

Senate Committee on Governance & Finance
Senator Mike McGuire, Committee Chair
State Capitol, Room 408
Sacramento, California 95814
(916) 651-4119

<http://sgf.senate.ca.gov>

TO: People Interested in Public Finance and Governance Legislation
FROM: Senator Mike McGuire, Committee Chair
DATE: November 8, 2017
SUBJECT: Summary of significant legislation heard in 2017

Now that the Legislature's regular session is in recess, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during 2017. The following summary identifies and briefly describes the significant bills that the Committee has worked on this year. At the end of each description, the bill's status is indicated in *italics*.

If you want to read the Committee's bill analyses or get a copy of a bill listed below, please go to the Legislature's official website leginfo.legislature.ca.gov. You can also use that website to retrieve other bill analyses, official histories, voting records, and any veto messages.

The Senate Committee on Governance and Finance is responsible for hearing legislation pertaining to state and local government revenue mechanisms, taxes, local governance, and land use and development. The summary below groups bills by subject.

Excise Taxes

[AB 948 \(Bonta\)](#) authorizes the State Board of Equalization (BOE) to allow commercial marijuana businesses to remit tax liability due in a method other than an electronic funds transfer, if deemed necessary to facilitate the collection of amounts due. *Senate Appropriations Committee.*

[SB 1 \(Beall\)](#) increases gasoline and diesel excise tax rates and the diesel sales tax rate, and imposes new fees to raise roughly \$5.2 billion in new transportation revenues annually for state highways, local streets and roads, the state's trade corridors, and transit. *Signed—Chapter 5, Statutes of 2017.*

[SB 148 \(Wiener\)](#) authorizes the Board of Equalization and counties to collect cash payments from cannabis-related businesses for state agencies. *Senate Appropriations Committee.*

Income Tax Form

[AB 149 \(Jones-Sawyer\)](#) creates the Habitat for Humanity Voluntary Contribution Fund as a voluntary contribution fund on the state personal income tax return to fund affordable housing projects. *Signed—Chapter 398, Statutes of 2017.*

[AB 280 \(Low\)](#) creates the Rape Kit Backlog Voluntary Tax Contribution Fund as a voluntary contribution fund on the state personal income tax return to provide funding for the testing of evidence collected in connection with sexual assaults. *Signed—Chapter 698, Statutes of 2017.*

[AB 519 \(Levine\)](#) creates the California Senior Citizen Advocacy Fund as a voluntary contribution fund on the state personal income tax return to provide funding for the California Senior Legislature, succeeding the California Senior Legislature Fund. *Signed—Chapter 443, Statutes of 2017.*

[AB 846 \(Cooley\)](#) reestablishes a voluntary contribution fund on the state personal income tax return to benefit the California YMCA Youth and Government program. *Signed—Chapter 142, Statutes of 2017.*

[AB 1031 \(Waldron\)](#) creates the Native California Wildlife Rehabilitation Fund as voluntary tax contribution fund on the state personal income tax return to provide funding for wildlife rehabilitation facilities, and extends the sunset on the Rare and Endangered Species Preservation Program voluntary contribution fund. *Signed—Chapter 504, Statutes of 2017.*

[SB 61 \(Hertzberg\)](#) extends the sunset date of the Emergency Food for Families Voluntary Contribution Fund. *Signed—Chapter 723, Statutes of 2017.*

[SB 440 \(Hertzberg\)](#) extends the sunset dates for the California Breast Cancer Research Voluntary Tax Contribution Fund and the California Cancer Research Voluntary Tax Contribution Fund. *Signed—Chapter 427, Statutes of 2017.*

[SB 503 \(Newman\)](#) renames and extends the sunset date for both the Keep Arts in Schools, and the Protect Our Coasts and Oceans Voluntary Contribution Fund. *Signed—Chapter 519, Statutes of 2017.*

Local Agency Formation Commissions (LAFCOs) & Boundary Changes

[AB 979 \(Lackey\)](#) amends statutes that govern independent special districts selection committees and representation of special districts on LAFCOs. *Signed—Chapter 203, Statutes of 2017.*

[AB 1361 \(Eduardo Garcia\)](#) allows a municipal water district, until January 1, 2023, to apply to the applicable LAFCO to extend services to certain Indian lands, and prohibits a LAFCO from denying the application. *Signed—Chapter 449, Statutes of 2017.*

[SB 365 \(Dodd\)](#) allows the Board of Supervisors for the County of Solano to create a regional park and open space district by resolution. *Signed—Chapter 216, Statutes of 2017.*

[SB 448 \(Wieckowski\)](#) requires the State Controller to publish a list of inactive special districts and establishes a process for LAFCOs to dissolve inactive special districts. *Signed—Chapter 334, Statutes of 2017.*

[SB 634 \(Wilk\)](#) reorganizes Castaic Lake Water Agency and Newhall County Water District into the Santa Clarita Valley Water Agency and requires the new district to submit an application for conditions to the Los Angeles County LAFCO. *Signed—Chapter 833, Statutes of 2017.*

[SB 693 \(Mendoza\)](#) authorizes the formation of the Lower San Gabriel River Recreation and Park District. *Signed—Chapter 466, Statutes of 2017.*

Land Use Planning & Development

[AB 73 \(Chiu\)](#) allows a city or county to create a housing sustainability district to complete upfront zoning and environmental review in order to receive incentive payments for development projects that are consistent with the district's ordinance. *Signed—Chapter 371, Statutes of 2017.*

[AB 352 \(Santiago\)](#) prohibits a city or county from limiting the number of efficiency units located in certain areas, including within one-half mile of public transit, where a car share vehicle is located within one block of the efficiency unit, or within one mile of a University of California or California State University campus. *Signed—Chapter 400, Statutes of 2017.*

[AB 890 \(Medina\)](#) delegates exclusive authority to a city council or a board of supervisors to make certain changes that would increase the intensity of land use, but exempts affordable housing, among other types of uses. *Vetoed by Governor.*

[AB 943 \(Santiago\)](#) requires 55% voter approval for land use initiatives that either reduce density or stop development or construction on any parcels within a mile of a major transit stop in cities or counties with 750,000 people or more. *Senate Appropriations Committee.*

[AB 1515 \(Daly\)](#) deems, for the purposes of the Housing Accountability Act, a housing or emergency shelter project consistent, compliant, and in conformity with applicable local regulations if there is substantial evidence that would allow a reasonable person to conclude that it is consistent with those regulations. *Signed—Chapter 378, Statutes of 2017.*

[AB 1564 \(Arambula\)](#) makes technical and clarifying changes to the Williamson Act program. *Senate Floor.*

[SB 35 \(Weiner\)](#) creates a streamlined, ministerial approval process for infill developments if those developments are proposed in localities that have failed to meet their regional housing needs assessment numbers and meet other environmental and labor-related conditions. *Signed—Chapter 366, Statutes of 2017.*

[SB 59 \(Moorlach\)](#) requires the Director of General Services, before offering the land associated with the Fairview Developmental Center for sale or lease, to complete an assessment of the site and facilities on the land to document the property's current condition and identify potential issues and limitations at the site. *Senate Appropriations Committee.*

[SB 166 \(Skinner\)](#) requires that a city or county plan for sites adequate to accommodate its remaining unmet housing need, as determined by the regional housing needs assessment, at all times throughout the housing element planning period. *Signed—Chapter 367, Statutes of 2017.*

[SB 252 \(Dodd\)](#) establishes conditions on the issuance of water well drilling permits for wells in overdrafted basins, including providing estimates of the location, depth, capacity, and other characteristics of the well. *Signed—Chapter 538, Statutes of 2017.*

[SB 435 \(Dodd\)](#) restores Williamson Act subvention payments to local governments for enforceably restricted farmlands if the local government's programs meet specified sustainability goals. *Senate Appropriations Committee.*

[SB 540 \(Roth\)](#) allows a local government to establish a Workforce Housing Opportunity Zone, within which a local government must approve housing developments that meet certain conditions. *Signed—Chapter 369, Statutes of 2017.*

[SB 649 \(Hueso\)](#) establishes a streamlined permitting process for small cell wireless facilities in the public right-of-way and in any zones that allow commercial or industrial development, and caps the fees that a local government may charge for the use of its streetlights and other similar infrastructure for siting a small cell at \$250 plus certain costs. *Vetoed by Governor.*

[SB 697 \(Stone\)](#) prohibits local governments from collecting impact fees, or establishing new impact fees, if the local government has not completed an annual report on the use of impact fees. *Senate Governance and Finance Committee.*

[SB 732 \(Stern\)](#) allows a city or county to develop an agricultural land component of their open-space element, or a separate agricultural land element, in return for priority consideration for funding provided by the Department of Conservation. *Signed—Chapter 434, Statutes of 2017.*

Local Agency and School District Bonds

[AB 1196 \(Harper\)](#) prohibits school bonds from having weighted average maturities that exceed 120% of the average reasonably expected economic life of the financed project. *Senate Governance and Finance Committee.*

[AB 1550 \(Limon\)](#) allows two or more small school districts to form a JPA for the purposes of issuing and selling school bonds. *Signed—Chapter 451, Statutes of 2017.*

Local Finance & Infrastructure

[AB 271 \(Caballero\)](#) allows county tax collectors to direct a county auditor to remove a delinquent property assessed clean energy (PACE) assessment from the tax roll, among other changes to statutes that govern unpaid PACE assessment. *Senate Floor.*

[AB 1145 \(Quirk\)](#) adds cable operators to the statutes that require cities and the California Department of Transportation to reimburse utilities for costs of undergrounding or relocation of overhead electric or communications facilities. *Signed—Chapter 792, Statutes of 2017.*

[AB 1180 \(Holden\)](#) allows Los Angeles County Flood Control District to levy special taxes to manage stormwater. *Signed—Chapter 617, Statutes of 2017.*

[SB 240 \(Dodd\)](#) increases the maximum annual assessment that may be levied on vineyards in Napa County to support the county's farmworker housing. *Signed—Chapter 72, Statutes of 2017.*

[SB 242 \(Skinner\)](#) establishes requirements for third-party program administrators of PACE programs, including oral confirmation requirements, right-to-cancel standards, and reporting requirements. *Signed—Chapter 484, Statutes of 2017.*

Local Tax Authority

[AB 805 \(Gonzales-Fletcher\)](#) changes the governance structure for the San Diego Association of Governments (SANDAG), the Metropolitan Transit System (MTS), and the North County Transit District (NCTD); enacts audit requirements for SANDAG; and allows MTS and NCTD to impose a transactions and use tax of 0.5%. *Signed—Chapter 658, Statutes of 2017.*

[AB 1189 \(Eduardo Garcia\)](#) increases the maximum rate of transactions and use tax that can be imposed by the Riverside County Transportation Commission from 0.5% to 1%. *Signed—Chapter 642, Statutes of 2017.*

[AB 1613 \(Mullin\)](#) allows San Mateo County Transportation Authority's to impose a transactions and use tax that exceeds the 2% cap, but only if San Mateo County does not use its current authority to do so. *Signed—Chapter 231, Statutes of 2017.*

[SCA 3 \(Dodd\)](#) lowers the vote threshold for cities, counties, and library districts to issue bonds for library infrastructure projects from 2/3 to 55%. *Senate Floor.*

[SCA 6 \(Wiener\)](#) lowers the vote threshold for local government agencies to levy a special tax for transportation infrastructure projects from 2/3 to 55%. *Senate Appropriations Committee.*

Local Powers & Governance

[AB 545 \(Bigelow\)](#) authorizes nonprofit hospitals in El Dorado County to enter into joint powers agreements with a public agency. *Signed—Chapter 124, Statutes of 2017.*

[AB 546 \(Chiu\)](#) requires cities and counties to post online documentation required for permitting of energy storage systems and to accept electronic submission of permitting documentation. *Signed—Chapter 380, Statutes of 2017.*

[AB 556 \(Limon\)](#) increases the maximum administrative penalties for violations of local event permit requirements where the event is commercial in nature. *Signed—Chapter 405, Statutes of 2017.*

[AB 722 \(Limon\)](#) authorizes a member of the Santa Barbara County Board of Supervisors or any public officer of the county or their deputies to serve on the Isla Vista Community Services District Board of Directors. *Signed—Chapter 409, Statutes of 2017.*

[AB 798 \(Garcia\)](#) allows Imperial County to convert the public administrator's office from an elected position to an appointed position and to consolidate the offices of public administrator and public guardian. *Signed—Chapter 383, Statutes of 2017.*

[AB 801 \(Weber\)](#) revises the membership of and procedures used by the San Diego County Redistricting Commission to include 14 members that represent the geographic and political distribution of voters in San Diego County. *Signed—Chapter 711, Statutes of 2017.*

[AB 851 \(Caballero\)](#) extends the sunset date on the authority of counties to use construction manager at-risk (CM at-risk) contracting, extends CM at-risk contracting authority to the City of San Diego for specified projects, and allows the Santa Clara Valley Water District to use the design-build procurement method for specified types of projects. *Signed—Chapter 821, Statutes of 2017.*

[AB 994 \(Muratsuchi\)](#) allows the Board of Directors of the Beach Cities Health District to use design-build contracting for the construction of buildings in the district. *Signed—Chapter 321, Statutes of 2017.*

[AB 1069 \(Low\)](#) requires cities or counties to regulate a taxicab company or driver if the company or driver is substantially located in the jurisdiction, as defined, beginning January 1, 2019. *Signed—Chapter 753, Statutes of 2017.*

[AB 1194 \(Dababneh\)](#) requires the fiscal statement that must be included in the sample ballot for local bond measures to include the best estimate from official sources of the average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, and requires the estimate to identify the final fiscal year in which the tax is anticipated to be collected. *Signed—Chapter 795, Statutes of 2017.*

[AB 1250 \(Jones-Sawyer\)](#) establishes various standards for the use of personal services contracts by counties. These standards include specific conditions and requirements that would apply when a county enters into a new contract or renews or extends an existing contract on or after January 1, 2018, and also specifies the conditions that must be met in order to permit a personal services contract. *Senate Rules Committee.*

[AB 1330 \(Reyes\)](#) allows the Bloomington Recreation and Park District to dispose of specified property used for parks purposes, subject to certain conditions. *Senate Floor.*

[AB 1414 \(Friedman\)](#) lowers an existing cap on local government permit fees for rooftop solar energy systems, continues the cap to January 1, 2025, and extends the cap to cover solar thermal systems. *Signed—Chapter 849, Statutes of 2017.*

[SB 182 \(Bradford\)](#) prohibits a local government from requiring business licenses from drivers for transportation network companies who do not reside in its jurisdiction and prohibits local governments from disclosing certain driver information online. *Signed—Chapter 769, Statutes of 2017.*

[SB 231 \(Hertzberg\)](#) defines “sewer” for the purposes of Proposition 218 (1996) to include storm drainage. *Signed—Chapter 536, Statutes of 2017.*

[SB 348 \(Leyva\)](#) requires an elections official to include specified notice in the county voter information guide regarding the process for challenging the levy of a special tax. *Assembly Local Government Committee.*

[SB 373 \(Cannella\)](#) allows the Stanislaus Regional Water Authority to utilize design-build to construct a surface water supply project. *Signed—Chapter 391, Statutes of 2017.*

[SB 450 \(Hertzberg\)](#) requires the governing body of a public body to obtain and disclose specified information in a public meeting prior to authorizing the issuance of bonds. *Signed—Chapter 625, Statutes of 2017.*

[SB 564 \(McGuire\)](#) enacts the Water Bill Savings Act, which allows joint powers authorities to finance water conservation improvements to private property in the Bay Area and Los Angeles County, paid for by charges collected on a customer’s water bill. *Signed—Chapter 430, Statutes of 2017.*

[SB 792 \(Wilk\)](#) requires Los Angeles County to establish an oversight commission to review and report on how Los Angeles County uses the funds from a parcel tax measure approved by Los Angeles County voters in 2002 that provides funding for the county trauma system. *Assembly Local Government Committee.*

[SB 793 \(Hill\)](#) allows certain special districts to use design-build contracting for construction of buildings or other facilities in those districts, and expands a pilot program that allows seven counties to use best value contracting for specified projects until January 1, 2020. *Signed—Chapter 627, Statutes of 2017.*

[SCA 12 \(Mendoza\)](#) requires, upon voter approval, a county with a population greater than five million residents after the 2020 U.S. census to have an elected county executive and a governing body that consists of a sufficient number of members so as to ensure that each member represents a district containing a population equivalent to no more than two districts in the United States House of Representatives. *In Assembly.*

Property Taxes

[AB 1193 \(Gloria\)](#) expands eligibility of the welfare exemption from property tax for affordable housing units occupied by individuals who meet current statutory income limits, but whose income subsequently increases. *Signed—Chapter 756, Statutes of 2017.*

[AB 1249 \(Gray\)](#) prohibits assessors from denying the welfare exemption on property owned by veterans organizations used for fraternal, lodge, or social club purposes. *Vetoed by Governor.*

[SB 246 \(Bates\)](#) allows taxpayers granted an initial base year value transfer due to disability to make another claim after turning 55. *Vetoed by Governor.*

[SB 404 \(Stone\)](#) eliminates the inflation adjustment for the principal place of residence of an income-eligible veteran taxpayer over the age of 65, and expands to a full exemption the current partial disabled veterans property tax exemption. *Senate Appropriations Committee.*

[SB 447 \(Nielsen\)](#) implements a process for two or more county board of supervisors to create a multicounty assessment appeals board. *Signed—Chapter 132, Statutes of 2017.*

[SB 624 \(Galgiani\)](#) allows counties to enact ordinances that provide that taxes below \$200 are not secured by liens. *Signed—Chapter 164, Statutes of 2017.*

[SB 639 \(Hertzberg\)](#) clarifies that specified renewable energy projects must be assessed locally, and not by the state. *Signed—Chapter 220, Statutes of 2017.*

[SB 653 \(Moorchach\)](#) requires a tax collector to publish on his or her Internet web site any notice that the law requires be published in a newspaper. *Signed—Chapter 336, Statutes of 2017.*

[SCA 9/SB 558](#) (Glazer) enacts a new construction exclusion for the construction or addition of rainwater capture systems. *In Assembly.*

Redevelopment & Economic Development

[AB 755 \(Eduardo Garcia\)](#) extends the Capital Investment Incentive Program from January 1, 2018, to January 1, 2019. *Signed—Chapter 709, Statutes of 2017.*

[AB 733 \(Berman\)](#) adds climate change projects to the list of projects that may be financed by an Enhanced Infrastructure Financing District (EIFD). *Signed—Chapter 657, Statutes of 2017.*

[AB 1568 \(Bloom\)](#) establishes the Neighborhood Infill and Transit Improvements (NIFTI) Act in EIFD law and allows EIFDs to receive sales and use taxes and transactions and use taxes to fund affordable housing. *Signed—Chapter 562, Statutes of 2017.*

[AB 1598 \(Mullin\)](#) allows a city or county to create an affordable housing authority to fund affordable housing and affordable workforce housing, similar to a Community Revitalization and Investment Authority (CRIA). *Signed—Chapter 764, Statutes of 2017.*

Sales & Use Taxes

[AB 1130 \(Bocanegra\)](#) enacts the Property Tax Reimbursement Law, which applies legal presumptions in the sales tax to heavy equipment operators who collect property tax reimbursements. *Signed—Chapter 505, Statutes of 2017.*

[AB 1499 \(Gray\)](#) directs retailers to segregate the amount of gross receipts from sales at fairs; requires the Board of Equalization to calculate $\frac{3}{4}$ of 1% of these gross receipts and report this amount to the Department of Finance; requires the Governor's Budget to include these amounts in the Proposed Budget for allocation to the Department of Food and Agriculture to fund state-designated fairs. *Signed—Chapter 798, Statutes of 2017.*

[SB 13 \(Gaines\)](#) expands the sales and use tax exemption on manufacturing equipment. *Senate Appropriations Committee.*

[SB 79 \(Allen\)](#) exempts from the state share of the sales and use tax purchases of used low or zero emission vehicles when the purchaser trades in an older vehicle. *Senate Appropriations Committee.*

[SB 197 \(Bates\)](#) exempts from the state and local sales and use tax specified building materials and supplies used by a qualified nonprofit organization to construct a facility used to care for military veterans. *Assembly Appropriations Committee.*

[SB 600 \(Galgiani\)](#) expands and extends the sales and use tax exemption on manufacturing equipment. *Senate Appropriations Committee.*

State Bonds & Indebtedness

[AB 18 \(Eduardo Garcia\)](#) enacts the California Clean Water, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, which places a bond of \$3.47 billion before voters at the June 2018 statewide primary election. *Senate Appropriations Committee.*

[AB 668 \(Gonzales Fletcher\)](#) enacts the Voting Modernization Bond Act of 2016, which places a general obligation bond of up to \$450 million to fund improvements to voting systems before voters at the June 2018 statewide direct primary election. *Senate Floor.*

[SB 3 \(Beall\)](#) enacts the Veterans and Affordable Housing Bond Act of 2018, which places a bond of \$4 billion to fund affordable housing programs and a veterans home ownership program, on the November 2018 general election. *Signed—Chapter 365, Statutes of 2017.*

[SB 5 \(De Leon\)](#) enacts the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, which places a \$4 billion bond to fund parks, natural resources, and environmental protection programs before voters at the June 2018 statewide direct primary election. *Signed—Chapter 852, Statutes of 2017.*

[SB 483 \(Glazer\)](#) enacts the Higher Education Facilities Bond Act of 2018, which places a \$2 billion bond to fund University of California and California State University facilities before voters at the November 2018 general election. *Senate Appropriations Committee.*

[SB 701 \(Hueso\)](#) enacts the Salton Sea Obligations Act of 2018, which places a \$500 million bond to fund restoration of the Salton Sea before voters at the November 2018 general election. *Assembly Appropriations Committee.*

State Personal & Corporate Income Taxes

[AB 94 \(Rodriguez\)](#) authorizes federally tax-exempt veterans organizations to use a streamlined method for establishing state tax-exempt status. *Signed—Chapter 104, Statutes of 2017.*

[AB 420 \(Wood\)](#) decouples state law from federal law for businesses that are “commercial cannabis activity, or “commercial marijuana activity” to allow these firms to deduct their business expenses for state tax purposes. *Senate Appropriations Committee.*

[AB 454 \(Ridley-Thomas\)](#) conforms state law to federal law’s exclusion from income for any civil damages, restitution, or other monetary award made to a wrongfully convicted individual. *Signed—Chapter 655, Statutes of 2017.*

[AB 490 \(Quirk-Silva\)](#) extends the College Access Tax Credit until January 1, 2023. *Signed—Chapter 527, Statutes of 2017.*

[AB 778 \(Caballero\)](#) revives the Community Development Financial Institution Tax Credit until the 2021 taxable year. *Vetoed by Governor.*

[SB 66 \(Wieckowski\)](#) disallows deductions for punitive damages for both individual and corporate taxpayers. *Assembly Revenue and Taxation Committee.*

[SB 289 \(McGuire\)](#) excludes income derived from Indian Country received by members of federally-recognized tribes who live on any tribal land. *Vetoed by Governor.*

[SB 343 \(Bradford\)](#) excludes specified amounts received by taxpayers resulting from contaminated property in the Carousel Neighborhood in Los Angeles County from income for state tax purposes. *In Assembly.*

[SB 434 \(Galgiani\)](#) conforms state law to federal law relating to mortgage debt forgiveness with modifications. *Assembly Appropriations Committee.*

[SB 567 \(Lara\)](#) decouples state law from federal law in three areas: basis step-up on inherited property, deductibility of executive pay, and charitable remainder trusts. *Senate Floor.*

[SB 807 \(Stern\)](#) enacts the Teacher Recruitment and Retention Act of 2017, which allows a tax credit and an income exclusion for qualified teachers. *Senate Appropriations Committee.*

State Tax Administration

[AB 525 \(Aguiar-Curry\)](#) extends the Offer in Compromise Program under several tax laws administered by both the Board of Equalization and the California Department of Tax and Fee Administration. *Signed—Chapter 272, Statutes of 2017.*

[SB 11 \(Gaines\)](#) provides that penalties or interest do not apply to any person who fails to pay any tax due if the failure to pay is attributable to the failure or crash of BOE's internet website. *Vetoed by Governor.*

[SB 352 \(Stone\)](#) eliminates the current withholding requirement on most sales of real estate interests when the seller resides in California. *Senate Appropriations Committee.*

[SB 375 \(Bradford\)](#) allows a modified first time penalty abatement program for qualified taxpayers. *Senate Appropriations Committee.*

[SB 813 \(Committee on Governance and Finance\)](#) updates the Voluntary Disclosure Program (VDP) to include non-resident partners of out-of-state partnerships and out-of-state trusts with California beneficiaries, and allows the Franchise Tax Board to waive the S-Corporation or partnership late filing penalty as part of a VDP agreement. *Signed—Chapter 288, Statutes of 2017.*

To read and retrieve copies of the Senate Governance & Finance Committee's detailed reference materials and other publications, please go to the Committee's website:

<http://sgf.senate.ca.gov>