal is conducted pursuant to subdivision (d), not later than 10 days after the appraisal is filed, the court shall send notice to each party with a known address, stating all of the following:

(1) The appraised fair market value of the property.

(2) That the appraisal is available at the court clerk's office.

(3) That a party may file with the court an objection to the appraisal not later than 30 days after the notice is sent, stating the grounds for the objection.

(f) If an appraisal is filed with the court pursuant to subdivision (d), the court shall conduct a hearing to determine the fair market value of the property not sooner than 30 days after a copy of the notice of the appraisal is sent to each party under subdivision (e), whether or not an objection to the appraisal is filed under paragraph (3) of subdivision (e). In addition to the court-ordered appraisal, the court may consider any other evidence of value offered by a party.

(g) After a hearing under subdivision (f), but before considering the merits of the partition action, the court shall determine the fair market value of the property and send notice to the parties of the value.

874.317.

(a) If any cotenant requested partition by sale, the court shall, after the determination of value under Section 874.316, send notice to the parties that any cotenant except a cotenant that requested partition by sale may buy all the interests of the cotenants that requested partition by sale.

(b) Not later than 45 days after the notice is sent under subdivision (a), any cotenant except a cotenant that requested partition by sale may give notice to the court that it elects to buy all the interests of the cotenants that requested partition by sale.

(c) The purchase price for each of the interests of a cotenant that requested partition by sale is the value of the entire parcel determined under Section 874.316 multiplied by the cotenant's fractional ownership of the entire parcel.

(d) After expiration of the period described in subdivision (b), the following rules apply:

(1) If only one cotenant elects to buy all the interests of the cotenants that requested partition by sale, the court shall notify all the parties of that fact.

(2) If more than one cotenant elects to buy all the interests of the cotenants that requested partition by sale, the court shall allocate the right to buy those interests among the electing cotenants based on each electing cotenant's existing fractional ownership of the entire parcel divided by the total existing fractional ownership of all cotenants electing to buy and send notice to all the parties of that fact and of the price to be paid by each electing cotenant.

(3) If no cotenant elects to buy all the interests of the cotenants that requested partition by sale, the court shall send notice to all the parties of that fact and resolve the partition action under paragraphs (a) and (b) of Section 874.318.

(e) If the court sends notice to the parties under paragraph (1) or (2) of subdivision (d), the court shall set a date, not sooner than 60 days after the date the notice was sent, by which electing cotenants shall pay their apportioned price into the court. After this date, the following rules apply:

(1) If all electing cotenants timely pay their apportioned price into court, the court shall issue an order reallocating all the interests of the cotenants and disburse the amounts held by the court to the persons entitled to them.

(2) If no electing cotenant timely pays its apportioned price, the court shall resolve the partition action under paragraphs (a) and (b) of Section 874.318 as if the interests of the cotenants that requested partition by sale were not purchased.

(3) If one or more but not all of the electing cotenants fail to pay their apportioned price on time, the court, on motion, shall give notice to the electing cotenants that paid their apportioned price of the interest remaining and the price for all that interest.

(f) Not later than 20 days after the court gives notice pursuant to paragraph (3) of subdivision (e), any cotenant that paid may elect to purchase all of the remaining interest by paying the entire price into the court. After the 20-day period, the following rules apply:

(1) If only one cotenant pays the entire price for the remaining interest, the court shall issue an order reallocating the remaining interest to that cotenant. The court shall promptly issue an order reallocating the interests of all of the cotenants and disburse the amounts held by it to the persons entitled to them.

(2) If no cotenant pays the entire price for the remaining interest, the court shall resolve the partition action under paragraphs (a) and (b) of Section 874.318 as if the interests of the cotenants that requested partition by sale were not purchased.

(3) If more than one cotenant pays the entire price for the remaining interest, the court shall reapportion the remaining interest among those paying cotenants, based on each paying cotenant's original fractional ownership of the entire parcel divided by the total original fractional ownership of all cotenants that paid the entire price for the remaining interest. The court shall issue promptly an order reallocating all of the cotenants' interests, disburse the amounts held by it to the persons entitled to them, and promptly refund any excess payment held by the court.

(g) Not later than 45 days after the court sends notice to the parties pursuant to subdivision (a), any cotenant entitled to buy an interest under this section may request the court to authorize the sale as part of the pending action of the interests of cotenants named as defendants and served with the complaint but that did not appear in the action.

(h) If the court receives a timely request under subdivision (g), the court, after a hearing, may deny the request or authorize the requested additional sale on such terms as the court determines are fair and reasonable, subject to the following limitations:

(1) A sale authorized under this subdivision may occur only after the purchase prices for all interests subject to sale under subdivisions (a) to (f), inclusive, have been paid into court and those interests have been reallocated among the cotenants as provided in those subdivisions.

(2) The purchase price for the interest of a nonappearing cotenant is based on the court's determination of value under Section 874.316.

874.318.

(a) If all the interests of all cotenants that requested partition by sale are not purchased by other cotenants pursuant to Section 874.317, or if after conclusion of the buyout under Section 874.317 a cotenant remains that has requested partition in kind, the court shall order partition in kind unless the court, after consideration of the factors listed in Section 874.319, finds that partition in kind will result in great prejudice to the cotenants as a group. In considering whether

to order partition in kind, the court shall approve a request by two or more parties to have their individual interests aggregated.

(b) If the court does not order partition in kind under subdivision (a), the court shall order partition by sale pursuant to Section 874.320 or, if no cotenant requested partition by sale, the court shall dismiss the action.

(c) If the court orders partition in kind pursuant to subdivision (a), the court may require that one or more cotenants pay one or more other cotenants amounts so that the payments, taken together with the value of the in-kind distributions to the cotenants, will make the partition in kind just and proportionate in value to the fractional interests held.

(d) If the court orders partition in kind, the court shall allocate to the cotenants that are unknown, unlocatable, or the subject of a default judgment, if their interests were not bought out, a part of the property representing the combined interests of these cotenants as determined by the court.

874.319.

(a) In determining whether partition in kind would result in great prejudice to the cotenants as a group, the court shall consider the following:

(1) Whether the heirs property practicably can be divided among the cotenants.

(2) Whether partition in kind would apportion the property in such a way that the aggregate fair market value of the parcels resulting from the division would be materially less than the value of the property if it were sold as a whole, taking into account the condition under which a court-ordered sale likely would occur.

(3) Evidence of the collective duration of ownership or possession of the property by a cotenant and one or more predecessors in title or predecessors in possession to the cotenant who are or were relatives of the cotenant or each other.

(4) A cotenant's sentimental attachment to the property, including any attachment arising because the property has ancestral or other unique or special value to the cotenant.

(5) The lawful use being made of the property by a cotenant and the degree to which the cotenant would be harmed if the cotenant could not continue the same use of the property.

(6) The degree to which the cotenants have contributed their pro rata share of the property taxes, insurance, and other expenses associated with maintaining ownership of the property or have contributed to the physical improvement, maintenance, or upkeep of the property.

(7) Any other relevant factor.

(b) The court shall not consider any one factor in subdivision (a) to be dispositive without weighing the totality of all relevant factors and circumstances.

874.320.

(a) If the court orders a sale of heirs property, the sale shall be an open-market sale unless the court finds that a sale by sealed bids or an auction would be more economically advantageous and in the best interest of the cotenants as a group.

(b) If the court orders an open-market sale and the parties, not later than 10 days after the entry of the order, agree on a real estate broker licensed in the State of California to offer the property for sale, the court shall appoint the broker and establish a reasonable commission. If the parties do not agree on a broker, the court shall appoint a disinterested real estate broker licensed in the State of California to offer the property for sale and shall establish a reasonable

commission. The broker shall offer the property for sale in a commercially reasonable manner at a price no lower than the determination of value and on the terms and conditions established by the court.

(c) If the broker appointed under subdivision (b) obtains within a reasonable time an offer to purchase the property for at least the determination of value, the following requirements apply:

(1) The broker shall comply with the reporting requirements in Section 874.321.

(2) The sale shall be completed in accordance with state law.

(d) If the broker appointed under subdivision (b) does not obtain an offer to purchase the property for at least the determination of value within a reasonable time, the court, after a hearing, may do any of the following:

(1) Approve the highest outstanding offer, if any.

(2) Redetermine the value of the property and order that the property continue to be offered for an additional time.

(3) Order that the property be sold by sealed bids or at an auction.

(e) If the court orders a sale by sealed bids or an auction, the court shall set terms and conditions of the sale. If the court orders an auction, the auction shall be conducted under Chapter 6 (commencing with Section 873.510).

(f) If a purchaser is entitled to a share of the proceeds of the sale, the purchaser is entitled to a credit against the price in an amount equal to the purchaser's share of the proceeds.

874.321.

(a) A broker appointed to offer heirs property for open-market sale shall file a report with the court not later than seven days after receiving an offer to purchase the property for at least the value determined under Section 874.316 or 874.320.

(b) The report required by subdivision (a) shall contain the following information:

(1) A description of the property to be sold to each buyer.

(2) The name of each buyer.

(3) The proposed purchase price.

(4) The terms and conditions of the proposed sale, including the terms of any owner financing.

(5) The amounts to be paid to lienholders.

(6) A statement of contractual or other arrangements or conditions of the broker's commission.

(7) Other material facts relevant to the sale.

874.321.5.

In an action for partition of heirs property, the court may apportion the costs of partition, including an appraisal fee, pursuant to Section 874.040, except that the court shall not apportion the costs of partition to any party that opposes the partition unless doing so is equitable and consistent with the purposes of this chapter.

874.322.

In applying and construing this uniform act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

874.323.

This act modifies, limits, and supersedes the Electronic Signatures in Global and National Commerce Act (15 U.S.C. Sec. 7001 et seq.), but does not modify, limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)), or authorize electronic delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. Section 7003(b)).

AB 861, Chapter 706

Mobilehome parks: rental restrictions: management.

Effective Date 1/1/2022

SECTION 1.

Section 798.23 of the Civil Code is amended to read:

798.23.

(a) ~~The owner of the park, and any person employed by the park,~~ *Management* shall be subject to, and comply with, all park rules and ~~regulations,~~ *regulations* to the same extent as residents and their guests.

(b) Subdivision (a) of this section does not apply to either of the following:

(1) Any rule or regulation that governs the age of any resident or guest.

(2) Acts of ~~a park owner or park employee which~~ *management that* are undertaken to fulfill ~~a park owner's management's~~ maintenance, management, and business operation responsibilities.

(c) (1) Notwithstanding subdivision (b) and subject to paragraph (2), management shall be subject to, and comply with, all rules and regulations that prohibit a homeowner from renting or subleasing the homeowner's mobilehome or mobilehome space.

(2) (A) If a rule or regulation has been enacted that prohibits either renting or subleasing by a homeowner, management shall not directly rent a mobilehome except as follows:

(i) Management may directly rent up to two mobilehomes within the park for the purpose of housing onsite employees.

(ii) For every 200 mobilehomes in a park, the management may directly rent one more mobilehome within the park, in addition to the mobilehomes authorized for direct rental pursuant to clause (i), for the purpose of housing onsite employees.

(B) For purposes of this paragraph, "the purpose of housing onsite employees" includes directly renting a mobilehome to a person who is not an onsite employee to avoid a vacancy during times when the mobilehome is authorized for direct rental pursuant to subparagraph (A) and not needed for housing onsite employees.

(d) Notwithstanding subdivision (c), management may continue to directly rent a mobilehome to a tenant if both of the following apply:

(1) The tenancy was initially established by a rental agreement executed before January 1, 2022.

(2) A tenant listed on the rental agreement described in paragraph (1) continues to occupy the mobilehome.

(e) (1) A park shall be exempt from the provisions of subdivision (c) if either of the following apply:

(A) The park is owned and operated by an organization that qualifies as an exempt organization under Section 501(c)(3) of the United States Internal Revenue Code of 1986, and the property has been granted an exemption from property taxation pursuant to Section 214 of the Revenue and Taxation Code.

(B) The park is owned by a government agency or an entity controlled by a government agency, and has an affordability covenant in place.

(2) The exemption contained in paragraph (1) applies only to those mobilehomes or mobilehome sites within a park that are restricted for use as affordable housing pursuant to either a written regulatory agreement or the policy or practice of the exempt organization or government agency.

AB 869, Chapter 60
State funds: investments.
Effective Date 1/1/2022

SECTION 1.

Section 16430 of the Government Code is amended to read:

16430.

Eligible securities for the investment of surplus moneys shall be any of the following:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are guaranteed as to principal and interest by a federal agency of the United States.

(c) Bonds, notes, and warrants of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the state, municipal utility district, or school district of this state.

(e) Any of the following:

(1) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended (12 U.S.C. Sec. 2001 et seq.).

(2) Debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended (12 U.S.C. Sec. 2001 et seq.).

(3) Bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act (12 U.S.C. Sec. 1421 et seq.).

(4) Stocks, bonds, debentures, and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended (12 U.S.C. Sec. 1701 et seq.).

(5) Bonds of any federal home loan bank established under that act.

(6) Obligations of the Federal Home Loan Mortgage Corporation.

(7) Bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended (16 U.S.C. Sec. 831 et seq.).

(8) Other obligations guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. Sec. 714 et seq.).

(9) Bonds, notes, warrants, and other securities not in default that are the direct obligations of the government of a foreign country that the International Monetary Fund lists as an advanced economy and for which the full faith and credit of that country has been pledged for the payment of principal and interest, if the securities are rated investment grade or its equivalent, or better, by a nationally recognized rating organization. Securities eligible for investment pursuant to this subdivision shall satisfy all of the following:

(A) Be United States dollar denominated with a maximum maturity of five years or less, and eligible for purchase and sale within the United States.

(B) The combined par value of all of the investments authorized by this subdivision do not exceed 1 percent of the total par value of Pooled Money Investment Account assets at the time of purchase.

(C) The government of the foreign country issuing the securities shall submit to the federal jurisdiction of the courts of the United States and to the state jurisdiction of the California courts when disputes arise related to the investments.

(f) (1) Commercial paper of "prime" quality as defined by a nationally recognized organization that rates these securities, if the commercial paper is issued by a federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company that is approved by the Pooled Money Investment Board as meeting the conditions specified in either subparagraph (A) or subparagraph (B):

(A) Both of the following conditions:

(i) Organized and operating within the United States.

(ii) Having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Both of the following conditions:

(i) Organized within the United States as a federally or state-chartered bank or a state-licensed branch of a foreign bank, special purpose corporation, trust, or limited liability company.

(ii) Having programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(2) A purchase of eligible commercial paper may not do any of the following:

(A) Exceed 270 days maturity.

- (B) Represent more than 10 percent of the outstanding paper of an issuing federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company.
- (C) Exceed 30 percent of the resources of an investment program.
- (3) At the request of the Pooled Money Investment Board, an investment made pursuant to this subdivision shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.
- (g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, that are eligible for purchase by the Federal Reserve System.
- (h) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union. For the purposes of this section, negotiable certificates of deposits are not subject to Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).
- (i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.
- (j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.
- (k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).
- (l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.
- (m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.
- (n) Negotiable Order of Withdrawal Accounts (NOW Accounts), invested in accordance with Chapter 4 (commencing with Section 16500).

AB 1061, Chapter 625
Mobilehome Residency Law: water utility charges.
Effective Date 1/1/2022

SECTION 1.

Section 798.40 of the Civil Code is amended to read:

798.40.

- (a) Where ~~the~~ management provides both master-meter and submeter service of utilities to a homeowner, for each billing period the cost of the charges for the period shall be separately stated along with the opening and closing readings for ~~his or her meter. The management the~~ *homeowner's meter. Management* shall post, in a conspicuous place, the specific current

residential utility rate schedule as published by the serving utility or the ~~Internet Web site~~ *internet website* address of the specific current residential utility rate schedule. If ~~the~~ management elects to post the ~~Internet Web site~~ *internet website* address where the schedule may be accessed, ~~the management shall also: (1) provide a copy of the specific current residential utility rate schedule, upon request, at no cost; and (2) state in the posting that a homeowner may request a copy of the rate schedule from management.~~ *do both of the following:*

(1) Provide a copy of the specific current residential utility rate schedule, upon request, at no cost.

(2) State in the posting that a homeowner may request a copy of the rate schedule from management.

(b) If a third-party billing agent or company prepares utility billing for the park, ~~the management~~ shall disclose on each resident's billing, the name, address, and telephone number of the billing agent or company.

(c) Whenever management elects to separately bill water service to a homeowner as a utility service pursuant to Section 798.41, and to provide submetered water service to homeowners as a master-meter customer of the water purveyor, as a part of the regular bill for water service, management shall only bill a homeowner for the following water service:

(1) A charge for volumetric usage, which may be calculated in any of the following ways:

(A) The amount shall be calculated by first determining the proportion of the homeowner's usage, as shown by the submeter, to the total usage as shown by the water purveyor's billing. The dollar amount billed to the homeowner for usage shall be in that same proportion to the dollar amount for usage shown by the water purveyor's billing.

(B) If the water purveyor charges for volumetric usage based on a tiered rate schedule, management may calculate the charge for a homeowner's volumetric usage as described in subparagraph (A) or management may instead divide each tier's volume evenly among the number of mobilehome spaces, and the rate applicable to each block shall be applied to the consumption recorded for each mobilehome space.

(C) If the water purveyor charges the property rates on a per-mobilehome space basis, the homeowners may be charged at those exact per-mobilehome space rates.

(D) In no event shall the charge for volumetric usage under this paragraph include in its calculation water used by or for any common area facility in the park, or water used by any other person or entity, other than the homeowner being billed.

(2) Any recurring fixed charge, however that charge may be designated, for water service billed to the property by the water purveyors that, at management's discretion, shall be calculated by either of the following:

(A) The homeowner's proportion of the total fixed charges charged to management for the park's water use. The homeowner's proportion shall be based on the percentage of the homeowner's volumetric water use in relation to the total volumetric water use of the entire park, as shown on management's water bill during that period.

(B) Dividing the total fixed charges charged to the park equally among the total number of spaces at the park.

(3) A billing, administrative, or other fee representing the combined total of management's and the billing agent's costs, which shall be the lesser of an amount not to exceed four dollars and seventy-five cents (\$4.75), as adjusted pursuant to this paragraph, or 25 percent of the amount billed pursuant to paragraph (1). Beginning January 1, 2022, the maximum fee authorized by this paragraph may be adjusted each calendar year by management, no higher than a commensurate increase in the Consumer Price Index based on a California fiscal year average for the previous fiscal year, for all urban consumers, as determined by the Department of Finance.

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

(1) "Billing agent" means a person or entity that contracts to provide submetering services to management, including billing.

(2) "Submeter" means a device that measures water consumption of an individual mobilehome space within a park, and that is owned and operated by management.

(3) "Water service" includes any charges, whether presented for payment on local water purveyor bills, tax bills, or bills from other entities, related to water treatment, distribution, or usage, including, but not limited to, water, sewer, stormwater, and flood control.

(4) "Water purveyor" means a water purveyor as defined in Section 512 of the Water Code.

(e) Nothing in this section shall be construed to prevent management from recovering its costs to install, maintain, or improve its internal water delivery system, as may otherwise be allowed in any rental agreement or local regulation.

AB 1138, Chapter 530

Unlawful cannabis activity: civil enforcement.

Effective Date 1/1/2022

SECTION 1.

Section 26038 of the Business and Professions Code is amended to read:

26038.

(a) (1) A person engaging in commercial cannabis activity without a license ~~as~~ required by this division shall be subject to civil penalties of up to three times the amount of the license fee for each ~~violation, and the court may order the destruction of cannabis associated with that violation in accordance with Section 11479 of the Health and Safety Code.~~ violation. Each day of operation shall constitute a separate violation of this section. ~~All civil penalties imposed and collected pursuant to this section by the department shall be deposited into the General Fund except as provided in subdivision (b). A violator shall be responsible for the cost of the destruction of cannabis associated with their violation.~~

(2) A person aiding and abetting unlicensed commercial cannabis activity shall be subject to civil penalties of up to three times the amount of the license fee for each violation, but in no case shall the penalty exceed thirty thousand dollars (\$30,000) for each violation. Each day of operation of unlicensed commercial cannabis activity that a person is found to have aided and abetted shall constitute a separate violation of this section.

(3) In assessing a penalty, a court shall give due consideration to the appropriateness of the amount of the civil penalty with respect to factors the court determines to be relevant, including the following:

(A) The gravity of the violation by the licensee or person.

(B) The good faith of the licensee or person.

(C) The licensee's or person's history of previous violations.

(D) Whether, and to what extent, the licensee or person profited from the unlicensed cannabis activity.

(4) Cannabis associated with a violation described in this subdivision may be destroyed in accordance with Section 11479 of the Health and Safety Code. The person in violation shall be responsible for the cost of the destruction of cannabis associated with their violation.

(b) An action for civil penalties brought against a person pursuant to this division shall not be commenced unless the action is filed within three years from the date of the violation.

(c) All civil penalties imposed and collected pursuant to this section by a court shall be deposited into the General Fund except as provided in subdivision (e).

(d) For the purposes of this section, in order to prove that a person aided and abetted an unlicensed cannabis activity all of the following must be demonstrated:

(1) The person was an owner, officer, controlling shareholder, or in a similar position of authority allowing them to make command or control decisions regarding the operations and management of the unlicensed cannabis activity or the property in which the activity is taking place.

(2) The person had actual knowledge that the cannabis activity was unlicensed and that the cannabis activity required a license.

(3) The person provided substantial assistance or encouragement to the unlicensed cannabis activity.

(4) The person's conduct was a substantial factor in furthering the unlicensed cannabis activity.

(e) (1) If an action for civil penalties is brought against a person pursuant to this division by the Attorney General on behalf of the people or on behalf of the department or a participating agency, the penalty shall first be used to reimburse the Attorney General and the department or the participating agency for the costs of investigating and prosecuting the action, including expert fees and reasonable attorney's fees, with the remainder, if any, to be deposited into the General Fund.

(2) If the action is brought by a county counsel, the penalty shall first be used to reimburse the county counsel for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund.

~~*(b) (3) If an action for civil penalties is brought against a person pursuant to this division by the Attorney General on behalf of the people, the penalty collected shall be deposited into the General Fund. If the*~~ *the action is brought by a district attorney or county counsel, the penalty shall first be used to reimburse the district attorney or county counsel for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund. If the action is brought by a city attorney or city prosecutor, the penalty collected shall first be used to reimburse the city attorney or city prosecutor for the costs of bringing the action for civil penalties, with the remainder, if any, to be deposited into the General Fund.*

(4) Actions for civil penalties pursuant to paragraph (2) of subdivision (a) shall be brought exclusively by the Attorney General on behalf of the people, on behalf of the department, or on behalf of the participating agency, or by a city or county counsel or city prosecutor in a city or county having a population in excess of 750,000.

~~(e)~~ (f) Notwithstanding subdivision (a), criminal penalties shall continue to apply to an unlicensed person engaging in commercial cannabis activity in violation of this division.

(g) This section does not limit, preempt, or otherwise affect any other state or local law, rule, regulation, or ordinance applicable to the conduct described in subdivision (a), or otherwise relating to commercial cannabis activities.

SEC. 2.

The Legislature finds and declares that this act furthers the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

AB 1203, Chapter 418

Property taxation: assessment appeals board: qualifications: County of Los Angeles.
Effective Date 1/1/2022

SECTION 1.

Section 1624.05 of the Revenue and Taxation Code is amended to read:

1624.05.

(a) A person shall not be eligible for nomination for membership on an assessment appeals board unless ~~he or she has~~ *they have* a minimum of five years' professional experience in this state as one of the following: certified public accountant or public accountant, licensed real estate broker, attorney, property appraiser accredited by a nationally recognized professional organization, property appraiser certified by the ~~Office Bureau~~ *Office Bureau* of Real Estate Appraisers, or property appraiser certified by the State Board of Equalization.

(b) Notwithstanding ~~the provisions of~~ subdivision (a), a person shall be eligible for nomination for membership on an assessment appeals board if, at the time of the nomination, ~~he or she is~~ *they are* a current member of an assessment appeals board.

(c) Notwithstanding subdivision (a), a person shall also be eligible for nomination for membership on an assessment appeals board for the County of Los Angeles if the person has a minimum of five years' professional experience in this state in a real estate field, including, but not limited to, business accounting and taxation, land use and urban planning, real estate development or investment analysis, and real estate banking or financing.

~~(e)~~ (d) Documentation of qualifying experience of appeals board members shall be filed with the clerk of the board.

~~(d)~~ (e) This section shall apply only to an assessment appeals board in a county with a population of 200,000 or more.

~~(e)~~ (f) County population estimates conducted by the Department of Finance pursuant to Section 13073.5 of the Government Code shall be used in determining the population of a county for purposes of this section.

SEC. 2.

Section 1624.1 of the Revenue and Taxation Code is amended to read:

1624.1.

~~No~~ (a) A person shall *not* be qualified to be a member of an assessment appeals board ~~who if the person~~ has, within the three years immediately preceding ~~his or her~~ *their* appointment to that board, been an employee of an assessor's office.

(b) (1) Notwithstanding subdivision (a), the board of supervisors for the County of Los Angeles may reduce, by resolution, the restriction described in subdivision (a) to no less than one year.

(2) This subdivision shall remain operative only until January 1, 2028, and is inoperative as of that date.

SEC. 3.

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 relating to property tax assessment in the County of Los Angeles.

AB 1320, Chapter 453

Money transmission: customer service.

Effective Date 1/1/2022

SECTION 1.

Section 2103 of the Financial Code is amended to read:

2103.

(a) In the case of money received for transmission, the licensee or its agent shall give the customer a receipt at the time of the transaction.

(1) The receipt shall contain the following information, as applicable:

(A) The name of the sender.

(B) The name of the designated recipient.

(C) The date of the transaction, which is the day the customer funds the money transmission.

(D) The name of the licensee.

(E) The amount to be transferred to the designated recipient, in the currency in which the money transmission is funded, using the term "Transfer Amount" or a substantially similar term.

(F) Any fees and taxes imposed on the money transmission by the licensee or its agent which are payable or have been paid by the sender, in the currency in which the money transmission is funded, using the terms "transfer fees" for fees and "transfer taxes" for taxes, or substantially similar terms.

(G) The total amount of the transaction, which is the sum of subparagraphs (E) and (F), in the currency in which the money transmission is funded, using the term "total" or a substantially similar term.

(H) The exchange rate, if any, used by the licensee or its agent for the money transmission, rounded consistently for each currency to no fewer than two decimal places and no more than four decimal places, using the term "exchange rate" or a substantially similar term.

(I) For all transmissions, other than transmissions related to e-commerce transactions, the amount that will be received by the designated recipient, in the currency in which the funds will be received, using the term “total to recipient” or a substantially similar term. For transmissions related to e-commerce transactions, the amount that will be received by the designated recipient before any fees, taxes, or other amounts payable by the designated recipient are deducted, using the term “total to recipient” or a substantially similar term. These fees, taxes, or other amounts shall be disclosed to the designated recipient. The disclosure of fees, taxes, or other amounts payable by the designated recipient, which need not be disclosed to the sender, shall be disclosed as part of a separate written agreement between the licensee and the designated recipient.

(J) For receipts issued on or after July 1, 2022, a telephone number through which the customer may contact the licensee pursuant to Section 2107.

(2) (A) In addition to the disclosures set forth in paragraph (1), the receipt shall either include or have attached a conspicuous statement as follows:

<p>“RIGHT TO REFUND</p>
<p>You, the customer, are entitled to a refund of the money to be transmitted as the result of this agreement if _____ (name of licensee) does not forward the money received from you within 10 days of the date of its receipt, or does not give instructions committing an equivalent amount of money to the person designated by you within 10 days of the date of the receipt of the funds from you unless otherwise instructed by you.</p>
<p>If your instructions as to when the moneys shall be forwarded or transmitted are not complied with and the money has not yet been forwarded or transmitted, you have a right to a refund of your money.</p>
<p>If you want a refund, you must mail or deliver your</p>

written request to _____
(name of licensee) at _____
(mailing address of licensee).
If you do not receive your
refund, you may be entitled
to your money back plus a
penalty of up to \$1,000 and
attorney's fees pursuant to
Section 2102 of the
California Financial Code."

(B) The right to refund statement set forth in subparagraph (A) is not required to be included on receipts involving e-commerce transactions where the customer sends a payment for goods or services.

(3) The receipt required by this section shall be made in English and in the language principally used by that licensee or that agent to advertise, solicit, or negotiate, either orally or in writing, at that branch office, if other than English. For transactions that do not occur in a branch office, the receipt shall be made in English and in the language principally used by that licensee or that agent to advertise, solicit, or negotiate money transmission, either orally or in writing.

(4) The receipt required by this subdivision may be provided electronically for transactions that are initiated electronically or in which a customer agrees to receive an electronic receipt.

(5) Disclosures in the receipt required by this subdivision shall be in a minimum 8-point font, except for receipts provided via mobile phone or text message.

(b) If window and exterior signs concerning the rates of exchange for money received for transmission are used, they shall clearly state in English and in the same language principally used by the licensee or any agent of the licensee to advertise, solicit, or negotiate, either orally or in writing, at that branch office if other than English, the rate of exchange for exchanging the currency of the United States for foreign currency. If an interior sign or any advertising is used that quotes exchange rates, it shall, in addition to clearly stating the rates of exchange for exchanging the currency of the United States for foreign currency, also state all commissions and fees charged on all such transactions.

(c) At each branch office, there shall be disclosed the exchange rates, fees, and commissions charged in English and in the same language principally used by the licensee or any agent of the licensee to advertise, solicit, or negotiate, either orally or in writing, with respect to money received for transmission at that branch office. At each branch office, there shall be signage clearly identifying the name of the licensee as well as any trade names used by the licensee at that branch office. In the event that a licensee or agent conducts money transmission activity via an ~~Internet Web site~~ [internet website](#) or mobile application that is not in a branch office, the commissioner may authorize an alternative disclosure meeting the requirements of this section. Any ~~Internet Web site~~ [internet website](#) through which a licensee conducts money transmission shall clearly identify the name of the licensee as well as any trade names used by the licensee on the ~~Internet Web site~~ [internet website](#).

(d) If the customer does not specify at the time the money is presented to the licensee or its agent the country to which the money is to be transmitted, the rate of exchange for the transaction is not required to be set forth on the receipt. If the customer does specify at the time the money is presented to the licensee or its agent the country to which the money is to be

transmitted but the specified country's laws require the rate of exchange for the transaction to be determined at the time the transaction is paid out to the intended recipient, the rate of exchange for the transaction is not required to be set forth on the receipt.

SEC. 2.

Section 2107 is added to the Financial Code, to read:

2107.

(a) A licensee shall prominently display on its internet website a toll-free telephone number through which a customer may contact the licensee for customer service issues and receive live customer assistance.

(b) The telephone line shall be operative at least 10 hours per day, Monday through Friday, excluding federal holidays.

(c) This section shall become operative on July 1, 2022.

AB 1583, Chapter 67

Property taxation: equalized assessment roll: aircrafts.

Effective Date 1/1/2022

SECTION 1.

Section 96.5 of the Revenue and Taxation Code is amended to read:

96.5.

The difference between the total amount of property tax revenue computed each year using the equalized assessment roll and the sum of the amounts allocated pursuant to subdivision (a) of Section 96.1 shall be known and may be cited as the annual tax increment, and shall be allocated, subject to allocation and payment of funds as provided for in subdivision (b) of Section 33670 of the Health and Safety Code, and modified by any adjustments made pursuant to Section 99 or 99.02, as follows:

(a) (1) For each tax rate area, the auditor shall determine an amount of property tax revenue by multiplying the value of the change in taxable assessed value from the equalized assessment roll for the prior fiscal year to the equalized assessment roll for the current fiscal year by a tax rate of four dollars (\$4) per one hundred dollars (\$100) of assessed value. When computing the change in taxable assessed value between the 1980–81 fiscal year and the 1981–82 fiscal year, the assessed values for the 1980–81 fiscal year shall be multiplied by four. Starting with the 1981–82 fiscal year, the tax rate used in this calculation shall be one dollar (\$1) per one hundred dollars (\$100) of full value.

(2) (A) For purposes of this section, including for apportioning property tax revenues pursuant to Sections 96.1 and 96.2, commencing with the 2022–23 fiscal year, the equalized assessment roll shall exclude aircraft assessed values, as calculated under Part 10 (commencing with Section 5301) of this division.

(B) Any counties that did not exclude aircraft assessed values from the equalized assessment roll prior to the 2022–23 fiscal year shall exclude aircraft assessed values from the equalized assessment roll for the 2021–22 fiscal year solely for purposes of determining the annual tax increment for the 2022–23 fiscal year.

(b) Each amount determined pursuant to subdivision (a) shall be divided by the total of all those amounts computed for all tax rate areas within the county.

(c) The difference between the total amount of property tax revenue for the county and the sum of the amounts allocated pursuant to subdivisions (a) and (b) of Section 96 or subdivision (a) of Section 96.1 shall be computed.

(d) The amount determined pursuant to subdivision (c) shall be multiplied by the quotients determined pursuant to subdivision (b) to derive, for each tax rate area, the amount of property tax revenue attributable to changes in assessed valuation.

(e) Except as provided in paragraph (4) of subdivision (b) of former Section 97.3, as that section read on January 1, 1994, in the 1984–85 fiscal year only, in subdivision (d) of former Section 97.32, as that section read on January 1, 1994, in the 1985–86 fiscal year only, and in paragraph (4) of subdivision (b) of former Sections 97.35, 97.37, and 97.38 in the 1989–90 fiscal year only, the amount of property tax revenue determined pursuant to subdivision (d) shall be allocated to the jurisdictions in the tax rate area in the same proportion that the total property tax revenue determined pursuant to subdivision (d) for the prior year was allocated to all those jurisdictions in the tax rate area except that those proportions within each tax rate area may be adjusted for affected agencies pursuant to the provisions of Section 99 or 99.02.

(f) Any agency that has not filed a map of its boundaries by January 1, in compliance with Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, shall not receive any allocation pursuant to this section for the following fiscal year.

(g) For purposes of the calculations made pursuant to this section or its predecessor for the 1993–94 and 1998–99 fiscal years, the amount of property tax revenue allocated to the county, a city, a special district, a school district, community college district, or an Educational Reserve Augmentation Fund in the prior fiscal year shall be that amount as determined pursuant to Section 96.1, as modified or as provided in Article 3 (commencing with Section 97).

SEC. 2.

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.

SB 60, Chapter 307

Residential short-term rental ordinances: health or safety infractions: maximum fines.

Effective Date 9/24/2021

SECTION 1.

Section 25132 of the Government Code is amended to read:

25132.

(a) Violation of a county ordinance is a misdemeanor unless by ordinance it is made an infraction. The violation of a county ordinance may be prosecuted by county authorities in the name of the people of the State of California, or redressed by civil action.

(b) Every violation that is an infraction is punishable by the following:

(1) A fine not exceeding one hundred dollars (\$100) for a first violation.

(2) A fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance within one year of the first violation.

(3) A fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance within one year of the first violation.

(c) Notwithstanding any other law, a violation of local building and safety codes that is an infraction is punishable by the following:

(1) A fine not exceeding one hundred thirty dollars (\$130) for a first violation.

(2) A fine not exceeding seven hundred dollars (\$700) for a second violation of the same ordinance within one year of the first violation.

(3) (A) A fine not exceeding one thousand three hundred dollars (\$1,300) for each additional violation of the same ordinance within one year of the first violation.

(B) A fine not exceeding two thousand five hundred dollars (\$2,500) for each additional violation of the same ordinance within two years of the first violation if the property is a commercial property that has an existing building at the time of the violation and the violation is due to failure by the owner to remove visible refuse or failure to prohibit unauthorized use of the property.

(d) (1) Notwithstanding any other law, including subdivisions (b), (c), and (e), a violation of an event permit requirement that is an infraction is punishable by the following:

(A) A fine not exceeding one hundred fifty dollars (\$150) for the first violation of an event permit requirement.

(B) A fine not exceeding seven hundred dollars (\$700) for a second occurrence of the same violation of an event permit requirement by the same owner or operator within three years of the first violation.

(C) A fine not exceeding two thousand five hundred dollars (\$2,500) for each additional occurrence of the same violation of an event permit requirement by the same owner or operator within three years of the first violation.

(2) (A) For purposes of this subdivision, "violation of an event permit requirement" means failure to obtain a permit required for a professionally organized special event on private property that is commercial in nature, or from which the owner or operator derives a commercial benefit.

(B) For purposes of this paragraph, the following definitions apply:

(i) "Commercial in nature" means that a primary purpose of the special event is to derive an economic benefit resulting from the holding of the event through admission charges or sales of merchandise that occur as part of the event.

(ii) "Commercial benefit" means any remuneration received in exchange for allowing the property upon which the event occurs to be used for the event, including any remuneration that results from the rental of the property for a term of less than 31 consecutive days.

(e) (1) Notwithstanding any other law, including subdivisions (b), (c), and (d), the violation of a short-term rental ordinance that is an infraction is punishable by the following:

(A) A fine not exceeding one thousand five hundred dollars (\$1,500) for a first violation.

(B) A fine not exceeding three thousand dollars (\$3,000) for a second violation of the same ordinance within one year.

(C) A fine not exceeding five thousand dollars (\$5,000) for each additional violation of the same ordinance within one year of the first violation.

(2) For purposes of this section, "short-term rental" means a residential dwelling, or any portion of a residential dwelling, that is rented to a person or persons for 30 consecutive days or less.

(3) For purposes of this section, "residential dwelling" means a private structure designed and available, pursuant to applicable law, for use and occupancy as a residence by one or more individuals. "Residential dwelling" does not include a commercially operated hotel, motel, bed and breakfast inn, or time-share property as defined by subdivision (aa) of Section 11212 of the Business and Professions Code.

(4) The fine limits set by this subdivision apply only to infractions that pose a threat to public health or safety. The fines described in this subdivision shall not apply to a first time offense of failure to register or pay a business license fee. Nothing in this subdivision limits the authority of a county, or city and county, to establish lower fines for specific violations by ordinance.

(f) A county levying a fine pursuant to paragraphs (2) and (3) of subdivisions (b) and (c), and paragraph (1) of subdivision (e), shall establish a process for granting a hardship waiver to reduce the amount of the fine upon a showing by a responsible party that the responsible party has made a bona fide effort to comply after the first violation, and that payment of the full amount of the fine would impose an undue financial burden on the responsible party.

SEC. 2.

Section 36900 of the Government Code is amended to read:

36900.

(a) Violation of a city ordinance is a misdemeanor unless by ordinance it is made an infraction. The violation of a city ordinance may be prosecuted by city authorities in the name of the people of the State of California, or redressed by civil action.

(b) Every violation determined to be an infraction is punishable by the following:

(1) A fine not exceeding one hundred dollars (\$100) for a first violation.

(2) A fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance within one year.

(3) A fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance within one year.

(c) Notwithstanding any other law, a violation of local building and safety codes determined to be an infraction is punishable by the following:

(1) A fine not exceeding one hundred thirty dollars (\$130) for a first violation.

(2) A fine not exceeding seven hundred dollars (\$700) for a second violation of the same ordinance within one year.

(3) (A) A fine not exceeding one thousand three hundred dollars (\$1,300) for each additional violation of the same ordinance within one year of the first violation.

(B) A fine not exceeding two thousand five hundred dollars (\$2,500) for each additional violation of the same ordinance within two years of the first violation if the property is a commercial property that has an existing building at the time of the violation and the violation is due to

failure by the owner to remove visible refuse or failure to prohibit unauthorized use of the property.

(d) (1) Notwithstanding any other law, including subdivisions (b) and (c), the violation of a short-term rental ordinance that is an infraction is punishable by the following:

(A) A fine not exceeding one thousand five hundred dollars (\$1,500) for a first violation.

(B) A fine not exceeding three thousand dollars (\$3,000) for a second violation of the same ordinance within one year.

(C) A fine not exceeding five thousand dollars (\$5,000) for each additional violation of the same ordinance within one year of the first violation.

(2) For purposes of this section, "short-term rental" means a residential dwelling, or any portion of a residential dwelling, that is rented to a person or persons for 30 consecutive days or less.

(3) For purposes of this section, "residential dwelling" means a private structure that is designed and available, pursuant to applicable law, for use and occupancy by one or more individuals. "Residential dwelling" does not include a commercially operated hotel, motel, bed and breakfast inn, or a time-share property as defined by subdivision (aa) of Section 11212 of the Business and Professions Code.

(4) The fine limits set by this subdivision apply only to infractions that pose a threat to public health or safety. The fines described in this subdivision shall not apply to a first time offense of failure to register or pay a business license fee. Nothing in this subdivision limits the authority of a city, or city and county, to establish lower fines for specific violations by ordinance.

(e) A city levying a fine pursuant to paragraphs (2) and (3) of subdivisions (b) and (c), and paragraph (1) of subdivision (d), shall establish a process for granting a hardship waiver to reduce the amount of the fine upon a showing by the responsible party that the responsible party has made a bona fide effort to comply after the first violation and that payment of the full amount of the fine would impose an undue financial burden on the responsible party.

SEC. 3.

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:

Due to the severe strain on public resources as restrictions related to COVID-19 are lifted statewide, it is necessary that this act take effect immediately.

SB 219, Chapter 131

Property taxation: delinquent penalties and costs: cancellation: public health orders.
Effective Date 7/23/2021

SECTION 1.

Section 4985.2 of the Revenue and Taxation Code is amended to read:

4985.2.

Any penalty, costs, or other charges resulting from tax delinquency may be canceled by the auditor or the tax collector upon a finding of any of the following:

(a) Failure to make a timely payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the principal payment for the proper amount of the tax due is made no later than June 30 of the fourth fiscal year following the fiscal year in which the tax became delinquent.

(b) There was an inadvertent error in the amount of payment made by the taxpayer, provided the principal payment for the proper amount of the tax due is made within 10 days after the notice of shortage is mailed by the tax collector.

(c) The cancellation was ordered by a local, state, or federal court.

(d) (1) Failure to make a timely payment is due to a documented hardship, as determined by the tax collector, arising from a shelter-in-place order if the principal payment for the proper amount of tax due is paid no later than June 30 of the fiscal year in which the payment first became delinquent.

(2) For purposes of this subdivision, "shelter-in-place order" means an order that meets all of the following criteria:

(A) The order is issued by the Governor or the local health officer of the city, county, or city and county in which the property is located or in which the property owner resides.

(B) The order is enforceable under Section 101029 or 120295 of the Health and Safety Code.

(C) The order requires all persons to remain in their place of residence, except for essential activities as defined in the order.

SEC. 2.

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. 3.

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:

The economic effects of the COVID-19 pandemic will continue to persist until after the delinquency deadlines for the first installment of property tax payments for the 2021–22 fiscal year has passed. Unless legislation provides otherwise, state law will require county tax collectors to impose delinquency penalties on taxpayers and small businesses who cannot pay that installment when the nonpayment results from a documented hardship resulting the economic effects of the pandemic.

SB 239, Chapter 635

Government finance: surplus investments: savings and loan associations or credit unions.
Effective Date 1/1/2022

SECTION 1.

Section 16430 of the Government Code is amended to read:

16430.

Eligible securities for the investment of surplus moneys shall be any of the following:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are *issued by or fully* guaranteed as to principal and interest by a federal agency ~~of the United States, or a United States government-sponsored enterprise, as defined by the Omnibus Budget Reconciliation Act of 1990 (Sec. 13112, Public Law 101-508; 2 U.S.C. Sec. 622(8)).~~

(c) Bonds, notes, and warrants of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the state, municipal utility district, or school district of this state.

(e) Any of the following:

(1) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended (12 U.S.C. Sec. 2001 et seq.).

(2) ~~Debentures and consolidated debentures~~ *Debentures, consolidated debentures, and other obligations* issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended (12 U.S.C. Sec. 2001 et seq.).

(3) ~~Bonds or debentures~~ *Bonds, debentures, and other obligations* of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act (12 U.S.C. Sec. 1421 et seq.).

(4) Stocks, bonds, debentures, and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended (12 U.S.C. Sec. 1701 et seq.).

(5) Bonds of any federal home loan bank established under that act.

(6) Obligations of the Federal Home Loan Mortgage Corporation.

(7) Bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended (16 U.S.C. Sec. 831 et seq.).

(8) Other obligations guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. Sec. 714 et seq.).

(f) (1) Commercial paper of "prime" quality as defined by a nationally recognized organization that rates these securities, if the commercial paper is issued by a federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company that is approved by the Pooled Money Investment Board as meeting the conditions specified in either subparagraph (A) or subparagraph (B):

(A) Both of the following conditions:

(i) Organized and operating within the United States.

(ii) Having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Both of the following conditions:

(i) Organized within the United States as a federally or state-chartered bank or a state-licensed branch of a foreign bank, special purpose corporation, trust, or limited liability company.

(ii) Having programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(2) A purchase of eligible commercial paper may not do any of the following:

(A) Exceed 270 days maturity.

(B) Represent more than 10 percent of the outstanding paper of an issuing federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company.

(C) Exceed 30 percent of the resources of an investment program.

(3) At the request of the Pooled Money Investment Board, an investment made pursuant to this subdivision shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, that are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union. For the purposes of this section, negotiable certificates of deposits are not subject to Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).

(l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank ~~of~~ *for* Puerto Rico.

(m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.

(n) Negotiable Order of Withdrawal Accounts (NOW Accounts), invested in accordance with Chapter 4 (commencing with Section 16500).

(o) Shares of any money market mutual fund subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission, provided that all of the following conditions are met:

(1) The money market mutual fund invests in securities and obligations described in one or more of the following: subdivision (a), (b), or (e) of this section or repurchase agreements or reverse repurchase agreements described in Section 16480.4.

(2) The financial institution issuing shares of the money market mutual fund has at least five years of experience investing in the types of securities and obligations being purchased by the state and has assets under management in the money market mutual fund in excess of ten billion dollars (\$10,000,000,000).

(3) The money market mutual fund shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, as defined by the United States Securities and Exchange Commission.

(4) The financial institution shall not impose a commission on the purchase or sale of fund shares by the state.

(5) The state shall not purchase more than 10 percent of a money market mutual fund's total assets.

(6) The state shall not invest more than 10 percent of the pool's funds in any single money market mutual fund meeting the requirements of this subdivision.

SEC. 1.5.

Section 16430 of the Government Code is amended to read:

16430.

Eligible securities for the investment of surplus moneys shall be any of the following:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are *issued by or fully* guaranteed as to principal and interest by a federal agency ~~of the United States, or a United States government-sponsored enterprise, as defined by the Omnibus Budget Reconciliation Act of 1990 (Sec. 13112, Public Law 101-508; 2 U.S.C. Sec. 622(8)).~~

(c) Bonds, notes, and warrants of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the state, municipal utility district, or school district of this state.

(e) Any of the following:

(1) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended (12 U.S.C. Sec. 2001 et seq.).

(2) ~~Debentures and consolidated debentures~~ *Debentures, consolidated debentures, and other obligations* issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended (12 U.S.C. Sec. 2001 et seq.).

(3) ~~Bonds or debentures~~ *Bonds, debentures, and other obligations* of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act (12 U.S.C. Sec. 1421 et seq.).

(4) Stocks, bonds, debentures, and other obligations of the Federal National Mortgage Association established under the National Housing Act, as amended (12 U.S.C. Sec. 1701 et seq.).

(5) Bonds of any federal home loan bank established under that act.

(6) Obligations of the Federal Home Loan Mortgage Corporation.

(7) Bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended (16 U.S.C. Sec. 831 et seq.).

(8) Other obligations guaranteed by the Commodity Credit Corporation for the export of California agricultural products under the Commodity Credit Corporation Charter Act, as amended (15 U.S.C. Sec. 714 et seq.).

(9) Bonds, notes, warrants, and other securities not in default that are the direct obligations of the government of a foreign country that the International Monetary Fund lists as an advanced economy and for which the full faith and credit of that country has been pledged for the payment of principal and interest, if the securities are rated investment grade or its equivalent, or better, by a nationally recognized rating organization. Securities eligible for investment pursuant to this subdivision shall satisfy all of the following:

(A) Be United States dollar denominated with a maximum maturity of five years or less, and eligible for purchase and sale within the United States.

(B) The combined par value of all of the investments authorized by this subdivision do not exceed 1 percent of the total par value of Pooled Money Investment Account assets at the time of purchase.

(C) The government of the foreign country issuing the securities shall submit to the federal jurisdiction of the courts of the United States and to the state jurisdiction of the California courts when disputes arise related to the investments.

(f) (1) Commercial paper of "prime" quality as defined by a nationally recognized organization that rates these securities, if the commercial paper is issued by a federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company that is approved by the Pooled Money Investment Board as meeting the conditions specified in either subparagraph (A) or subparagraph (B):

(A) Both of the following conditions:

(i) Organized and operating within the United States.

(ii) Having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Both of the following conditions:

(i) Organized within the United States as a federally or state-chartered bank or a state-licensed branch of a foreign bank, special purpose corporation, trust, or limited liability company.

(ii) Having programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(2) A purchase of eligible commercial paper may not do any of the following:

(A) Exceed 270 days maturity.

(B) Represent more than 10 percent of the outstanding paper of an issuing federally or state-chartered bank or a state-licensed branch of a foreign bank, corporation, trust, or limited liability company.

(C) Exceed 30 percent of the resources of an investment program.

(3) At the request of the Pooled Money Investment Board, an investment made pursuant to this subdivision shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state's investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, that are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union. For the purposes of this section, negotiable certificates of deposits are not subject to Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 et seq.) and eligible for resale to the Student Loan Marketing Association established pursuant to Section 133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).

(l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.

(n) Negotiable Order of Withdrawal Accounts (NOW Accounts), invested in accordance with Chapter 4 (commencing with Section 16500).

(o) Shares of any money market mutual fund subject to registration by, and under the regulatory authority of, the United States Securities and Exchange Commission, provided that all of the following conditions are met:

(1) The money market mutual fund invests in securities and obligations described in one or more of the following: subdivision (a), (b), or (e) of this section or repurchase agreements or reverse repurchase agreements described in Section 16480.4.

(2) The financial institution issuing shares of the money market mutual fund has at least five years of experience investing in the types of securities and obligations being purchased by the state and has assets under management in the money market mutual fund in excess of ten billion dollars (\$10,000,000,000).

(3) The money market mutual fund shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, as defined by the United States Securities and Exchange Commission.

(4) The financial institution shall not impose a commission on the purchase or sale of fund shares by the state.

(5) The state shall not purchase more than 10 percent of a money market mutual fund's total assets.

(6) The state shall not invest more than 10 percent of the pool's funds in any single money market mutual fund meeting the requirements of this subdivision.

SEC. 2.

Section 16522 of the Government Code is amended to read:

16522.

The following securities may be received as security for demand and time deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as those loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) (42 U.S.C. Sec. 1441 et seq.) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) (42 U.S.C. Sec. 1437 et seq.) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue or tax anticipation notes, and revenue bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act (Public Law 64-158), as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933 (Public Law 73-75), as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act (12 U.S.C. Sec. 1421 et seq.), bonds, debentures, and other obligations of the Federal National Mortgage Association and of the Government National Mortgage Association established under the National Housing Act of 1934 (Public Law 73-479) as amended, in the bonds of any federal home loan bank established under said act, bonds, debentures, and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970 (Public Law 91-351), and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831), as amended.

(f) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section ~~41700~~ 51350) of Part 3 of Division 31 of the Health and Safety Code.

(g) Promissory notes secured by first mortgages and first trust deeds upon residential real property located in California, provided that:

(1) Notwithstanding Section 16521, the promissory notes shall at all times be in an amount in value at least 50 percent in excess of the amount deposited with the bank;

(2) The Treasurer issues regulations, establishes procedures for determining the value of the promissory notes and develops standards necessary to protect the security of the deposits so collateralized;

(3) The depository may exercise, enforce, or waive any right or power granted to it by promissory note, mortgage, or deed of trust; and

(4) The following may not be used as security for deposits:

(A) Any promissory note on which any payment is more than 90 days past due,

(B) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust, or

(C) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(h) Bonds issued by the State of Israel.

(i) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank for Puerto Rico.

(j) Any municipal securities, as defined by Section 3(a)(29) of the Securities Exchange Act of ~~June 6,~~ 1934, (15 U.S.C. 78, as amended), which are issued by this state or any local agency thereof.

(k) Letters of credit issued by the Federal Home Loan Bank of San Francisco, which shall be in the form and shall contain provisions as the Treasurer may prescribe, and shall include the following terms:

(1) The Treasurer shall be the beneficiary of the letter of credit.

(2) The letter of credit shall be clean and irrevocable, and shall provide that the Treasurer may draw upon it up to the total amount in the event of the failure of the bank or if the bank refuses to permit the withdrawal of funds by the Treasurer or any other authorized state officer or employee.

(3) Notwithstanding Section 16521, the letter of credit shall at all times be an amount in value of at least 100 percent of the amount deposited with the bank.

(l) An eligible bank that has been selected by the Treasurer for the safekeeping of money belonging to, or in the custody of, the state, and that has its headquarters located outside of the state, may submit letters of credit that are drawn on its regional federal home loan bank as

security, solely for deposits maintained in the Treasurer's demand accounts, and subject to the terms set forth in paragraphs (1) to (3), inclusive, of subdivision (k).

SEC. 3.

Section 16612 of the Government Code is amended to read:

16612.

The following securities may be received as security for deposits:

(a) Bonds, notes, or other obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as such loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949 (42 U.S.C. Sec. ~~1452~~ **1441** et seq.)) or any obligations of a public housing agency (as defined in the United States Housing Act of ~~1937~~ **1937**, (12 U.S.C. Sec. **1437 et seq.**)) for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Bonds of this state or of any county, city, town, metropolitan water district, municipal utility district, municipal water district, bridge and highway district, flood control district, school district, water district, water conservation district or irrigation district within this state, and, in addition, revenue on tax anticipation notes, and revenue bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by this state, or such local agency or district, or by a department, board, agency, or authority thereof.

(d) Registered warrants of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the Federal Home Loan Banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association and of the Government National Mortgage Association established under the National Housing Act as amended, in the bonds of any federal home loan bank established under said act, bonds, debentures, and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act, as amended.

(f) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section ~~41700~~ **51350**) of Part 3 of Division 31 of the Health and Safety Code.

(g) Promissory notes secured by first mortgages and first trust deeds upon residential real property located in California, provided that:

(1) Notwithstanding Section 16611, the promissory notes shall at all times be in an amount in value at least 50 percent in excess of the amount deposited with the savings and loan association;

(2) The ~~State~~ Treasurer issues regulations, establishes procedures for determining the value of the promissory notes and develops standards necessary to protect the security of the deposits so collateralized;

(3) The depository may exercise, enforce, or waive any right or power granted to it by promissory note, mortgage, or deed of trust; and

(4) The following may not be used as security for deposits:

~~(i)~~ (A) Any promissory note on which any payment is more than 90 days past due,

~~(ii)~~ (B) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust, or

~~(iii)~~ (C) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(h) Bonds issued by the State of Israel.

(i) Letters of credit issued by the Federal Home Loan Bank of San Francisco, which shall be in the form and shall contain provisions as the Treasurer may prescribe, and shall include the following terms:

(1) The Treasurer shall be the beneficiary of the letter of credit.

(2) The letter of credit shall be clean and irrevocable, and shall provide that the Treasurer may draw upon it up to the total amount in the event of the failure of the savings and loan association or credit union or if the savings and loan association or credit union refuses to permit the withdrawal of funds by the Treasurer or any other authorized state officer or employee.

(3) Notwithstanding Section 16611, the letter of credit shall at all times be in an amount in value of at least 100 percent of the amount deposited with the savings and loan association or credit union.

SEC. 4.

Section 1.5 of this bill incorporates amendments to Section 16430 of the Government Code proposed by both this bill and Assembly Bill 869. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, (2) each bill amends Section 16430 of the Government Code, and (3) this bill is enacted after Assembly Bill 869, in which case Section 1 of this bill shall not become operative.

SB 267, Chapter 424

Property taxation: active solar energy systems: partnership flip transactions.

Effective Date 9/30/2021

SECTION 1.

The Legislature finds and declares all of the following:

(a) 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 classification as newly constructed the construction or addition of active solar energy systems.

(b) In order to finance the construction of new active solar energy systems, solar developers often enter into financing arrangements, including sale-leaseback arrangements, partnership flip

structures, or similar transactions, with investors (purchasers) that may also be eligible for federal tax benefits. In 2011, Section 73 of the Revenue and Taxation Code was amended to clarify that it is the intent of the Legislature that the purchaser of the active solar energy system in a sale-leaseback arrangement, partnership flip structure transaction, or similar transaction receive an exclusion until there is a subsequent change in ownership.

(c) For purposes of Section 73 of the Revenue and Taxation Code, a subsequent change in ownership is not intended to include a change in control among the partners in a partnership flip transaction, resulting solely from a change in the allocation of the partnership's capital and profit among the partners, if the mechanics of the change were in place at the time the active solar energy system is acquired by the partnership.

(d) The addition of Section 64.1 to the Revenue and Taxation Code by this act does not constitute a change in, and is declaratory of, existing law.

SEC. 2.

Section 64.1 is added to the Revenue and Taxation Code, to read:

64.1.

(a) (1) Notwithstanding paragraph (1) of subdivision (c) of Section 64, in the case of a legal entity that owns an active solar energy system pursuant to a partnership flip transaction, neither an initial transfer of a capital and profits interest in the legal entity, nor any subsequent change in the allocation of the capital and profits of the legal entity among the members, shall be deemed to constitute a transfer of control of, or of a majority interest in, the legal entity.

(2) Paragraph (1) shall not apply to any real property owned by the legal entity other than the active solar energy system. Real property owned by the legal entity, other than the active solar energy system, shall be deemed to undergo a change in ownership to the extent otherwise provided under subdivision (c) of Section 64.

(3) Paragraph (1) shall not apply to more than one partnership flip transaction with respect to any portion of an active solar energy system.

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

(1) "Active solar energy system" has the same meaning as defined in Section 73.

(2) "Initial transfer" means a transfer or series of transfers of an interest in a partnership or limited liability company used to own the active solar energy system and that commence prior to the date that the active solar energy system is placed in service for federal income tax purposes.

(3) "Partnership flip transaction" means a financing arrangement that meets all of the following requirements:

(A) A developer of an active solar energy system and one or more unrelated parties enter into the financing arrangement.

(B) As part of the initial transfer, the unrelated party or parties agree to provide a capital contribution, or a series of contributions, to a partnership or limited liability company in exchange for, on a cumulative basis, an interest in a majority of the tax attributes, such as federal tax credits, depreciation, and a majority of either, or both, the capital and profits of the entity.

(C) The unrelated party or parties receive the tax attributes until the party or parties achieve a preestablished yield or until after a preestablished period of time, at which time the tax attributes are reduced, and the developer obtains a majority of both the capital and profit interests of the partnership or limited liability company.

(c) If the parties to a partnership flip transaction sell or exchange ownership of the partnership or limited liability company in a transaction or series of transactions, that are separate and apart from the partnership flip transaction conducted pursuant to this section, in such a manner that a change in ownership of the partnership or limited liability company occurs under paragraph (1) of subdivision (c) of Section 64, then paragraph (1) of subdivision (a) shall not apply to that transaction or transactions.

(d) Nothing in this section shall be construed to exclude from a change in ownership any other transfer or change in the allocation in the interest in profits and losses, or the ownership interests, in an active solar energy system that is not a partnership flip transaction.

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 269, Chapter 762

Credit Unions.

Effective Date 1/1/2022

SECTION 1.

Section 14250 of the Financial Code is amended to read:

14250.

(a) (1) The commissioner may at any time investigate into the affairs and examine the books, accounts, records, files, and any office within or outside of this state used in the business of every credit union, whether it acts or claims to act under or without authority of this division.

(2) The commissioner and the commissioner's duly designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of ~~every~~ **a** credit union referred to in paragraph (1).

(3) The officers and employees of ~~every~~ **a** credit union being examined shall exhibit to the examiners, on request, any or all of its securities, books, records, and accounts and shall otherwise cooperate with the examination so far as it ~~may be~~ **is** in their power.

(b) (1) The commissioner shall examine every credit union organized under the laws of this state to the extent and whenever and as often as the commissioner shall deem it ~~advisable~~, *advisable* but in no case less than once every two years.

(2) For purposes of this subdivision, an examination made by the commissioner in conjunction with or with assistance from the National Credit Union Administration or a credit union regulatory agency of another state of the United States is deemed to be an examination made by the commissioner.

(3) For purposes of this subdivision, an examination made by the National Credit Union Administration pursuant to an alternating examination schedule approved by both the commissioner and the National Credit Union Administration is deemed to be an examination made by the commissioner.

~~(3) (4) No provision of this subdivision shall be deemed to require that the commissioner~~ *This subdivision does not require the commissioner to* make an examination onsite at the offices of a credit union.

SEC. 2.

Section 14409 of the Financial Code is amended to read:

14409.

(a) Every credit union shall obtain adequate bond or insurance coverage, for each director, officer, supervisory committee member, *audit committee member*, and credit committee member, for the credit manager, and for each employee.

(b) The commissioner may adopt regulations setting forth guidelines with respect to the minimum amount of the bond or insurance coverage deemed adequate. The regulations may be based upon the gross assets of the credit union and may contain a formula or schedule for the calculation of minimum bond or insurance coverage.

SEC. 3.

Section 14410 of the Financial Code is amended to read:

14410.

(a) (1) A member of the board of directors, supervisory committee, audit committee, or credit committee shall not receive compensation for that member's services as a member of the board of directors, supervisory committee, audit committee, or credit committee, but the member may be provided with reasonable health, accident, and similar insurance.

~~(a) (2) No member of the board of directors, supervisory committee, or credit committee shall receive any compensation for his or her services as a member of the board of directors, supervisory committee, or credit committee, but he or she may be provided with reasonable health, accident, and similar insurance. Nothing in this subdivision shall~~ *This subdivision does not* prohibit a member of the board of directors, supervisory committee, *audit committee*, or credit committee from receiving nonmonetary compensation that is incidental to the person's service as a member of the board of directors, supervisory committee, *audit committee*, or credit committee, if and as approved by regulation or order of the commissioner.

(b) Notwithstanding subdivision (a), a director or committee member may be reimbursed for actual expenses incurred in the performance of ~~his or her~~ *that person's* duties if reimbursement is made pursuant to the requirements of the commissioner's regulations controlling expense reimbursement by the credit union. Reimbursement for actual expenses may include, among other things, travel expenses incurred on or relating to credit union ~~business~~, *businesses* and

any other matters, categories, or items of expense that the commissioner ~~may establish~~ *establishes* by regulation.

(c) ~~Nothing in this-~~ *This* section shall *not* prevent any person from receiving compensation for actual services as a general manager, credit manager, loan officer, or other position as an employee of the credit union.

SEC. 4.

Section 14456 of the Financial Code is amended to read:

14456.

Unless the bylaws expressly reserve any or all of the following duties to the members, the directors have all of the following special duties:

(a) To act upon all applications for membership. The directors may delegate the power to approve applications for new membership ~~to: (1) the chairperson of a membership committee or to an executive committee; or (2) any officer, director, committee member, or employee, to either of the following,~~ pursuant to a written membership plan adopted by the board of ~~directors: directors:~~

(1) The chairperson of a membership committee or an executive committee.

(2) An officer, director, committee member, or employee.

(b) (1) To expel members for any of the following ~~causes:~~ *causes, subject to Section 14801:*

~~(1) (A)~~ *(A)* Conviction of a criminal offense involving moral turpitude.

~~(2) (B)~~ *(B)* Failure to carry out contracts, agreements, or obligations with the credit union.

~~(3) (C)~~ *(C)* Refusal to comply with the provisions of this division or of the bylaws.

(D) Abusive, threatening, or harassing behavior toward credit union staff, volunteers, or members, or the abuse of credit union systems or property.

(2) The directors may delegate the power to expel members for cause to a membership committee or an executive committee, pursuant to a written membership plan adopted by the board of directors.

(3) (A) An expulsion pursuant to subparagraph (D) of paragraph (1) may take effect immediately, without advance notice or an opportunity to be heard, if the board of directors, or its designee pursuant to subdivision (b), determines that immediate expulsion is reasonably necessary for the protection of the credit union or its staff, volunteers, or members.

(B) A member expelled pursuant to subparagraph (A) shall be provided written notice within five business days after the effective date of that expulsion.

(C) This paragraph shall not prohibit a member expelled pursuant to subparagraph (A) from appealing that expulsion pursuant to paragraph (4).

(D) An expulsion pursuant to this paragraph shall be deemed to be fair and reasonable pursuant to Section 7341 of the Corporations Code.

~~Any (4) (A) -members~~ *A member* who ~~are is~~ expelled by the board of ~~directors have- directors, or its designee, has~~ the right to appeal therefrom to the ~~members, in which event, after hearing, the order of suspension may be revoked by a two-thirds vote of the~~

~~members present at a special meeting to consider the matter.~~ *board of directors, pursuant to reasonable procedures adopted by the board.*

(B) For purposes of this paragraph, "reasonable procedures" shall include, but not be limited to, all of the following:

(i) Written notice to the expelled member of the effective date of the expulsion.

(ii) The right to appeal therefrom and the procedures for doing so.

(iii) Written notice of the board's final determination following an appeal.

(c) To determine from time to time the interest rate on obligations with members and to authorize the payment of interest refunds to borrowing members.

(d) To fix the maximum number of shares ~~which~~ *that* may be held by, and, in accordance with Section 15100, establish the maximum amount of obligations which may be entered into with, any one member.

(e) To declare dividends on shares in accordance with the credit union's policies and to determine the interest rate or rates ~~which~~ *that* will be paid on certificates for funds.

(f) To amend the bylaws, except where membership approval is required.

(g) To fill vacancies in the credit committee, and to temporarily fill vacancies caused by the suspension of any or all members of the credit committee, pending a meeting of the members to determine whether to affirm the suspension and vacate the office, or to reinstate the member or members.

(h) To direct the deposit or investment of funds, except loans to members.

(i) To designate alternate members of the credit committee who shall serve in the absence or inability of the regular members to perform their duties.

(j) To perform or authorize any action not inconsistent with law or regulation and not specifically reserved by the bylaws for the ~~members~~, *members* and to perform any other duties as the bylaws ~~may~~ prescribe.

(k) For purposes of this section, "membership committee" means a committee of at least three persons appointed by the board of directors, provided that the number of members on the committee is an odd number, each of whom shall be a member of the credit union.

Notwithstanding any other law, a membership committee may be composed of directors, nondirectors, or both directors and nondirectors. No member of the supervisory committee or audit committee may serve on the membership committee.

SEC. 5.

Section 14556 of the Financial Code is amended to read:

14556.

(a) The board of directors may, by resolution, establish an audit committee in lieu of a supervisory committee. An audit committee that meets all the requirements of this section shall be deemed to satisfy the requirements for a supervisory committee set forth in Sections 14550 to 14555, inclusive, or in any applicable bylaw provision.

(b) The vote of the board of directors to establish an audit committee in lieu of a supervisory committee shall be affirmed by a majority vote of members voting. *A membership vote may*

occur at any regular or special meeting of the members, or by written ballot subject to Section 7513 of the Corporations Code. Following the affirmative vote of the membership, the supervisory committee shall be deemed dissolved upon the appointment of an audit committee *and the adoption of appropriate amendments to the credit union bylaws, consistent with subdivision (e) of Section 14103,* by the board of directors.

(c) The audit committee shall consist of at least three persons, provided that it is an odd number, each of whom shall be a member of the credit union and appointed by a majority of the board of directors. ~~The audit committee may be comprised of directors, or both directors and nondirectors, provided that no less than a majority of the members of the audit committee at any given time shall be comprised of directors. A member of the audit committee shall not serve as a member of the credit committee, as the credit manager, as the board chairman, or as an employee of the credit union.~~

(1) Notwithstanding the limitations of subdivision (b) of Section 7212 of the Corporations Code, the audit committee may be composed of directors, or both directors and nondirectors, provided that no less than a majority of the members of the audit committee at any given time shall be composed of directors.

(2) A member of the audit committee shall not serve as a member of the credit committee, as the credit manager, as the board chairman, or as an employee of the credit union.

(3) An audit committee member may be appointed or removed by a majority vote of the board of directors and shall serve at the pleasure of the board. The removal of an audit committee member who is also a director of the credit union, for any reason, shall not impact their status as a director.

(4) The commissioner, after investigation and finding that the audit committee is not performing in conformance with this article, may direct the board to replace any or all audit committee members.

(d) The audit committee shall carry out the responsibilities set forth in ~~subdivision (c)~~ *subdivisions (a) to (c), inclusive,* of Section 14551 and Sections ~~14551.5, 14552,~~ and 14553 and shall:

(1) Ensure that the credit union complies with Section 14252.

(2) Ensure that the credit union maintains an effective internal audit program, including a system of internal controls and individuals with sufficient training and experience to adequately and timely review all key areas of a credit union's operations.

(e) The board of directors may, by subsequent resolution, reestablish a supervisory committee in lieu of an audit committee, which shall be affirmed by membership vote. The audit committee shall be deemed dissolved upon the election of a supervisory committee by the membership.

SEC. 6.

Section 14655 of the Financial Code is repealed.

~~14655.~~

~~A credit union may purchase from the owner thereof a promissory note upon which a member is primary obligor provided the credit union could have made a loan to such member in the amount and upon the terms and conditions provided in such note under the provisions of this division.~~

SEC. 7.

Section 14807 of the Financial Code is amended to read:

14807.

Any (a) A member may withdraw from membership in the credit union at any time. A withdrawing member may be required to give 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw certificates for ~~funds~~ *funds*, except when a different period of notice is required by the commissioner for the withdrawal of shares or share certificates that may be established by the board of directors.

(b) A member who fails to take steps necessary to be removed from inactive status pursuant to Section 14811 may be deemed to have voluntarily withdrawn from credit union membership.

(c) A member whose funds have been remitted to the Controller's office for purposes of escheat consistent with Section 1513 of the Code of Civil Procedure shall be deemed to have voluntarily withdrawn from membership.

SEC. 8.

Section 14811 of the Financial Code is amended to read:

14811.

(a) A member who has no outstanding obligations with the credit union and whose share account is below the amount established by the bylaws may be transferred to inactive member status.

(b) An inactive member has no voting rights, has no right to notice of meetings of members, shall not be considered a member for purposes of determination of a quorum or a required vote and need not be sent the annual report or financial statements except upon request.

(c) When one or more of the conditions in subdivision (a) cease to be applicable, an inactive member may be transferred back to regular member status.

(d) (1) A member who remains on inactive status for a period of at least 90 days after written notice from the credit union may be deemed to have voluntarily withdrawn from credit union membership.

(2) The written notice referred to in paragraph (1) shall notify the member of, at a minimum, all of the following:

(A) That the member has been transferred to inactive status.

(B) The steps that the member may take to be transferred back to regular member status.

(C) That failure to take the steps necessary to be transferred back to regular member status within 90 days, or another period of time in excess of 90 days that the credit union specifies in its bylaws, will be deemed a voluntary withdrawal from credit union membership.

SEC. 9.

Section 14851 of the Financial Code is amended to read:

14851.

(a) A credit union may issue shares as follows:

(1) To a member qualified pursuant to the credit union's bylaws.

(2) To an officer, employee, or agent of nonmember units of federal, Indian tribal, state, or local governments, and political subdivisions thereof, when acting in that officer's, employee's, or agent's official capacity.

(3) To a member or nonmember state or federal credit union.

(4) (A) In coownership to a member and a person designated by the member.

(B) As used in this paragraph, coownership includes, but is not limited to, joint tenancy, tenancy in common, or community property forms of ownership.

~~(a) (b) Every credit union may issue shares (1) to any member qualified pursuant to the credit union's bylaws; (2) to an officer, employee, or agent of nonmember units of federal, Indian tribal, state, or local governments, and political subdivisions thereof when acting in his or her official capacity; and (3) in coownership to a member and any person designated by the member. Coownership, as used herein, includes, but is not limited to, joint tenancy, tenancy in common, or community property forms of ownership. No membership privilege, Membership privileges, including voting and obtaining a loan, may not be made available to any a nonmember as a result of ownership of shares solely as a coowner of shares with a member, and any member. A certificate or other evidence of shares which may be issued, that is issued shall contain the words "No transfer of voting rights or other membership privilege is permitted by virtue of a transfer of shares." Shares may be transferred to a public agency lawfully entitled to receive the shares when designated by a member as an assignee of an account pledged as a surety deposit to the public agency by the member.~~

~~(b)~~ (c) A credit union that has a low-income designation pursuant to Section 701.34 of the regulations of the National Credit Union Administration (12 C.F.R. Sec. 701.34) may issue shares to nonmembers. Except with the written approval of the commissioner, the total number of shares issued by the credit union to nonmembers pursuant to this subdivision shall not exceed 20 percent of the unimpaired capital and surplus of the credit union.

SEC. 10.

Section 15050 of the Financial Code is amended to read:

15050.

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

(1) "Credit manager" means any individual, regardless of title, designated pursuant to Section 14600 to fulfill the duties of a credit manager.

(2) "Obligation" means any loan or approved line of credit, including both used and unused portions, on which the official is a borrower, coborrower, cosigner, endorser, or guarantor.

(3) "Officer" means an officer, as described in Section 14500, that is employed by the credit union.

~~(3) (4) "Official" means a director, member of the supervisory committee, member of the audit committee, or member of the credit committee, credit manager, president, or chief executive officer- committee of a credit union.~~

(b) A credit union shall not enter into any obligation with any official, directly or indirectly, unless all of the following apply:

(1) The obligation complies with all lawful requirements of this division with respect to obligations permitted for other members of the credit union.

(2) The obligation is not on terms more favorable than those extended to other members of the credit union.

~~(b) (3) No credit union shall enter into any obligation with any official, directly or indirectly, unless (1) the obligation complies with all lawful requirements of this division with respect to obligations permitted for other members of the credit union, (2) the obligation is not on terms more favorable than those extended to other members of the credit union, and (3) the obligation~~
is- The obligation is entered into in accordance with a written policy adopted by the directors establishing that all officials shall have an equal opportunity to enter into obligations with the credit union.

(c) ~~No~~ *A* credit union shall *not* enter into any obligation with any official, directly or indirectly, unless all of the following requirements are satisfied:

(1) Upon the making of the obligation, the aggregate amount of obligations outstanding to all officials, except obligations fully secured by shares, shall not exceed 20 percent of the aggregate dollar amount of all savings capital of the credit union.

(2) The obligation, except any portion of an obligation fully secured by shares, shall not exceed the maximum obligation to the credit union set forth in subdivisions (b) and (c) of Section 15100.

(3) Any obligation that would cause the aggregate amount of obligations outstanding to the official to exceed fifty thousand dollars (\$50,000), excluding any portion fully secured by shares, shall be approved by the credit committee or the credit manager, and by the board of directors. An official shall not take part in any credit decision, directly or indirectly, for ~~his or her~~ *the official's* benefit and shall not be present during any portion of any committee or board meeting where ~~his or her~~ *the official's* credit application is under consideration.

(4) The names of members of the credit committee, the credit manager, and board of directors who voted to authorize or ratify the obligation shall be entered in their respective minutes.

(d) ~~No~~ *A* credit union shall *not* permit an official to become surety for any obligation created by the credit union for anyone other than a member of ~~his or her~~ *the official's* immediate family.

(e) ~~No~~ *A* credit union shall *not* enter into any obligation with any credit manager or any officer employed by the credit union unless the obligation is in compliance with all requirements of this division with respect to obligations permitted for other nonemployee members, and not on terms more favorable than those extended to other employees, and approved by the board of directors.

SEC. 11.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because 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.

SB 303, Chapter 540

Property taxation: transfer of base year value: disaster relief.

Effective Date 1/1/2022

SECTION 1.

Section 69 of the Revenue and Taxation Code is amended to read:

69.

(a) Notwithstanding any other law, pursuant to Section 2 of Article XIII A of the Constitution, the base year value of property that is substantially damaged or destroyed by a disaster, as declared by the Governor, may be transferred to comparable property within the same county, which is acquired or newly constructed within five years after the disaster, including in the case of the Northridge earthquake, as a replacement for the substantially damaged or destroyed property. At the time the base year value of the substantially damaged or destroyed property is transferred to the replacement property, the substantially damaged or destroyed property shall be reassessed at its full cash value. However, the substantially damaged or destroyed property shall retain its base year value notwithstanding the transfer authorized by this section. If the owner or owners of substantially damaged or destroyed property receive property tax relief under this section, that property shall not be eligible for property tax relief under subdivision (c) of Section 70 in the event of its reconstruction.

(b) The replacement base year value of the replacement property acquired shall be determined in accordance with this section.

The assessor shall use the following procedure in determining the appropriate replacement base year value of comparable replacement property:

(1) If the full cash value of the comparable replacement property does not exceed 120 percent of the full cash value of the property substantially damaged or destroyed, then the adjusted base year value of the property substantially damaged or destroyed shall be transferred to the comparable replacement property as its replacement base year value.

(2) If the full cash value of the replacement property exceeds 120 percent of the full cash value of the property substantially damaged or destroyed, then the amount of the full cash value over 120 percent of the full cash value of the property substantially damaged or destroyed shall be added to the adjusted base year value of the property substantially damaged or destroyed. The sum of these amounts shall become the replacement property's replacement base year value.

(3) If the full cash value of the comparable replacement property is less than the adjusted base year value of the property substantially damaged or destroyed, then that lower value shall become the replacement property's base year value.

(4) The full cash value of the property substantially damaged or destroyed shall be the amount of its full cash value immediately prior to its substantial damage or destruction, as determined by the county assessor of the county in which the property is located.

(c) For purposes of this section:

(1) Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land's or the improvement's full cash value immediately prior to the disaster. Damage includes a diminution in the value of property as a result of restricted access to the property where the restricted access was caused by the disaster and is permanent in nature.

(2) Replacement property is comparable to the property substantially damaged or destroyed if it is similar in size, utility, and function to the property which it replaces.

(A) Property is similar in function if the replacement property is subject to similar governmental restrictions, such as zoning.

(B) Both the size and utility of property are interrelated and associated with value. Property is similar in size and utility only to the extent that the replacement property is, or is intended to be, used in the same manner as the property substantially damaged or destroyed and its full cash value does not exceed 120 percent of the full cash value of the property substantially damaged or destroyed.

(i) A replacement property or any portion thereof used or intended to be used for a purpose substantially different than the use made of the property substantially damaged or destroyed shall to the extent of the dissimilar use be considered not similar in utility.

(ii) A replacement property or portion thereof that satisfies the use requirement but has a full cash value that exceeds 120 percent of the full cash value of the property substantially damaged or destroyed shall be considered, to the extent of the excess, not similar in utility and size.

(C) To the extent that replacement property, or any portion thereof, is not similar in function, size, and utility, the property, or portion thereof, shall be considered to have undergone a change in ownership when the replacement property is acquired or newly constructed.

(3) "Disaster" means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of disaster as a result of the misfortune or calamity.

(d) (1) This section applies to any comparable replacement property acquired or newly constructed on or after July 1, 1985.

(2) The amendments made by Chapter 1053 of the Statutes of 1993 apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster occurring on or after October 20, 1991, and to the determination of base year values for the 1991–92 fiscal year and fiscal years thereafter.

(3) The amendments made by Chapter 317 of the Statutes of 2006 apply to any comparable replacement property that is acquired or newly constructed as a replacement for property substantially damaged or destroyed by a disaster occurring on or after July 1, 2003, and to the determination of base year values for the 2003–04 fiscal year and fiscal years thereafter.

(e) Only the owner or owners of the property substantially damaged or destroyed, whether one or more individuals, partnerships, corporations, other legal entities, or a combination thereof, shall receive property tax relief under this section. Relief under this section shall be granted to an owner or owners of substantially damaged or destroyed property obtaining title to replacement property. The acquisition of an ownership interest in a legal entity, which directly or indirectly owns real property, is not an acquisition of comparable property.

(f) Notwithstanding any other law, the board of supervisors of the County of San Diego may by ordinance extend the time period specified in subdivision (a) to transfer the base year value of property that is substantially damaged or destroyed by the Cedar Fire that commenced in October 2003, as declared by the Governor, to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property by two years. This subdivision shall apply to the determination of base year values for the 2003–04 fiscal year and fiscal years thereafter.

(g) The amendments made to this section by the act adding this subdivision shall apply commencing with the lien date for the 2012–13 fiscal year.

(h) (1) Notwithstanding any other law, the time period specified in subdivision (a) to transfer the base year value of qualified property to comparable property, that is within the same county and that is acquired or newly constructed as a replacement for the qualified property, is extended by two years if the last day to transfer the base year value of the qualified property was on or after March 4, 2020, but on or before the COVID-19 emergency termination date or March 4, 2022, whichever is sooner.

(2) Notwithstanding any other law, the time period specified in subdivision (a) to transfer the base year value of qualified property to comparable property, that is within the same county and that is acquired or newly constructed as a replacement for the qualified property, is extended by two years if the qualified property was substantially damaged or destroyed on or after March 4, 2020, but on or before the COVID-19 emergency termination date or March 4, 2022, whichever is sooner.

(3) This subdivision shall apply to the determination of base year values for the 2015–16 fiscal year and fiscal years thereafter.

(4) For purposes of this subdivision, both of the following definitions apply:

(A) “COVID-19 emergency termination date” shall be the date the Governor proclaims the termination of the emergency related to the COVID-19 pandemic that was proclaimed on March 4, 2020, pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).

(B) “Qualified property” means property that is substantially damaged or destroyed, as described in paragraph (1) of subdivision (c), by a disaster that is proclaimed by the Governor.

SEC. 2.

The Legislature finds and declares that Section 1 of this act, which amends Section 69 of the Revenue and Taxation Code, does not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution and serves the following public purpose:

In light of the COVID-19 pandemic, to ensure that owners of real property that has been substantially damaged or destroyed, or will be substantially damaged or destroyed during the COVID-19 pandemic, in a disaster, as declared by the Governor, are provided the full and fair opportunity to transfer the property tax base year value of that property to a comparable replacement property, an extension of the deadline in Section 69 of the Revenue and Taxation Code is necessary.

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 539, Chapter 427

Property taxation: taxable value transfers.

Effective 9/30/2021

SECTION 1.

The Legislature finds and declares that the Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act, while replacing existing base year value transfer provisions for seniors and the severely and permanently disabled as provided in Section 2 of Article XIII A of the California Constitution implemented by Section 69.5 of the Revenue and Taxation Code, enacted additional options for taxpayers to transfer the base year values of their principal residences substantially damaged or destroyed in a disaster, as declared by the Governor, and in no way affected or repealed, impliedly or otherwise, options for these taxpayers authorized by Section 2 of Article XIII A of the California Constitution implemented by Sections 69, 69.3, and 70.5 of the Revenue and Taxation Code.

SEC. 2.

Section 63.2 is added to the Revenue and Taxation Code, to read:

63.2.

(a) Notwithstanding any provision of this chapter, beginning on and after February 16, 2021, a change in ownership shall not include, in whole or in part, any of the following purchases or transfers for which a claim is filed:

(1) The purchase or transfer of real property that is the principal residence of an eligible transferor in the case of a purchase or transfer between parents and their children or between grandparents and their grandchildren, if all of the parents, other than stepparents, of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer.

(A) The transfer is required to be of a principal residence of the transferor, and become the principal residence of the transferee within one year of the transfer.

(B) The transferee shall file for the homeowners' or disabled veterans' exemption within a year of the transfer, and the exclusion shall be removed on the date an eligible transferee, or a subsequent eligible transferee who files for the homeowners' or disabled veterans' exemption within one year, is no longer eligible for either the homeowners' or disabled veterans' exemption.

(C) If applicable, as of the lien date immediately following the date the eligible transferee or subsequent eligible transferee no longer qualifies for the exclusion provided by this section, the base year value established as of the change in ownership date to which the exclusion applied, adjusted annually in accordance with paragraph (1) of subdivision (a) of Section 51, shall be enrolled.

(2) The purchase or transfer is of a family farm of an eligible transferor in the case of a purchase or transfer between parents and their children or between grandparents and their grandchildren,

if all of the parents, other than stepparents, of that grandchild or those grandchildren, who qualify as the children of the grandparents, are deceased as of the date of purchase or transfer.

(A) This exclusion shall apply separately to the transfer of each legal parcel that makes up a family farm.

(B) For purposes of this section, each legal parcel that makes up a family farm shall be deemed to itself be a family farm, except for a legal parcel containing a family home.

(C) A legal parcel containing a family home as described in subparagraph (B) may qualify separately for exclusion under paragraph (1).

(b) The exclusions provided for in this section shall not be allowed unless a claim for the exclusion sought, pursuant to subdivision (f), is filed with the assessor.

(c) A claim filed under this section is not a public document and is not subject to public inspection, except that a claim shall be available for inspection by the transferee and the transferor or their respective spouse, the transferee's legal representative, the transferor's legal representative, the trustee of the transferee's trust, the trustee of the transferor's trust, and the executor or administrator of the transferee's or transferor's estate.

(d) The new taxable value of the family home or family farm shall be the sum of both of the following:

(1) The taxable value of the family home or family farm as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date immediately prior to the date the principal residence or family farm is purchased or transferred to the transferee.

(2) The applicable of the following amounts:

(A) If the fair market value, as defined in subdivision (a) of Section 110, of the family home or family farm upon purchase by, or transfer to, the transferee is less than the sum of the taxable value described in paragraph (1) plus one million dollars (\$1,000,000), then zero dollars (\$0).

(B) If the fair market value, as defined in subdivision (a) of Section 110, of the family home or family farm upon purchase by, or transfer to, the transferee is equal to or more than the sum of the taxable value described in paragraph (1) plus one million dollars (\$1,000,000), an amount equal to the fair market value of the family home upon purchase by, or transfer to, the transferee, minus the sum of the taxable value described in paragraph (1) and one million dollars (\$1,000,000).

(e) As used in this section, the following terms have the following meanings:

(1) "Children" means any of the following:

(A) Any child born of the parent or parents, except a child, as defined in subparagraph (D), who has been adopted by another person or persons.

(B) Any stepchild of the parent or parents and the spouse of that stepchild while the relationship of stepparent and stepchild exists. For purposes of this paragraph, the relationship of stepparent and stepchild shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving stepparent.

(C) Any son-in-law or daughter-in-law of the parent or parents. For the purposes of this paragraph, the relationship of parent and son-in-law or daughter-in-law shall be deemed to exist until the marriage on which the relationship is based is terminated by divorce, or, if the relationship is terminated by death, until the remarriage of the surviving son-in-law or daughter-in-law.

(D) Any child adopted by the parent or parents pursuant to statute, other than an individual adopted after reaching 18 years of age.

(E) Any foster child of a state-licensed foster parent, if that child was not, because of a legal barrier, adopted by the foster parent or foster parents before the child aged out of the foster care system. For purposes of this paragraph, the relationship between a foster child and foster parent shall be deemed to exist until terminated by death. However, for purposes of a transfer that occurs on the date of death, the relationship shall be deemed to exist on the date of death.

(2) "Eligible transferee" means a parent, child, grandparent, or grandchild of an eligible transferor.

(3) "Eligible transferor" means a grandparent, parent, grandchild, or child of an eligible transferee.

(4) "Family farm" means any real property under cultivation or which is being used for pasture or grazing, or that is used to produce any agricultural commodity, as that term is defined in Section 51201 of the Government Code as that section read on January 1, 2020.

(5) "Family home" or "principal place of residence" means a dwelling that is eligible for a homeowners' exemption or a disabled veterans' exemption as a result of the transferor's ownership and occupation of the dwelling. "Family home" or "principal residence" includes only that portion of the land underlying the residence that consists of an area of reasonable size that is used as a site for the residence.

(6) "Full cash value" means full cash value, as defined in Section 2 of Article XIII A of the California Constitution and Section 110.1, with any adjustments authorized by those sections, and the full value of any new construction in progress, determined as of the date immediately prior to the date of a purchase by or transfer to an eligible transferee of real property subject to this section.

(7) "Grandchild" or "grandchildren" means any child or children of the child or children of the grandparent or grandparents.

(8) "Real property" means real property as defined in Section 104. Real property does not include any interest in a legal entity. For purposes of this section, real property includes any of the following:

(A) An interest in a unit or lot within a cooperative housing corporation, as defined in subdivision (i) of Section 61.

(B) A pro rata ownership interest in a mobilehome park, as defined in subdivision (b) of Section 62.1.

(C) A pro rata ownership in a floating home marina, as defined in subdivision (c) of Section 62.5.

(9) "Transfer" includes, and is not limited to, any transfer of the present beneficial ownership of property from an eligible transferor to an eligible transferee through the medium of an inter vivos or testamentary trust.

(f) (1) The State Board of Equalization shall prescribe, after consultation with the California Assessors' Association, a form for claiming eligibility. Except as provided in paragraph (2), any claim under this section shall be filed as follows:

(A) Within three years after the date of the purchase or transfer of real property for which the claim is filed, or prior to the transfer of the real property to a third party, or an eligible transferee no longer occupies the residence, whichever is earlier.

(B) Notwithstanding subparagraph (A), a claim shall be deemed to be timely filed if it is filed within six months after the date of mailing of a notice of supplemental or escape assessment, issued as a result of the purchase or transfer of real property for which the claim is filed.

(2) In the case in which the real property subject to purchase or transfer has not been transferred to a third party, a claim for exclusion under this section that is filed subsequent to the expiration of the filing periods set forth in paragraph (1) shall be considered by the assessor, subject to both of the following conditions:

(A) Any exclusion granted pursuant to that claim shall apply, commencing with the lien date of the assessment year in which the claim is filed.

(B) Under any exclusion granted pursuant to that claim, the adjusted full cash value of the subject real property in the assessment year described in subparagraph (A) shall be the adjusted base year value of the subject real property in the assessment year in which the excluded purchase or transfer took place, factored to the assessment year described in subparagraph (A) for both of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property.

(g) (1) If the assessor notifies the transferee in writing of potential eligibility for exclusion from change in ownership under this section, a certified claim for exclusion shall be filed with the assessor within 45 days of the date of the notice of potential eligibility. If a certified claim for exclusion is not filed within 45 days, the assessor may send a second notice of potential eligibility for exclusion, notifying the transferee that a certified claim for exclusion has not been received and that reassessment of the property will commence unless a certified claim for exclusion is filed within 60 days of the date of the second notice of potential eligibility. The second notice of potential eligibility shall indicate whether a certified claim for exclusion that is not filed within 60 days will be subject to a processing fee as provided in paragraph (2).

(2) If a certified claim for exclusion is not filed within 60 days of the date of the second notice of potential eligibility and an eligible transferee subsequently files a claim and qualifies for the exclusion, the assessor may, upon authorization by a county board of supervisors, require an eligible transferee to pay a one-time processing fee, collected at the time the claim is submitted, and reimbursed by the assessor if the claim is ineligible. The fee shall be subject to the provisions of Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code and shall not exceed the amount of the actual and reasonable costs incurred by the assessor for reassessment work done due to failure to file the claim for exclusion or one hundred seventy-five dollars (\$175), whichever is less.

(h) (1) After consultation with the California Assessors' Association, the board shall, by emergency regulation, adopt regulations and produce claim forms and instructions necessary to implement this section and Section 2.1 of Article XIII A of the California Constitution.

(2) Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

SEC. 3.

Section 69.6 is added to the Revenue and Taxation Code, to read:

69.6.

Notwithstanding any other law, on and after April 1, 2021, the following shall apply:

(a) Pursuant to subdivision (b) of Section 2.1 of Article XIII A of the California Constitution, any person over 55 years of age, any severely and permanently disabled person, or a victim of wildfire or natural disaster who resides in property that is eligible for either the homeowners' exemption, under subdivision (k) of Section 3 of Article XIII of the California Constitution and Section 218, or the disabled veteran's exemption, under subdivision (a) of Section 4 of Article XIII of the California Constitution and Section 205, may transfer, subject to the conditions and limitations provided in this section, the taxable value of that property to any replacement dwelling that is purchased or newly constructed by that person as their principal residence within two years of the sale by that person of the original property, provided that the taxable value of the original property shall not be transferred to the replacement dwelling until the original property is sold. A person shall not be allowed to transfer the taxable value of a primary residence pursuant to this section more than three times as a claimant who is over 55 years of age or severely or permanently disabled.

(b) In addition to meeting the requirements of subdivision (a), any person claiming the property tax relief provided by this section shall be eligible for that relief only if the following conditions are met:

(1) The claimant is an owner and a resident of the original property either at the time of its sale or within two years of the purchase or new construction of the replacement dwelling.

(2) The original property is eligible for the homeowners' exemption or the disabled veteran's exemption, as the result of the claimant's ownership and occupation of the property as their principal residence, either at the time of its sale or within two years of the purchase or new construction of the replacement dwelling.

(3) At the time of the sale of the original property, the claimant is over 55 years of age, is severely and permanently disabled, or is a victim of wildfire or natural disaster.

(4) At the time of claiming the property tax relief provided by subdivision (a), the claimant is an owner of a replacement dwelling and occupies it as their principal place of residence and, as a result thereof, the property is currently eligible for the homeowners' exemption or the disabled veteran's exemption, or would be eligible for the exemption except that the property is already receiving the exemption because of an exemption claim filed by the previous owner.

(5) The claimant sells the original property within two years of the purchase or new construction of the replacement dwelling. For purposes of this paragraph:

(A) Either the sale of the original property or the purchase or new construction of the replacement dwelling, but not both, may occur before April 1, 2021.

(B) The purchase or new construction of the replacement dwelling includes the purchase of that portion of land on which the replacement building, structure, or other shelter constituting a place of abode of the claimant will be situated and that constitutes a part of the replacement dwelling.

(6) The claimant has not previously been granted, as a claimant who is over 55 years of age or severely and permanently disabled, the property tax relief provided by this section more than two times. This limitation shall not apply to claimants who are victims of wildfire or natural disaster. In order to prevent more than three claims under this section within this state per person, each county assessor shall report quarterly to the State Board of Equalization that information from claims filed and from county records as is specified by the board to be necessary to identify fully all claims under this section allowed by assessors and all claimants who have thereby received relief. The board may specify that the information include all or a part of the names and social security numbers of claimants and the identity and location of the replacement dwelling to which the claim applies. The information may be required in the form of data processing media or other media and in a format that is compatible with the recordkeeping processes of the counties and the auditing procedures of the state.

(c) (1) To receive the property tax relief under this section, a claim shall be filed within three years of the date the replacement dwelling was purchased or the new construction of the replacement dwelling was completed.

(2) A claim for transfer of taxable value under this section that is filed after the expiration of the filing period set forth in paragraph (1) shall be considered by the assessor, subject to both of the following conditions:

(A) Any base year value transfer granted pursuant to that claim shall apply, commencing with the lien date of the assessment year in which the claim is filed.

(B) The full cash value of the replacement dwelling in the assessment year described in subparagraph (A) shall be the base year value of the real property in the assessment year in which the base year value was transferred, factored to the assessment year described in subparagraph (A) for all of the following:

(i) Inflation as annually determined in accordance with paragraph (1) of subdivision (a) of Section 51.

(ii) Any subsequent new construction occurring with respect to the subject real property that does not qualify for property tax relief pursuant to the criteria set forth in subparagraphs (A) and (B) of paragraph (7) of subdivision (e).

(d) For the purposes of this section, the following terms have the following meanings:

(1) "Person over 55 years of age" means any person who has attained the age of 55 years or older at the time of the sale of the original property.

(2) "Taxable value of the original property" means its base year value, as determined in accordance with Section 110.1, with the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, determined as of the date that the original property is sold by the claimant, or in the case where the original property has been substantially damaged or destroyed by wildfire or natural disaster and the owner does not rebuild on the original property, determined as of the date immediately before the wildfire or natural disaster.

(3) "Replacement dwelling" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as

the claimant's principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of a replacement dwelling includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate replacement dwelling. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the claimant" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(4) "Original property" means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, that is owned and occupied by a claimant as the claimant's principal place of residence, and any land owned by the claimant on which the building, structure, or other shelter is situated. For purposes of this paragraph, land constituting a part of the original property includes only that area of reasonable size that is used as a site for a residence, and "land owned by the claimant" includes land for which the claimant either holds a leasehold interest described in subdivision (c) of Section 61 or a land purchase contract. Each unit of a multiunit dwelling shall be considered a separate original property. For purposes of this paragraph, "area of reasonable size that is used as a site for a residence" includes all land if any nonresidential uses of the property are only incidental to the use of the property as a residential site. For purposes of this paragraph, "land owned by the claimant" includes an ownership interest in a resident-owned mobilehome park that is assessed pursuant to subdivision (b) of Section 62.1.

(5) For purposes of this section, an original dwelling or replacement dwelling shall be not be considered a multiunit dwelling if: (A) there is a dwelling unit on the property, (B) the only other units on the real property are accessory dwelling units or junior accessory dwelling units, (C) any accessory dwelling units and junior accessory dwelling units are not separately alienable from the title of any other dwelling unit on the property, and (D) the claimant occupies one of the structures as their primary residence.

(6) For the purposes of this subdivision, except as otherwise provided in paragraph (7) of subdivision (e), if the replacement dwelling is, in part, purchased and, in part, newly constructed, the date the "replacement dwelling is purchased or newly constructed" is the date of purchase or the date of completion of construction, whichever is later.

(7) "Full cash value of the replacement dwelling" means its full cash value, determined in accordance with Section 110.1, as of the date on which it was purchased or new construction was completed, and after the purchase or the completion of new construction.

(8) "Full cash value of the original property" means either of the following, as applicable:

(A) Its new base year value, in accordance with Section 75.8, without the application of subdivision (c) of Section 2.1 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A and subdivision (f) of Section 110.1 for the period from the date of its sale by the claimant to the date on which the replacement dwelling was purchased or new construction was completed.

(B) In the case where the original property has been substantially damaged or destroyed by wildfire or natural disaster and the owner does not rebuild on the original property, its full cash value, as determined in accordance with Section 110, immediately before its substantial

damage or destruction by wildfire or natural disaster, as determined by the assessor of the county in which the property is located, without the application of subdivision (c) of Section 2.1 of Article XIII A of the California Constitution, plus the adjustments permitted by subdivision (b) of Section 2 of Article XIII A of the California Constitution and subdivision (f) of Section 110.1, for the period from the date of its sale by the claimant to the date on which the replacement property was purchased or new construction was completed.

(9) "Sale" means any change in ownership of the original property for consideration.

(10) "Claimant" means any person claiming the property tax relief provided by this section.

(11) "Property that is eligible for the homeowners' exemption" includes property that is the principal place of residence of its owner and is entitled to exemption pursuant to Section 205.5.

(12) "Person" means any individual, but does not include any firm, partnership, association, corporation, company, or other legal entity or organization of any kind. "Person" includes an individual who is the present beneficiary of a trust.

(13) "Equal or lesser value" means that the amount of the full cash value of a replacement dwelling does not exceed one of the following:

(A) One hundred percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed prior to the date of the sale of the original property.

(B) One hundred and five percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the first year following the date of the sale of the original property.

(C) One hundred and ten percent of the amount of the full cash value of the original property if the replacement dwelling is purchased or newly constructed within the second year following the date of the sale of the original property.

(14) For the purposes of this section, original property is "substantially damaged or destroyed by wildfire or natural disaster" if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land's or the improvement's full cash value immediately before the wildfire or natural disaster. Damage includes a diminution in the value of the original property as a result of restricted access caused by the wildfire or natural disaster.

(e) (1) Upon the timely filing of a claim described in paragraph (1) of subdivision (c), the assessor shall adjust the new base year value of the replacement dwelling in conformity with this section. This adjustment shall be made as of the latest of the following dates:

(A) The date the original property is sold.

(B) The date the replacement dwelling is purchased.

(C) The date the new construction of the replacement dwelling is completed.

(2) If the full cash value of the replacement dwelling is of equal or lesser value than that of the original property, the taxable value shall be deemed to be the taxable value of the original property.

(3) If the full cash value of the replacement dwelling is of greater value than the original property, the taxable value of the replacement dwelling shall be calculated by adding the

difference between the full cash value of the original property and the full cash value of the replacement dwelling to the taxable value of the original property.

(4) If the replacement dwelling is purchased or newly constructed after the transfer of the original property, "taxable value of the original property" also includes any inflation factor adjustments permitted by subdivision (f) of Section 110.1 for the period subsequent to the sale of the original property. The base year or years used to compute the "taxable value of the original property" shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(5) Any taxes that were levied on the replacement dwelling prior to the filing of the claim on the basis of the replacement dwelling's new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(6) Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement dwellings acquired prior to the sale of the original property.

(7) In the case when a claim under this section has been timely filed and granted, and new construction is performed upon the replacement dwelling subsequent to the transfer of base year value, the property tax relief provided by this section also shall apply to the replacement dwelling, as improved, and thus there shall be no reassessment upon completion of the new construction if both of the following conditions are met:

(A) The new construction is completed within two years of the date of the sale of the original property and the owner notifies the assessor in writing of completion of the new construction within six months after completion.

(B) The fair market value of the new construction on the date of completion, plus the full cash value of the replacement dwelling on the date of acquisition, is not more than the full cash value of the original property as determined pursuant to paragraph (8) of subdivision (d) for purposes of granting the original claim.

(f) A claim filed under this section is not a public document and is not subject to public inspection, except that a claim shall be available for inspection by the claimant or the claimant's spouse, the claimant's or the claimant's spouse's legal representative, the trustee of a trust in which the claimant or the claimant's spouse is a present beneficiary, and the executor or administrator of the claimant's or the claimant's spouse's estate.

(g) (1) After consultation with the California Assessors' Association, the Board of Equalization shall, by emergency regulation, adopt regulations and produce claim forms and instructions necessary to implement this section and Section 2.1 of Article XIII A of the California Constitution.

(2) Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

SEC. 4.

The Legislature finds and declares that Sections 2 and 3 of this act, which add Sections 63.2 and 69.6 to the Revenue and Taxation 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:

(a) Claims filed under Sections 63.2 and 69.6 of the Revenue and Taxation Code contain taxpayer sensitive personal information, including social security numbers, dates of birth, home addresses, home telephone numbers, marital status, adoption status, financial matters, and medical information. Notwithstanding Section 3 of Article I of the California Constitution, county assessors have a responsibility and an obligation to safeguard from public access a taxpayer's personal information with which it has been entrusted.

(b) The right to privacy is a personal and fundamental right protected by Section 1 of Article I of the California Constitution and by the United States Constitution. All individuals have a right of privacy in information pertaining to them.

(c) This state has previously recognized, in Sections 63.1 and 69.5 of the Revenue and Taxation Code, the importance of protecting the confidentiality and privacy of an individual's personal and financial information contained in homeowners' exemption claims, property statements, and change of ownership statements filed with county assessors for property tax purposes.

(d) In addition to the right of privacy, there is a need to protect from public disclosure personal information due to the growing prevalence and debilitating nature of identity theft.

SEC. 5.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the duties imposed on a local agency or school district by this act are necessary to implement, or were expressly included in, a ballot measure approved by the voters in a statewide or local election, within the meaning of Section 17556 of the Government Code.

SEC. 6.

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

SB 572, Chapter 335

Labor Commissioner: enforcement: lien on real property.

Effective Date 1/1/2022

SECTION 1.

Section 90.8 is added to the Labor Code, to read:

90.8.

(a) As an alternative to a judgment lien, the Labor Commissioner may create a lien on real property to secure the amount due to the Labor Commissioner under any citation, findings, or decision that has become final and may be entered as a judgment, including those that have become final under Sections 1197.1, 226.5, 1023, and 1289. The lien on real property may be created by the Labor Commissioner recording a certificate of lien, for amounts due from the cited parties named in the final citation, findings, or decision, with the county recorder of any

county in which the parties' real property may be located. The lien attaches to all interests in real property of those parties located in the county where the lien is created to which a judgment lien may attach pursuant to Section 697.340 of the Code of Civil Procedure, with the same priority as a judgment lien.

(b) The certificate of lien shall include information as prescribed by Section 27288.1 of the Government Code.

(c) The recorder shall accept and record the certificate of lien and shall index it as prescribed by law.

(d) Upon payment of the amount due under the final citation, findings or decision, including any interest and costs that have lawfully accrued on the original amount, the Labor Commissioner shall issue a certificate of release, releasing the lien created under subdivision (a) of this section. The certificate of release may be recorded by any person at that person's expense.

(e) Unless the lien is satisfied or released, a lien under this section shall continue until 10 years from the date of its creation. The lien may be renewed for additional periods of 10 years by recording a renewal of certificate of lien or a copy of a renewed judgment at any time prior to its expiration.

(f) The provisions of Section 697.410 of the Code of Civil Procedure shall apply to a lien created under this section as if the lien had been created by a recorded abstract of a money judgment or certified copy of a money judgment.

SB 667, Chapter 430

Property taxation: disabled veterans' exemption: filing of claims.

Effective Date 1/1/2022

SECTION 1.

Section 277 of the Revenue and Taxation Code is amended to read:

277.

*(a) Any person claiming the disabled veterans' property tax exemption shall file a claim with the assessor giving any information required by the board. This information shall include, but shall not be limited to, the name of the person claiming the exemption, the person's social security number or another personal identifying number, the address of the property, and a statement to the effect that the claimant owned and occupied the property as ~~his or her~~ **the claimant's** principal place of residence on the lien date, or that ~~he or she~~ **the claimant** intends to own and occupy the property as ~~his or her~~ **the claimant's** principal place of residence on the next succeeding lien date, and proof of disability as defined by Section 205.5.*

(b) The executor, administrator, or personal legal representative of the claimant's estate may file a claim with the assessor pursuant to subdivision (a).

(c) The trustee of the deceased claimant's trust assets may file a claim with the assessor pursuant to subdivision (a).

SEC. 2.

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.

SB 780, Chapter 391

Local finance: public investment authorities.

Effective Date 1/1/2022

SECTION 1.

Section 53398.51.1 of the Government Code is amended to read:

53398.51.1.

(a) The public financing authority shall have a membership consisting of one of the following, as appropriate:

(1) If a district has only one participating affected taxing entity, the public financing authority's membership shall consist of three members of the legislative body of the participating entity, and two members of the public chosen by the legislative body. The *legislative body may appoint one of its members to be an alternate member of the legislative body who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority.* The appointment of the public members shall be subject to the provisions of ~~Section 54974.~~ *Sections 54970 and 54972.*

(2) If a district has two or more participating affected taxing entities, the public financing authority's membership shall consist of a majority of members from the legislative bodies of the participating entities, and a minimum of two members of the public chosen by the legislative bodies of the participating entities. *A legislative body of a participating affected taxing entity may appoint one of its members to be an alternate member of the legislative body who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority.* The appointment of the public members shall be subject to the provisions of ~~Section 54974.~~ *Sections 54970 and 54972.*

(3) If a district has more than three participating affected taxing entities, the legislative bodies of the taxing entities may, upon agreement by all participating affected taxing entities, appoint only one member and one alternate member of their respective legislative bodies to the public financing authority, and a minimum of two members of the public chosen by the legislative bodies of the participating entities. The appointment of the public members shall be subject to the provisions of Sections 54970 and 54972.

(4) For purposes of this subdivision, "legislative body" may include a directly elected mayor of a charter city who is not a member of the city's legislative body under the city's adopted charter.

(b) The legislative body shall ensure the public financing authority is established at the same time that it adopts a resolution of intention pursuant to Section 53398.59.

(c) Members of the public financing authority established pursuant to this chapter shall not receive compensation but may receive reimbursement for actual and necessary expenses incurred in the performance of official duties pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2.

(d) Members of the public financing authority are subject to Article 2.4 (commencing with Section 53234) of Chapter 2.

(e) The public financing authority created pursuant to this chapter shall be a local public agency subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950)), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

SEC. 1.5.

Section 53398.51.1 of the Government Code is amended to read:

53398.51.1.

(a) The public financing authority shall have a membership consisting of one of the following, as appropriate:

(1) If a district has only one participating affected taxing entity, the public financing authority's membership shall consist of three members of the legislative body of the participating entity, and two members of the public chosen by the legislative body. *The legislative body may appoint one of its members to be an alternate member of the legislative body who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority. The* appointment of the public members shall be subject to the provisions of ~~Section 54974.~~ *Sections 54970 and 54972.*

(2) If a district has two or more participating affected taxing entities, the public financing authority's membership shall consist of a majority of members from the legislative bodies of the participating entities, and a minimum of two members of the public chosen by the legislative bodies of the participating entities. *A legislative body of a participating affected taxing entity may appoint one of its members to be an alternate member of the legislative body who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority.* The appointment of the public members shall be subject to the provisions of ~~Section 54974.~~ *Sections 54970 and 54972.*

(3) If a district has more than three participating affected taxing entities, the legislative bodies of the taxing entities may, upon agreement by all participating affected taxing entities, appoint only one member and one alternate member of their respective legislative bodies to the public financing authority, and a minimum of two members of the public chosen by the legislative bodies of the participating entities. The appointment of the public members shall be subject to the provisions of Sections 54970 and 54972.

(4) For purposes of this subdivision, "legislative body" may include a directly elected mayor of a charter city who is not a member of the city's legislative body under the city's adopted charter.

(b) The legislative body shall ensure the public financing authority is established at the same time that it adopts a resolution of intention pursuant to Section 53398.59.

(c) Members of the public financing authority established pursuant to this chapter shall not receive compensation but may receive reimbursement for actual and necessary expenses incurred in the performance of official duties pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2.

(d) Members of the public financing authority are subject to Article 2.4 (commencing with Section 53234) of Chapter 2.

(e) The public financing authority created pursuant to this chapter shall be a local public agency subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950)), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

(f) Notwithstanding any other law, any member of the legislative body of a participating affected taxing entity who serves as a member of the public financing authority pursuant to this section may also serve as a member of the governing body of an agency or entity formed pursuant to an agreement for the joint exercise of power that the participating affected taxing entity has entered into in accordance with the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1).

SEC. 2.

Section 53398.59 of the Government Code is amended to read:

53398.59.

A legislative body of a city or county may designate one or more proposed enhanced infrastructure financing districts pursuant to this chapter. Proceedings for the establishment of a district shall be instituted by the adoption of a resolution of intention to establish the proposed district and shall do all of the following:

(a) State that an enhanced infrastructure financing district is proposed to be established under the terms of this chapter and describe the boundaries of the proposed district, which may be accomplished by reference to a map on file in the office of the clerk of the city or in the office of the recorder of the county, as applicable. *The map may identify, within a district, certain areas which shall be referred to as "project areas."*

(b) State the type of public facilities and development proposed to be financed or assisted by the district in accordance with Section 53398.52.

(c) State the need for the district and the goals the district proposes to achieve.

(d) State that incremental property tax revenue from the city or county and some or all affected taxing entities within the district, if approved by resolution pursuant to Section 53398.68, may be used to finance these activities.

(e) (1) State that a city, county, or city and county may allocate tax revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code) or transactions and use taxes imposed in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code) to an enhanced infrastructure financing district pursuant to Section 53398.75.5, if applicable.

(2) The legislative body of the city or county that elects to make an allocation pursuant to paragraph (1) shall adopt an ordinance to establish the following:

(A) The procedure by which the city or county will calculate the revenues derived from sales and use taxes and transactions and use taxes to be allocated to the enhanced infrastructure financing district.

(B) The decision process by which the city or county will determine the amount that will be dedicated to the proposed district.

(f) Fix a time and place for a public hearing on the proposal.

SEC. 3.

Section 53398.63 of the Government Code is amended to read:

53398.63.

After receipt of a copy of the resolution of intention to establish a district, the official designated pursuant to Section ~~53395.62~~ 53398.62 shall prepare a proposed infrastructure financing plan.

A plan shall be proposed for the district which shall include any project areas, if proposed, within the district. The infrastructure financing plan shall be consistent with the general ~~plan-plan, and specific plan, if applicable~~, of the city or county within which the district is located and shall include all of the following:

(a) A map and legal description of the proposed district, which may include all or a portion of the district designated by the legislative body in its resolution of intention.

(b) A description of the public facilities and other forms of development or financial assistance that is proposed in the area of the district, including those to be provided by the private sector, those to be provided by governmental entities without assistance under this chapter, those public improvements and facilities to be financed with assistance from the proposed district, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the development and financial assistance.

(c) If funding from affected taxing entities is incorporated into the financing plan, a finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the district.

(d) A financing section, which shall contain all of the following information:

(1) A specification of the maximum portion of the incremental tax revenue of the city or county and of each affected taxing entity proposed to be committed to the district for each year during which the district will receive incremental tax revenue. The portion need not be the same for all affected taxing entities. The portion may change over time.

(2) A projection of the amount of tax revenues expected to be received by the district in each year during which the district will receive tax revenues, including an estimate of the amount of tax revenues attributable to each affected taxing entity for each year.

(3) A plan for financing the public facilities to be assisted by the district, including a detailed description of any intention to incur debt.

(4) A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan.

(5) Either of the following:

~~(5)~~ (A) A date on which the district will cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 45 years from the date on which the issuance of bonds is approved pursuant to Section 53398.77, or the issuance of a loan is approved by the governing board of a local agency pursuant to Section 53398.87.

(B) If the district is divided into project areas, a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end and a date on which the district's authority to repay indebtedness with incremental tax revenues received under this chapter will end, not to exceed 45 years from the date the district or the applicable project area has actually received one hundred thousand dollars (\$100,000) in annual incremental tax revenues under this chapter. After the time limits established under this subparagraph, a district

or project area shall not receive incremental tax revenues under this chapter. If the district is divided into project areas, a separate and unique time limit shall be applicable to each project area that does not exceed 45 years from the date the district has actually received one hundred thousand dollars (\$100,000) in incremental tax revenues under this chapter from that project area.

(6) An analysis of the costs to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.

(7) An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity.

(8) A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of that district and qualifies for the Transit Priority Project Program, pursuant to Section 65470, including any permit and affordable housing expenses related to the project.

(e) If any dwelling units within the territory of the district are proposed to be removed or destroyed in the course of public works construction within the area of the district or private development within the area of the district that is subject to a written agreement with the district or that is financed in whole or in part by the district, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53398.56.

(f) The goals the district proposes to achieve for each project financed pursuant to Section 53398.52.

SEC. 4.

Section 53398.64 of the Government Code is amended to read:

53398.64.

(a) The infrastructure financing plan shall be sent to each owner of land within the proposed district and to each affected taxing entity together with any report required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) that pertains to the proposed public facilities or the proposed development project for which the public facilities are needed, and shall be made available for public inspection. The report shall also be sent to the public financing authority, the planning commission, and the legislative body.

(b) As an alternative to mailing documents pursuant to subdivision (a), and providing the additional 10-day mailed notices, pursuant to subdivision (i) of Section 53398.66, for both the initial meeting required by subdivision (b) of Section 53398.66, and for the first scheduled public hearing on the plan, the official designated pursuant to Section 53398.62 may mail a notice to each landowner, resident, and affected taxing entity at least 40 days prior to the first scheduled public hearing on the plan, held pursuant to paragraph (2) of subdivision (a) of Section 53398.66. This notice shall include all of the following:

(1) A summary of the plan including all required information listed in paragraph (1) of subdivision (c) of Section 53398.66.

(2) The internet website where the applicable documents, including those described in subdivision (a), will be made available for public viewing or inspection.

(3) A designated contact person to receive and process any requests for a mailed packet of all materials.

(4) The location, date, and time of both the meeting to be held in accordance with subdivision (b) of Section 53398.66 and the first scheduled public hearing in accordance with paragraph (2) of subdivision (a) of Section 53398.66.

(c) In addition to a notice provided by subdivision (b), the official designated pursuant to Section 53398.62 shall provide notices for the second and third public hearing on the plan, as described in paragraph (3) of subdivision (a) of Section 53398.66, in accordance with subdivision (i) of Section 53398.66.

SEC. 5.

Section 53398.66 of the Government Code is amended to read:

53398.66.

(a) (1) The public financing authority shall consider adoption of the enhanced infrastructure financing plan at three public hearings that shall take place at least 30 days apart. In addition to the notice given to landowners and affected taxing entities pursuant to Sections 53398.60 and 53398.61, the public financing authority shall give notice of each public hearing in accordance with subdivision (i).

(2) At the first public hearing, the public financing authority shall hear all written and oral comments, but take no action.

(3) At the second public hearing, the public financing authority shall consider any additional written and oral comments and take action to modify or reject the enhanced infrastructure financing plan. If the enhanced infrastructure financing plan is not rejected at the second public hearing, then the public financing authority shall conduct a protest proceeding at the third public hearing to consider whether the landowners and residents within the enhanced infrastructure financing plan area wish to present oral or written protests against the adoption of the enhanced infrastructure financing plan.

(b) The draft-enhanced infrastructure financing plan shall be made available to the public and to each landowner within the area *on a designated internet website and* at a meeting held at least 30 days before the ~~notice given for the~~ first public hearing. The purposes of the meeting shall be to allow the staff of the public financing authority to present the draft-enhanced infrastructure financing plan, answer questions about the enhanced infrastructure financing plan, and consider comments about the enhanced infrastructure financing plan.

(c) (1) The public financing authority shall give notice of the meeting required by subdivision (b) and the public hearings required by subdivision (a) in accordance with subdivision (i). The notice shall do all of the following, as applicable:

(A) Describe specifically the boundaries of the proposed area.

(B) Describe the purpose of the enhanced infrastructure financing plan.

(C) State the day, hour, and place when and where any and all persons having any comments on the proposed enhanced infrastructure financing plan may appear to provide written or oral comments to the enhanced infrastructure financing district.

(D) Notice of the second public hearing shall include a summary of the changes made to the enhanced infrastructure financing plan as a result of the oral and written testimony received at or before the public hearing and shall identify a location accessible to the public where the

enhanced infrastructure financing plan proposed to be presented at the second public hearing can be reviewed.

(E) Notice of the third public hearing to consider any written or oral protests shall contain a copy of the enhanced infrastructure financing plan, and shall inform the landowner and resident of their right to submit an oral or written protest before the close of the public hearing. The protest may state that the landowner or resident objects to the public financing authority taking action to implement the enhanced infrastructure financing plan.

(2) At the third public hearing, the public financing authority shall consider all written and oral protests received before the close of the public hearing along with the recommendations, if any, of affected taxing entities, and shall terminate the proceedings or adopt the enhanced infrastructure financing plan subject to confirmation by the voters at an election called for that purpose. The public financing authority shall terminate the proceedings if there is a majority protest. A majority protest exists if protests have been filed representing over 50 percent of the combined number of landowners and residents in the area who are at least 18 years of age. An election shall be called if between 25 percent and 50 percent of the combined number of landowners and residents in the area who are at least 18 years of age file a protest.

(d) An election required pursuant to paragraph (2) of subdivision (c) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The public financing authority shall adopt, at a duly noticed public hearing, procedures for this election.

(e) If a majority of the landowners and residents vote against the enhanced infrastructure financing plan, then the public financing authority shall not take any further action to implement the proposed enhanced infrastructure financing plan. The public financing authority shall not propose a new or revised enhanced infrastructure financing plan to the affected landowners and residents for at least one year following the date of an election in which the enhanced infrastructure financing plan was rejected.

(f) At the hour set in the notices required by subdivision (a), the public financing authority shall consider all written and oral comments.

(g) If less than 25 percent of the combined number of landowners and residents in the area who are at least 18 years of age file a protest, the public financing authority may adopt the enhanced infrastructure financing plan at the conclusion of the third public hearing by ~~ordinance~~ *resolution*. The ~~ordinance~~ *resolution* adopting the enhanced infrastructure financing plan shall be subject to referendum as prescribed by law.

(h) The public financing authority shall consider and adopt an amendment or amendments to an enhanced infrastructure financing plan in accordance with the provisions of this section.

(i) The public financing authority shall post notice of each meeting or public hearing required by this section in an easily identifiable and accessible location on the enhanced infrastructure financing district's internet website and shall mail a written notice of the meeting or public hearing to each landowner, each resident, and each taxing entity at least 10 days before the meeting or public hearing. *A public finance authority may meet the mailed notice requirements of this subdivision for the meeting held pursuant to subdivision (b) and the first public hearing on the proposed enhanced infrastructure financing plan if it has mailed a notice in compliance with subdivision (b) of Section 53398.64.*

(1) Notice of the first public hearing shall also be published not less than once a week for four successive weeks before the first public hearing in a newspaper of general circulation published in the county in which the area lies. The notice shall state that the district will be used to finance

public facilities or development, briefly describe the public facilities or development, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the proposed district, and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the public financing authority and object to the adoption of the proposed plan by the public financing authority.

(2) Notice of the second public hearing shall also be published not less than 10 days before the second public hearing in a newspaper of general circulation in the county in which the area lies. The notice shall state that the district will be used to finance public facilities or development, briefly describe the public facilities or development, briefly describe the proposed financial arrangements, describe the boundaries of the proposed district, and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the public financing authority and object to the adoption of the proposed plan by the public financing authority.

(3) Notice of the third public hearing shall also be published not less than 10 days prior to the third public hearing in a newspaper of general circulation in the county in which the area lies. The notice shall state that the district will be used to finance public facilities or development, briefly describe the public facilities or development, briefly describe the proposed financial arrangements, describe the boundaries of the proposed district, and state the day, hour, and place when and where any persons having any objections to the proposed infrastructure financing plan, or the regularity of any of the prior proceedings, may appear before the public financing authority and object to the adoption of the proposed plan by the public financing authority.

(j) (1) The public financing authority shall review the enhanced infrastructure financing plan at least annually and make any amendments that are necessary and appropriate and shall require the preparation of an annual independent financial audit paid for from revenues of the enhanced infrastructure financing district.

(A) Amendments to an approved infrastructure financing plan, including proposals to finance affordable housing and additional eligible projects, as specified in Section 53398.52, may be approved by a majority vote of the governing board at a public hearing held following the provision of a 30-day mailed notice describing the proposed changes to all property owners, residents, and affected taxing entities.

(B) Amendments that propose any of the following shall be adopted in accordance with all notices and hearing requirements for the affected landowners and residents within the proposed additional territory applicable to an initial proposed enhanced infrastructure financing plan:

(i) Addition of new territory to a district.

(ii) Increase of the limit of the total number of dollars in local taxes allocated to the plan.

(iii) Approval of a public facility or development that was not proposed to be financed or assisted by the district in the approved plan.

(2) A public financing authority shall adopt an annual report on or before June 30 of each year after holding a public hearing. Written copies of the draft report shall be made available to the public 30 days before the public hearing. The public financing authority shall cause the draft report to be posted in an easily identifiable and accessible location on the enhanced

infrastructure financing district's internet website and shall mail a written notice of the availability of the draft report on the internet website to each owner of land and each resident within the area covered by the enhanced infrastructure financing plan and to each taxing entity that has adopted a resolution pursuant to Section 53398.68. The notice shall be mailed by first-class mail, but may be addressed to "occupant."

(3) The annual report shall contain all of the following:

(A) A description of the projects undertaken in the fiscal year, including any rehabilitation of structures, and a comparison of the progress expected to be made on those projects compared to the actual progress.

(B) A chart comparing the actual revenues and expenses, including administrative costs, of the public financing authority to the budgeted revenues and expenses.

(C) The amount of tax increment revenues received.

(D) An assessment of the status regarding completion of the enhanced infrastructure financing district's projects.

(E) The amount of revenues expended to assist private businesses.

(4) If the public financing authority fails to provide the annual report required by paragraph (3), the public financing authority shall not spend any funds received pursuant to a resolution adopted pursuant to this chapter until the public financing authority has provided the report.

SEC. 6.

Section 53398.68 of the Government Code is amended to read:

53398.68.

(a) The public financing authority shall not enact a resolution proposing formation of a district and providing for the division of taxes of any affected taxing entity pursuant to Article 3 (commencing with Section 53398.75) unless a resolution approving the plan has been adopted by the governing body of each affected taxing entity which is proposed to be subject to division of taxes pursuant to Article 3 (commencing with Section 53398.75) and has been filed with the legislative body at or prior to the time of the hearing.

(b) Nothing in this section shall be construed to prevent the public financing authority from amending its infrastructure financing plan and adopting a resolution proposing formation of the enhanced infrastructure financing district without allocation of the tax revenues of any affected taxing entity that has not approved the infrastructure financing plan by resolution of the governing body of the affected taxing entity.

(c) If after the date of district formation, an affected taxing entity adopts a resolution approving the plan and to participate in the division of taxes used to finance an enhanced infrastructure financing district, the division of taxes shall be based upon the last equalized assessment roll that is used for the district pursuant to paragraph (2) of subdivision (a) of Section 53398.75.

SEC. 7.

Section 62001 of the Government Code is amended to read:

62001.

(a) A community revitalization and investment authority is a public body, corporate and politic, with jurisdiction to carry out a community revitalization plan within a community revitalization and investment area. The authority shall be deemed to be the "agency" described in subdivision

(b) of Section 16 of Article XVI of the California Constitution for purposes of receiving tax increment revenues. The authority shall have only those powers and duties specifically set forth in Section 62002.

(b) (1) An authority may be created in any one of the following ways:

(A) A city, county, or city and county may adopt a resolution creating an authority. The composition of the governing board shall be comprised as set forth in subdivision (c).

(B) A city, county, city and county, and special district, as special district is defined in subdivision (m) of Section 95 of the Revenue and Taxation Code, or any combination thereof, may create an authority by entering into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(2) (A) A school entity, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, may not participate in an authority created pursuant to this part.

(B) A successor agency, as defined in subdivision (j) of Section 34171 of the Health and Safety Code, may not participate in an authority created pursuant to this part, and an entity created pursuant to this part shall not receive any portion of the property tax revenues or other moneys distributed pursuant to Section 34188 of the Health and Safety Code.

(3) An authority formed by a city or county that created a redevelopment agency that was dissolved pursuant to Part 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code shall not become effective until the successor agency or designated local authority for the former redevelopment agency has adopted findings of fact stating all of the following:

(A) The agency has received a finding of completion from the Department of Finance pursuant to Section 34179.7 of the Health and Safety Code.

(B) Former redevelopment agency assets which are the subject of litigation against the state, where the city or county or its successor agency or designated local authority are a named plaintiff, have not been or will not be used to benefit any efforts of an authority formed under this part unless the litigation has been resolved by entry of a final judgment by any court of competent jurisdiction and any appeals have been exhausted.

(C) The agency has complied with all orders of the Controller pursuant to Section 34167.5 of the Health and Safety Code.

(c) (1) The governing board of an authority created pursuant to subparagraph (A) of paragraph (1) of subdivision (b) shall be appointed by the legislative body of the city, county, or city and county that created the authority and shall include three members of the legislative body of the city, county, or city and county that created the authority and two public members. The *legislative body may appoint one of its members to be an alternate member of the legislative body who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority. The* appointment of the two public members shall be subject to ~~Section 54974.~~ *Sections 54970 and 54972.* The two public members shall live or work within the community revitalization and investment area.

(2) The governing body of the authority created pursuant to subparagraph (B) of paragraph (1) of subdivision (b) shall be comprised of a majority of members from the legislative bodies of the public agencies that created the ~~authority~~*authority*, and a minimum of two public members who live or work within the community revitalization and investment area. *A legislative body of a participating affected taxing entity may appoint one of its members to be an alternate member of*

the legislative body who may serve and vote in place of a member who is absent or disqualifies themselves from participating in a meeting of the authority. The majority of the board shall appoint the public members to the governing body. The appointment of the public members shall be subject to ~~Section 54974.~~ *Sections 54970 and 54972.*

(3) If an authority has more than three participating affected taxing entities, the legislative bodies of the taxing entities may, upon agreement by all participating affected taxing entities appoint only one member of their respective legislative bodies, and one alternate member, to the authority, and a minimum of two members of the public chosen by the legislative bodies of the participating entities. The appointment of the public members shall be subject to Sections 54970 and 54972.

(4) For purposes of this subdivision, "legislative body" may include a directly elected mayor of a charter city who is not a member of the city's legislative body under the city's adopted charter.

(d) An authority may carry out a community revitalization plan within a community revitalization and investment area. Not less than ~~80~~ 70 percent of the land calculated by census tracts, census block groups, as defined by the United States Census Bureau, or any combination of both within the area shall be characterized by both of the following conditions:

(1) An annual median household income that is less than, at the option of the authority, 80 percent of the statewide, countywide, or citywide annual median income.

(2) Three of the following four conditions:

(A) An unemployment rate that is at least 3 percentage points higher than the statewide average annual unemployment rate, as defined by the report on labor market information published by the Employment Development Department in March of the year in which the community revitalization plan is prepared. In determining the unemployment rate within the community revitalization and investment area, an authority may use unemployment data from the periodic American Community Survey published by the United States Census Bureau.

(B) Crime rates, as documented by records maintained by the law enforcement agency that has jurisdiction in the proposed plan area for violent or property crime offenses, that are at least 5 percent higher than the statewide average crime rate for violent or property crime offenses, as defined by the most recent annual report of the Criminal Justice Statistics Center within the Department of Justice, when data is available on the Attorney General's ~~Internet Web site.~~ *internet website.* The crime rate shall be calculated by taking the local crime incidents for violent or property crimes, or any offense within those categories, for the most recent calendar year for which the Department of Justice maintains data, divided by the total population of the proposed plan area, multiplied by 100,000. If the local crime rate for the proposed plan area exceeds the statewide average rate for either violent or property crime, or any offense within these categories, by more than 5 percent, then the condition described in this subparagraph shall be met.

(C) Deteriorated or inadequate infrastructure, including streets, sidewalks, water supply, sewer treatment or processing, and parks.

(D) Deteriorated commercial or residential structures.

(e) As an alternative to subdivision (d), an authority may also carry out a community revitalization plan within a community revitalization and investment area if it meets ~~either~~ *any* of the following conditions:

(1) The area is established within a former military base that is principally characterized by deteriorated or inadequate infrastructure and structures. Notwithstanding subdivision (c), the governing board of an authority established within a former military base shall include a member of the military base closure commission as a public member.

(2) The census tracts or census block groups, as defined by the United States Census Bureau, within the area are situated within a disadvantaged community as described in Section 39711 of the Health and Safety Code.

(3) Sites identified in the inventory of land in a city or county's housing element that are suitable for residential development pursuant to paragraph (3) or (4) of subdivision (a) of Section 65583.2, including parcels that are zoned to allow transit priority projects, as defined under Chapter 4.2 (commencing with Section 21155) of Division 13 of the Public Resources Code, consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy, for which the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080, has accepted a metropolitan planning organization's determination of the sustainable communities strategy or the alternative planning strategy.

(f) An authority created pursuant to this part shall be a local public agency subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

(g) (1) At any time after the authority is authorized to transact business and exercise its powers, the legislative body or bodies of the local government or governments that created the authority may appropriate the amounts the legislative body or bodies deem necessary for the administrative expenses and overhead of the authority.

(2) The money appropriated may be paid to the authority as a grant to defray the expenses and overhead, or as a loan to be repaid upon the terms and conditions as the legislative body may provide. If appropriated as a loan, the property owners and residents within the plan area shall be made third-party beneficiaries of the repayment of the loan. In addition to the common understanding and usual interpretation of the term, "administrative expense" includes, but is not limited to, expenses of planning and dissemination of information.

SEC. 8.

Section 62002 of the Government Code is amended to read:

62002.

An authority may do all of the following:

(a) Provide funding to rehabilitate, repair, upgrade, or construct infrastructure.

(b) Provide for low- and moderate-income housing in accordance with Part 2 (commencing with Section 62100).

(c) Remedy or remove a release of hazardous substances pursuant to the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24) or Chapter 6.10 (commencing with Section 25403) of Division 20 of the Health and Safety Code.

(d) Provide for seismic retrofits of existing buildings in accordance with all applicable laws and regulations.

(e) Acquire and transfer real property in accordance with Part 3 (commencing with Section 62200). The authority shall retain controls and establish restrictions or covenants running with the land sold or leased for private use for the periods of time and under the conditions as are provided in the plan. The establishment of these controls is a public purpose under this part.

(f) Issue bonds in conformity with Article 4.5 (commencing with Section 53506) and Article 5 (commencing with Section 53510) of Chapter 3 of Part 1 of Division 2 of Title 5.

(g) (1) Borrow money, receive grants, or accept financial or other assistance or investment from the state or the federal government or any other public agency or private lending institution for any project within its area of operation, and may comply with any conditions of the loan or grant. An authority may qualify for funding as a disadvantaged community pursuant to Section 79505.5 of the Water Code or as defined by Section 56033.5. An authority may also enter into an agreement with a qualified community development entity, as defined by Section 45D(c) of the Internal Revenue Code, to coordinate investments of funds derived from the New Markets Tax Credit with those of the authority in instances where coordination offers opportunities for greater efficiency of investments to improve conditions described in subdivisions (d) and (e) within the territorial jurisdiction of the authority.

(2) Receive funds allocated to it pursuant to a resolution adopted by a city, county, or special district to transfer these funds from a source described in subdivision (d), (e), or (f) of Section 53398.75, subject to any requirements upon, or imposed by, the city, county, or special district as to the use of these funds.

(h) Adopt a community revitalization and investment plan pursuant to Sections 62003 and 62004.

(i) Make loans or grants for owners or tenants to improve, rehabilitate, or retrofit buildings or structures within the plan area.

(j) Construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial industrial, or other uses contemplated by the revitalization plan.

(k) Provide direct assistance to businesses within the plan area in connection with new or existing facilities for industrial or manufacturing uses, *or the redevelopment or conversion of underutilized office or retail structures or parcels into housing*, except as specified in this division.

SEC. 9.

Section 62003 of the Government Code is amended to read:

62003.

An authority shall adopt a community revitalization and investment plan that may include *project areas and* a provision for the receipt of tax increment funds generated within the area according to Section 62005, provided the plan includes each of the following elements:

(a) A statement of the principal goals and objectives of the plan including territory to be covered by the plan.

(b) A description of the deteriorated or inadequate infrastructure within the area and a program for construction of adequate infrastructure or repair or upgrading of existing infrastructure.

(c) A housing program that describes how the authority will comply with Part 2 (commencing with Section 62100). The program shall include the following information:

(1) The amount available in the Low and Moderate Income Housing Fund and the estimated amounts that will be deposited in the fund during each of the next five years.

(2) Estimates of the number of new, rehabilitated, or price restricted residential units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate Income Housing Fund during each of the five years.

(3) A description of how the program will implement the requirements for expenditures of funds in the Low and Moderate Income Housing Fund over a 10-year period for various groups as required by Chapter 2 (commencing with Section 62115) of Part 2.

(4) Estimates of the number of units, if any, developed by the authority for very low, low-, and moderate-income households during the next five years.

(d) A program to remedy or remove a release of hazardous substances, if applicable.

(e) A program to provide funding for or otherwise facilitate the economic revitalization of the area.

(f) A fiscal analysis setting forth the projected receipt of revenue and projected expenses over a five-year planning horizon, including the potential issuance of bonds backed by tax increment during the term of the plan. Bonds shall be issued in conformity with Article 4.5 (commencing with Section 53506) and Article 5 (commencing with Section 53510) of Chapter 3 of Part 1 of Division 2 of Title 5. An authority shall not spend revenue for any purpose that is not identified as part of a program described in subdivisions (b), (c), (d), and (e).

(g) Time limits that may not exceed the following:

(1) Thirty years for establishing loans, advances and indebtedness.

(2) Either of the following:

~~(A)~~ *(A) Forty-five years for the repayment of all of the authority's debts and obligations, and fulfilling all of the authority's housing obligations. The plan shall specify that an authority shall dissolve as a legal entity in no more than 45 years, years from the date upon which the issuance of debt is approved for a plan, or approved for a project area designated by the authority within a plan subject to subparagraph (B), as applicable, and no further taxes shall be allocated to the authority pursuant to Section 62005. Nothing in this paragraph shall be interpreted to prohibit an authority from refinancing outstanding debt solely to reduce interest costs.*

(B) If the authority divides the community revitalization and investment plan into multiple project areas, a date on which the plan will cease to be in effect and all tax allocations to the authority will end and a date on which the repayment of indebtedness with incremental tax revenues received under this chapter will end, not to exceed 45 years from the date the authority or the applicable project area has received one hundred thousand dollars (\$100,000) in annual incremental tax revenues under this chapter. After the time limits established under this subparagraph, an authority or project area shall not receive incremental tax revenues under this chapter. If the authority divides the community revitalization and investment plan into project areas, a separate and unique time limit shall be applicable to each project area that does not exceed 45 years from the date the authority has received one hundred thousand dollars (\$100,000) in incremental tax revenues under this chapter from that project area.

(h) A determination that the community revitalization investment area complies with the conditions described in subdivision (d) or (e) of Section 62001.

SEC. 10.

Section 62006 of the Government Code is amended to read:

62006.

(a) The authority shall *require the preparation of an annual independent financial audit paid for from revenues of the authority, and* review the plan at least annually and make any amendments that are necessary and appropriate in accordance with the ~~procedures set forth in Section 62004 and shall require the preparation of an annual independent financial audit paid for from revenues of the authority.~~*following procedures:*

(1) Amendments to an approved plan, including proposals to finance affordable housing pursuant to Part 2, and additional eligible projects, may be approved by a majority vote of the authority's governing board at a public hearing held following the provision of a 30-day mailed notice describing the proposed changes to all property owners, residents and taxing agencies.

(2) Amendments that propose any of the following shall be adopted in accordance with all notice and hearing requirements for the affected landowners and residents within the proposed additional territory applicable to an initial plan set forth in Section 62004:

(i) Addition of new territory or project areas to a plan.

(ii) Increase the limit of the total number of dollars in local taxes allocated.

(iii) Approve a public facility or development that was not proposed to be financed or assisted by the district in the approved plan.

(b) An authority shall adopt an annual report on or before June 30 of each year after holding a public hearing. Written copies of the draft report shall be made available to the public 30 days prior to the public hearing. The authority shall cause the draft report to be posted in an easily identifiable and accessible location on the authority's ~~Internet Web site~~ *internet website* and shall mail a written notice of the availability of the draft report on the ~~Internet Web site~~ *internet website* to each owner of land and each resident within the area covered by the plan and to each taxing entity that has adopted a resolution pursuant to subdivision (d) of Section 62005. The notice shall be mailed by first-class mail, but may be addressed to "occupant."

(c) The annual report shall contain all of the following:

(1) A description of the projects undertaken in the fiscal year, including any rehabilitation of structures, and a comparison of the progress expected to be made on those projects compared to the actual progress.

(2) A chart comparing the actual revenues and expenses, including administrative costs, of the authority to the budgeted revenues and expenses.

(3) The amount of tax increment revenues received.

(4) The amount of revenues expended for low- and moderate-income housing.

(5) An assessment of the status regarding completion of the authority's projects.

(6) The amount of revenues expended to assist private businesses.

(d) If the authority fails to provide the annual report required by subdivision (a), the authority shall not spend any funds received pursuant to a resolution adopted pursuant to subdivision (d) of Section 62005 until the authority has provided the report, except for funds necessary to carry out its obligation under Part 2 (commencing with Section 62100).

(e) Every ~~10~~ 15 years, at the public hearing held pursuant to subdivision ~~(b), the authority shall~~ *(b) and after adopting the annual report, the authority shall consider whether the property owners and residents within the plan area wish to propose amendments to the plan. The authority may consider and adopt amendments to the plan at the conclusion of the public hearing. After considering any amendments to the plan, the authority shall* conduct a protest proceeding to consider whether the property owners ~~and or~~ residents within the plan area wish to present oral or written protests against the ~~authority~~ *authority undertaking new projects*. Notice of this ~~protest~~ proceeding shall be included in the written notice of the hearing on the annual report and shall inform the property owner and resident of ~~his or her~~ *their* right to submit *proposed amendments to the plan, or* an oral or written protest *to prohibit new projects under the plan*, before the close of the public hearing. The protest may state that the property owner or resident objects to the authority taking action to implement *new projects under* the plan on and after the date of the election described in subdivision (f). The authority shall consider all written and oral protests received prior to the close of the public hearing.

(f) ~~If~~ *Except as provided in subdivision (h), if* there is a majority protest, the authority shall not take any further action to implement *new projects under* the plan on and after the date the existence of a majority protest is determined. If between 25 percent and 50 percent of the property owners and residents file protests, then the authority shall call an election of the property owners and residents in the area covered by the plan, and shall not initiate or authorize any new projects until the election is held. A majority protest exists if protests have been filed representing over 50 percent of the combined number of property owners and residents, at least 18 years of age or older, in the area.

(g) An election required pursuant to subdivision (f) shall be held within 90 days of the public hearing and may be held by mail-in ballot. The authority shall adopt, at a duly noticed public hearing, procedures for holding this election.

(h) If a majority of the property owners and residents vote against the plan, then the authority shall not take any further action to implement *new projects under* the plan on and after the date of the election held pursuant to subdivision (e). This section shall not ~~prevent the~~ *be interpreted to prohibit an* authority from ~~taking any and all actions and appropriating and expending funds, including, but not limited to, any and all payments on bonded or contractual indebtedness, to carry out and complete projects for which expenditures of any kind had been made prior to the date of the election and any expenditures for obligations required by Part 2 (commencing with Section 62100) that were incurred prior to the date of the election~~ *doing any of the following:*

(1) In fulfilling its obligations to repay all outstanding bonded indebtedness, fulfill all contractual obligations to third parties, or take all actions necessary so that the interest on any outstanding bonded indebtedness is excluded from gross income for federal income tax purposes.

(2) Expending bond proceeds and other revenues to complete any previously approved project or contractual obligation.

(3) Expending funds to complete any of the affordable housing obligations required by Part 2 (commencing with Section 62100).

SEC. 11.

Section 1.5 of this bill incorporates amendments to Section 53398.51.1 of the Government Code proposed by both this bill and Assembly Bill 336. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, (2) each bill amends Section 53398.51.1 of the Government Code, and (3) this bill is enacted after Assembly Bill 336, in which case Section 1 of this bill shall not become operative.

SB 813, Chapter 224

Local Government Omnibus Act of 2021

Effective Date 1/1/2022

SECTION 1.

(a) This act shall be known, and may be cited, as the Local Government Omnibus Act of 2021.

(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 11010.3 of the Business and Professions Code is amended to read:

11010.3.

(a) (1) This ~~article~~ *chapter* shall not apply to the proposed sale or lease of those lots or other interests in a subdivision that are limited to industrial or commercial uses by law or by a declaration of covenants, conditions, and restrictions that has been recorded in the official records of the county or counties in which the subdivision is located.

(2) Paragraph (1) shall not affect any determination whether there are five or more lots, parcels, or other interests for the purposes of Section 11000, 11001, or 11004.5.

(b) For the purposes of this section, "commercial use" includes, but is not limited to, the operation of a business that provides facilities for the overnight stay of its customers, employees, or agents and the operation of an apartment complex that is not a community apartment project, as defined in Section 11004.

SEC. 3.

Section 12463 of the Government Code is amended to read:

12463.

(a) The Controller shall compile, publish, and make publicly available on the Controller's ~~Internet Web site, website~~, in a format that may be printed and downloaded, reports of the financial transactions and information on annual compensation, consistent with subdivision (I) of Section 53892, of each county, city, and special district, respectively, within this state, together with any other matter ~~he or she~~ *the Controller* deems of public interest. The reports shall include the appropriations limits and the total annual appropriations subject to limitation of the counties, cities, and special districts. The reports to the Controller shall be made in the ~~form-time, form~~, and manner prescribed by the ~~Controller~~. *Controller, consistent with Section 53891.*

(b) The Controller shall compile and publish reports of the financial transactions of each county, city, and special district pursuant to subdivision (a) on or before November 1 of each year following the end of the annual reporting period. The Controller shall make data collected pursuant to this subdivision available upon request to the Legislature and its agents, on or before April 1 of each year.

(c) The Controller shall annually publish, on the ~~Internet Web site~~ *internet website* of the Controller, reports of the financial transactions of each school district within this state, together with any other matter ~~he or she~~ *the Controller* deems of public interest. The reports shall include the appropriations limit and the total annual appropriations subject to limitation of the school district. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(d) As used in this section, the following terms have the following meanings:

(1) "School district" means a school district as defined in Section 80 of the Education Code.

(2) "Special district" means any of the following:

(A) A special district as defined in Section 95 of the Revenue and Taxation Code.

(B) A commission provided for by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(C) A nonprofit corporation that is any of the following:

(i) Was formed in accordance with the provisions of a joint powers agreement to carry out functions specified in the agreement.

(ii) Issued bonds, the interest on which is exempt from federal income taxes, for the purpose of purchasing land as a site for, or purchasing or constructing, a building, stadium, or other facility, that is subject to a lease or agreement with a local public entity.

(iii) Is wholly owned by a public agency.

SEC. 4.

Section 53891 of the Government Code is amended to read:

53891.

(a) The officer of each local agency who has charge of the financial records shall furnish to the Controller a report of all the financial transactions of the local agency during the preceding fiscal year. The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available. The report shall be furnished within seven months after the close of each fiscal year *or within the time prescribed by the Controller, whichever is later*, and shall be in the form *and manner* required by the Controller. A local agency shall submit to the Controller information on annual compensation, as described in subdivision (l) of Section 53892, for the previous calendar year no later than April 30th.

(b) The Controller shall prescribe uniform accounting and reporting procedures that shall be applicable to all local agencies except cities, counties, and school districts, and except for local agencies that substantially follow a system of accounting prescribed by the Public Utilities Commission of the State of California or the Federal Energy Regulatory Commission. The procedures shall be adopted under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. The Controller shall prescribe the procedures only after consultation with

and approval of a local governmental advisory committee established pursuant to Section 12463.1. Approval of the procedures shall be by majority vote of the members present at a meeting of the committee called by the chairperson thereof.

SEC. 5.

Section 32133 of the Health and Safety Code is amended to read:

32133.

At least once each year the board shall engage the services of a qualified accountant of accepted reputation to conduct an audit of the books of the hospital and prepare a report. ~~The financial statement of the district with the auditor's certification, including any exceptions or qualifications as part of such certification, shall be published in the district by the board.~~ *A notice of the report shall be published,* pursuant to Section 6061 of the Government ~~Code.~~ *Code and shall include all of the following:*

- (a) The date the audit was completed.*
- (b) The preparer and the executor of the audit.*
- (c) The location, including address, of the file for public inspection.*
- (d) The website link to the audit report on the district's internet website.*
- (e) A summary of any material findings or declaration of no material findings.*

SEC. 6.

The Legislature finds and declares that Section 5 of this act, which amends Section 32133 of the Health and Safety 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:

This act furthers public access to hospital district records by requiring hospital districts to publish specified information related to an annual audit report, including a link to the audit report on the district's internet website.

SEC. 7.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

SB 825, Chapter 433

Tax and fee administration: local government finance.
Effective Date 1/1/2022

SECTION 1.

Section 27061 of the Government Code is amended to read:

27061.

~~Not later than the tenth of each month the~~ *The* treasurer shall settle ~~his~~ *their* accounts relating to the collection, care, and disbursement of public revenue of whatsoever nature and kind with the

~~auditor.~~ *auditor no less frequently than monthly. Upon the request of the auditor, the treasurer shall provide a settlement of cash receipts and disbursements of the prior calendar month to the auditor on or before 10 business days after the treasurer receives the auditor's request.*

SEC. 2.

Section 27062 of the Government Code is repealed.

~~27062.~~

~~For the purpose of making his settlement, the treasurer shall make a statement under oath of the amount of money or other property received prior to the period of the settlement, the amount of payments or disbursements, and the amount remaining on hand. In the settlements he shall deposit and take the auditor's receipt for all warrants redeemed by him.~~

SEC. 3.

Section 27064 of the Government Code is repealed.

~~27064.~~

~~If the treasurer neglects or refuses to settle or report as required by this article, he shall forfeit and pay to the county five hundred dollars (\$500) for each neglect or refusal, and the board of supervisors shall institute suits for the recovery thereof.~~

SEC. 4.

Section 214.02 of the Revenue and Taxation Code is amended to read:

214.02.

(a) Except as provided in subdivision (b) or (c), property that is used exclusively for the preservation of native plants or animals, biotic communities, geological or geographical formations of scientific or educational interest, or open-space lands used solely for recreation and for the enjoyment of scenic beauty, is open to the general public subject to reasonable restrictions concerning the needs of the land, and is owned and operated by a scientific or charitable fund, foundation, limited liability company, or corporation, the primary interest of which is to preserve those natural areas, and that meets all the requirements of Section 214, shall be deemed to be within the exemption provided for in subdivision (b) of Sections 4 and 5 of Article XIII of the Constitution of the State of California and Section 214.

(b) The exemption provided by this section shall not apply to any property of an organization that owns in the aggregate 30,000 acres or more in one county that were exempt under this section prior to March 1, 1983, or that are proposed to be exempt, unless the nonprofit organization that holds the property is fully independent of the owner of any taxable real property that is adjacent to the property otherwise qualifying for tax exemption under this section. For purposes of this section, the nonprofit organization that holds the property shall be considered fully independent if the exempt property is not used or operated by that organization or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor or bondholder of the exempt organization or operator, or the owner of any adjacent property, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of their business or profession.

(c) The exemption provided by this section shall not apply to property that is reserved for future development.

(d) (1) For the purposes of determining whether the property is used for the actual operation of the exempt activity as required by subdivision (a), consideration shall not be given to the use of the property for either of the following:

(A) Activities resulting in direct or in-kind revenues provided that the activities further the conservation objectives of the property as provided in a qualified conservation management plan for the property. These revenues include those revenues derived from grazing leases, hunting and camping permits, rents from persons performing caretaking activities who reside in dwellings on the property, and admission fees collected for purposes of public enjoyment.

(B) Any lease of the property for a purpose that furthers the conservation objectives of the property as provided in a qualified conservation management plan for the property.

(2) The activities and lease described in paragraph (1) may not generate unrelated business income.

(3) For purposes of this subdivision, a “qualified conservation management plan” means a plan that satisfies all of the following:

(A) Identifies both of the following:

(i) That the foremost purpose and use of the property is for the preservation of native plants or animals, biotic communities, geological or geographical formations of scientific or educational interest, or as open-space lands used solely for recreation and for the enjoyment of scenic beauty.

(ii) The overall conservation management goals, including, but not limited to, identification of permitted activities, and actions necessary to achieve the goals.

(B) Describes both of the following:

(i) The natural resources and recreational attributes of the property.

(ii) Potential threats to the conservation values or areas of special concern.

(C) Contains a timeline for planned management activities and for regular inspections of the property, including existing structures and improvements.

(e) This section shall be operative from the lien date in 1983 to and including the lien date in ~~2022, 2027~~, after which date this section shall become inoperative, and as of January 1, ~~2023, 2028~~, this section is repealed.

(f) The amendments made by Section 4 of Chapter 354 of the Statutes of 2004 shall apply with respect to lien dates occurring on and after January 1, 2005.

(g) The amendments made to this section by the act adding this subdivision shall apply commencing with the lien date for the 2013–14 fiscal year.

SEC. 5.

Section 401.10 of the Revenue and Taxation Code is amended to read:

401.10.

(a) Notwithstanding any other law relating to the determination of the values upon which property taxes are based, values for each tax year from the 1984–85 tax year to the ~~2020–24~~ ~~2025–26~~ tax year, inclusive, for intercounty pipeline rights-of-way on publicly or privately owned property, including those rights-of-way that are the subject of a change in ownership, new construction, or any other reappraisable event during the period from March 1, 1975, to June 30, ~~2024, 2026~~, inclusive, shall be rebuttably presumed to be at full cash value for that year, if all of the following conditions are met:

(1) (A) The full cash value is determined to equal a 1975–76 base year value, annually adjusted for inflation in accordance with subdivision (b) of Section 2 of Article XIII A of the California Constitution, and the 1975–76 base year value was determined in accordance with the following schedule:

- (i) Twenty thousand dollars (\$20,000) per mile for a ~~high-density~~ *high-density* property.
- (ii) Twelve thousand dollars (\$12,000) per mile for a ~~transitional-density~~ *transitional-density* property.
- (iii) Nine thousand dollars (\$9,000) per mile for a ~~low-density~~ *low-density* property.

(B) For purposes of this section, the density classifications described in subparagraph (A) are defined as follows:

- (i) “High density” means Category 1 (densely urban) as established by the State Board of Equalization.
- (ii) “Transitional density” means Category 2 (urban) as established by the State Board of Equalization.
- (iii) “Low density” means Category 3 (valley-agricultural), Category 4 (grazing), and Category 5 (mountain and desert) as established by the State Board of Equalization.

(2) The full cash value is determined utilizing the same property density classifications that were assigned to the property by the State Board of Equalization for the 1984–85 tax year or, if density classifications were not so assigned to the property for the 1984–85 tax year, the density classifications that were first assigned to the property by the board for a subsequent tax year.

(3) (A) If a taxpayer owns multiple pipelines in the same right-of-way, an additional 50 percent of the value attributed to the right-of-way for the presence of the first pipeline, as determined under paragraphs (1) and (2), shall be added for the presence of each additional pipeline up to a maximum of two additional pipelines. For any particular taxpayer, the total valuation for a multiple pipeline right-of-way shall not exceed 200 percent of the value determined for the right-of-way of the first pipeline in the right-of-way in accordance with paragraphs (1) and (2).

(B) If the State Board of Equalization has determined that an intercounty pipeline, located within a multiple pipeline right-of-way previously valued in accordance with subparagraph (A), has been abandoned as a result of physical removal or blockage, the assessed value of the right-of-way attributable to the last pipeline enrolled in accordance with subparagraph (A) shall be reduced by not less than 75 percent of that increase in assessed value that resulted from the application of subparagraph (A).

(4) If all pipelines of a taxpayer located within the same pipeline right-of-way, previously valued in accordance with this section, are determined by the State Board of Equalization to have been abandoned as the result of physical removal or blockage, the assessed value of that right-of-way to that taxpayer shall be determined to be no more than 25 percent of the assessed value otherwise determined for the right-of-way for a single pipeline of that taxpayer pursuant to paragraphs (1) and (2).

(b) If the assessor assigns values for any tax year from the 1984–85 tax year to the ~~2020–24~~ *2025–26* tax year, inclusive, in accordance with the methodology specified in subdivision (a), the taxpayer’s right to assert any challenge to the right to assess that property, whether in an administrative or judicial proceeding, shall be deemed to have been raised and resolved for that

tax year and the values determined in accordance with that methodology shall be rebuttably presumed to be correct. If the assessor assigns values for any tax year from the 1984–85 tax year to the ~~2020–21~~ 2025–26 tax year, inclusive, in accordance with the methodology specified in subdivision (a), any pending taxpayer lawsuit that challenges the right to assess the property shall be dismissed by the taxpayer with prejudice as it applies to intercounty pipeline rights-of-way.

(c) Notwithstanding any change in ownership, new construction, or decline in value occurring after March 1, 1975, if the assessor assigns values for rights-of-way for any tax year from the 1984–85 tax year to the ~~2020–21~~ 2025–26 tax year, inclusive, in accordance with the methodology specified in subdivision (a), the taxpayer may not challenge the right to assess that property and the values determined in accordance with that methodology shall be rebuttably presumed to be correct for that property for that tax year.

(d) Notwithstanding any change in ownership, new construction, or decline in value occurring after March 1, 1975, if the assessor does not assign values for rights-of-way for any tax year from the 1984–85 tax year to the ~~2020–21~~ 2025–26 tax year, inclusive, at the 1975–76 base year values specified in subdivision (a), any assessed value that is determined on the basis of valuation standards that differ, in whole or in part, from those valuation standards set forth in subdivision (a) shall not benefit from any presumption of correctness, and the taxpayer may challenge the right to assess that property or the values for that property for that tax year. As used herein, a challenge to the right to assess shall include any assessment appeal, claim for refund, or lawsuit asserting any right, remedy, or cause of action relating to or arising from, but not limited to, the following or similar contentions:

(1) That the value of the right-of-way is included in the value of the underlying fee or railroad right-of-way.

(2) That assessment of the value of the right-of-way to the owner of the pipeline would result in double assessment.

(3) That the value of the right-of-way may not be assessed to the owner of the pipeline separately from the assessment of the value of the underlying fee.

(e) Notwithstanding any other provision of law, during a four-year period commencing on January 1, 1996, the assessor may issue an escape assessment in accordance with the specific valuation standards set forth in subdivision (a) for the following taxpayers and tax years:

(1) Any intercounty pipeline right-of-way taxpayer who was a plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board of Equalization* (1993) 14 Cal.App.4th 42, for the tax years 1984–85 to 1996–97, inclusive.

(2) Any intercounty pipeline right-of-way taxpayer who was not a plaintiff in *Southern Pacific Pipe Lines, Inc. v. State Board of Equalization* (1993) 14 Cal.App.4th 42, for the tax years 1989–90 to 1996–97, inclusive.

(f) Any escape assessment levied under subdivision (e) shall not be subject to penalties or interest under the provisions of Section 532. If payment of any taxes due under this section is made within 45 days of demand by the tax collector for payment, the county shall not impose any late payment penalty or interest. Taxes not paid within 45 days of demand by the tax collector shall become delinquent at that time. If the tax thereon remains unpaid at the time set for declaration of default for delinquent taxes, the tax together with any penalty and costs as may have accrued thereon while on the secured roll shall be transferred to the unsecured roll.

(g) For purposes of this section, "intercounty pipeline right-of-way" means, except as otherwise provided in this subdivision, any interest in publicly or privately owned real property through which or over which an intercounty pipeline is placed. However, "intercounty pipeline right-of-way" does not include any parcel or facility that the State Board of Equalization originally separately assessed using a valuation method other than the multiplication of pipeline length within a subject property by a unit value determined in accordance with the density category of that subject property.

(h) This section shall remain in effect only until January 1, ~~2022~~, *2027*, and, as of that date is ~~repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.~~ *repealed.*

SEC. 6.

Section 1752.2 of the Revenue and Taxation Code is amended to read:

1752.2.

The participating counties may adopt a set of rules *of notice* and ~~regulations~~ *procedures* for the multijurisdictional assessment appeals ~~board. If the participating counties do not adopt a set of rules and regulations, the board shall operate pursuant to Article 1 (commencing with Section 301) of Chapter 3 of Division 1 of Title 18 of the California Code of Regulations, as those provisions read on January 1, 2017.~~ *board, as may be required to facilitate their work and to ensure uniformity in the processing and decision of equalization petitions.*

SEC. 7.

Section 2910.1 of the Revenue and Taxation Code is amended to read:

2910.1.

(a) The tax collector may, no later than 30 days prior to the date on which taxes are delinquent and as soon as reasonably possible after receipt of the extended assessment roll, mail or electronically transmit a tax bill for every assessment on the unsecured roll on which taxes are due, unless the total tax bill amount due is too small to justify the cost of collection. ~~Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section in this code shall be canceled if the assessee convinces the tax collector that he or she did not receive the tax bill mailed to the address provided on the roll or electronic address provided and authorized by the taxpayer to the tax collector.~~

(b) Failure to receive a tax bill shall not relieve the lien of taxes, nor shall it prevent the imposition of penalties imposed by this code. However, the penalty imposed for delinquent taxes as provided by any section in this code shall be canceled if the assessee does either of the following:

(1) Convinces the tax collector that the assessee did not receive the tax bill mailed to the address provided on the tax roll or electronic address provided and authorized by the taxpayer to the tax collector.

(2) Demonstrates to the tax collector that the delinquency is due to the tax collector's failure to mail or electronically transmit the tax bill to the address provided on the tax roll or electronic address provided and authorized by the taxpayer to the tax collector.

SEC. 8.

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.