

**Senate Committee on Governance & Finance  
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TO: People Interested in Public Finance and Governance Legislation  
FROM: Senator Mike McGuire, Committee Chair  
DATE: February 6, 2020  
SUBJECT: **Summary of significant legislation heard in 2019**

Now that the legislative session has ended, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during 2019. 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](http://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.

## **Income Tax Form**

[SB 241 \(Moorlach\)](#) creates an administrative process for charitable organizations to receive taxpayers' voluntary contributions on the state Personal Income Tax Return. *Senate Appropriations Committee.*

[AB 296 \(Cooley\)](#) establishes the Climate Innovation Grant Program to be administered by the Strategic Growth Council for the development and research of new innovations and technologies that either reduce emissions of greenhouse gasses or address the impacts of climate change. Establishes a Climate Innovation Voluntary Tax Contribution Account and authorizes an individual to contribute as part of their state tax return. *Vetoed by the Governor.*

[AB 984 \(Lackey\)](#) creates the Suicide Prevention Voluntary Tax Contribution Fund on the Personal Income Tax Return. *Signed—Chapter 445. Statutes of 2019.*

## Local Agency Formation Commissions (LAFCOs) & Boundary Changes

[SB 414 \(Caballero\)](#) establishes the Small System Water Authority Act of 2019, which requires consolidation of failing water systems into small system water authorities, and specifies the process for formation of a small water system authority; the internal organization of an authority and its board, officers, and employees; requirements for how authority elections will be handled; powers and duties of an authority; and financial provisions that require the State Water Resources Control Board to support specified costs. *Assembly Appropriations Committee.*

[AB 600 \(Chu\)](#) requires an application to annex a contiguous disadvantaged community before a Local Agency Formation Commission (LAFCO) can approve an annexation of two or more contiguous areas of territory within five years that cumulatively would total more than 10 acres. *Signed—Chapter 612, Statutes of 2019.*

[AB 1253 \(R. Rivas\)](#) establishes, until July 31, 2025, a grant program for local agency formation commissions that perform specified actions, including dissolving inactive special districts and actions that benefit disadvantaged communities. *Senate Governance and Finance Committee.*

## Land Use Planning & Development

[SB 4 \(McGuire\)](#) establishes a ministerial approval process for transit-oriented development and small multifamily developments that meet specified conditions. *Senate Governance and Finance Committee.*

[SB 13 \(Wieckowski\)](#) makes numerous changes to state laws governing accessory dwelling units (ADUs), including to cap local impact fees, require approval or denial of an ADU application within 60 days, and increase the minimum sizes of ADUs that local ordinances must allow. *Signed—Chapter 653, Statutes of 2019.*

[SB 48 \(Wiener\)](#) establishes a streamlined approval process for a “low-barrier navigation center” that connect people experiencing homelessness to services and permanent housing solutions until January 1, 2027, if it meets specified requirements, and requires local housing elements to identify areas for emergency shelters to be a permitted use in zones that allow residential use, as specified. *Senate Appropriations Committee.*

[SB 50 \(Wiener\)](#) requires local governments to provide a specified “equitable communities incentive” to developers that construct residential developments in “jobs-rich” and “transit-rich” areas, which may include certain exceptions to specified requirements for zoning, density, parking, height restrictions, and floor area ratios. *Senate Appropriations Committee.*

[SB 99 \(Nielsen\)](#) require the city or county, upon the next revision of the housing element on or after January 1, 2020, to review and update the safety element to include information identifying residential developments in hazard areas that do not have at least 2 emergency evacuation routes. *Signed—Chapter 202, Statutes of 2019.*

[SB 182 \(Jackson\)](#) imposes additional fire hazard planning responsibilities on local governments, requires counties and cities to make specified findings before permitting developments in very high fire risk areas (VHFRA), requires related fire planning and review by multiple state agencies, and creates a grant program for small jurisdictions to implement this bill's requirements. *Assembly Floor.*

[SB 330 \(Skinner\)](#) establishes the Housing Crisis Act of 2019, which, until January 1, 2025, places restrictions on certain types of development standards, amends the Housing Accountability Act (HAA), and makes changes to local approval processes and the Permit Streamlining Act. *Signed—Chapter 654, Statutes of 2019.*

[SB 527 \(Caballero\)](#) clarifies that commercial cannabis may be designated as a compatible use under the Williamson Act and provides that industrial hemp cultivation is an agricultural use. *Signed—Chapter 273, Statutes of 2019.*

[SB 744 \(Caballero\)](#) creates a California Environmental Quality Act (CEQA) exemption for developments that qualify for No Place Like Home (NPLH) funding and makes clarifying changes to existing law that provides for by-right approval of specified permanent supportive housing projects. *Signed—Chapter 346, Statutes of 2019.*

[AB 101 \(Committee on Budget\)\\*](#) establishes fines for violations of specified provisions of state housing law, creates the Infill Infrastructure Grant Program to award funding to cities for infill projects, includes similar provisions to SB 48 (Wiener), and makes other changes. *Signed—Chapter 159, Statutes of 2019.*

[AB 68 \(Ting\)](#) makes numerous changes to state laws governing ADUs, including to expand the types of ADUs that are eligible for ministerial approval regardless of the provisions of local ordinances to include ADUs on multifamily properties, restricts the zoning requirements that local ADU ordinances may impose, and makes other changes. *Signed—Chapter 655, Statutes of 2019.*

[AB 168 \(Aguiar-Curry\)](#) establishes a scoping consultation process before the submission of a SB 35 application to determine if there are potential tribal cultural resources on a proposed project site. If there are tribal cultural resources, the applicant must go through a process, as specified, to identify tribal cultural resources and mitigate any impact to those sites. *Senate Floor.*

[AB 430 \(Gallagher\)](#) establishes a streamlined, ministerial approval process for housing development in specified cities in Northern California until January 1, 2026. *Signed—Chapter 745, Statutes of 2019.*

[AB 747 \(Levine\)](#) requires, beginning January 1, 2022, the safety element to identify evacuation routes and their capacity, safety, and viability under a range of emergency scenarios. *Signed—Chapter 681, Statutes of 2019.*

[AB 754 \(Grayson\)](#) authorizes the California Department of Technology to provide Geographic Information Systems data to a regional notification center (RNC), as specified; and requires applications for solar energy system permits to contain a reference to the existing requirements to notify an RNC of intended excavation, as specified. *Signed—Chapter 494, Statutes of 2019.*

[AB 881 \(Bloom\)](#) makes numerous changes to state laws governing ADUs, including to prohibit local agencies from imposing owner-occupancy restrictions on ADUs until January 1, 2025. *Signed—Chapter 659, Statutes of 2019.*

[AB 1100 \(Kamlager-Dove\)](#) makes parking spaces served by electric vehicle (EV) charging equipment count as a standard parking space for purpose of complying with any applicable minimum parking requirement established by a local jurisdiction. *Signed—Chapter 819, Statutes of 2019.*

[AB 1279 \(Bloom\)](#)\* requires certain development sites in high resource areas to allow for more density and height and makes these sites subject to "use by-right" approval. *Senate Housing Committee.*

[AB 1483 \(Grayson\)](#) requires cities and counties to post specified housing-related information on their Web sites and requires the Department of Housing and Community Development to establish a workgroup, as specified, to develop a strategy for state housing data. *Signed—Chapter 662, Statutes of 2019.*

[AB 1485 \(Wicks\)](#) allows a project to be eligible for streamlined, ministerial approval under existing law (SB 35, Wiener, 2017) if the project contains 10 or more units and dedicates 20% of the total number of units to housing affordable to households making below 120% of the area median income, with the average income of the units at or below 100% of the area median income. *Signed—Chapter 663, Statutes of 2019.*

[AB 1515 \(Friedman\)](#) prohibits a court from invalidating a development approval that was granted based on a community plan that meets specified criteria, if the development was approved or had a complete application prior to the community plan being invalidated, as specified. *Signed—Chapter 269, Statutes of 2019.*

[AB 1763 \(Chiu\)](#) revises density bonus law (DBL) to require a city or county to award a developer additional density, concessions and incentives, and height increases if 100% of the units in a development are restricted to low- and moderate-income households. *Signed—Chapter 666, Statutes of 2019.*

[AB 1783 \(R. Rivas\)](#) creates a streamlined, ministerial approval process for agricultural employee housing that meets specified criteria and prohibits specified state housing funds from

being utilized for constructing housing for H-2A workers (nonimmigrant agricultural workers). *Signed—Chapter 866, Statutes of 2019.*

## Local Economic Development

[SB 531 \(Glazer\)](#) prohibits a local agency from entering into any agreement that results in a rebate of Bradley-Burns local tax revenues to a retailer in exchange for that retailer locating within that agency's jurisdiction. *Vetoed by Governor.*

[AB 485 \(Medina\)](#) requires local agencies to publicly report specified information when providing economic development subsidies of \$100,000 or more for warehouse distribution centers. *Signed—Chapter 803, Statutes of 2019.*

## Local Tax Authority

[AB 618 \(Stone\)](#) permits the Cities of Emeryville and Scotts Valley to impose a district tax not to exceed 0.25% for general or specific purposes that exceeds the 2% cap. *Vetoed by Governor.*

[AB 723 \(Quirk\)](#) provides that neither the district tax imposed by the Bay Area Regional Transit District nor a previously imposed 0.5% tax counts against the 2% cap in Alameda County, and states that the Santa Cruz County Metropolitan Transit District's tax does not count toward the 2% cap in Santa Cruz County. *Signed—Chapter 747, Statutes of 2019.*

[AB 1208 \(Ting\)](#) extends a current exemption from local utility user taxes for electricity generated from a clean energy resource located solely on the user's premises until January 1, 2027. *Signed—Chapter 328, Statutes of 2019.*

[AB 1413 \(Gloria\)](#) authorizes local transportation authorities in Placer, Solano, and San Diego Counties to levy a district tax only in a portion of its jurisdiction, with voter approval. *Signed—Chapter 758, Statutes of 2019.*

[SB 732 \(Allen\)](#) allows the South Coast Air Quality Management District to impose a district tax in increments of .25%, up to a total of 1%, within its jurisdiction that exceeds the 2% cap. *Senate Appropriations Committee.*

[SCA 5 \(Hill\)](#) allows a school or community college district to impose, extend, or increase a parcel tax by 55% voter approval under specified circumstances. *Senate Floor.*

## Local Powers & Governance

[SB 128 \(Beall\)](#) extends the best-value contracting pilot program until January 1, 2025, and adds Santa Clara and Monterey counties to the program. *Signed—Chapter 501, Statutes of 2019.*

[SB 139 \(Allen\)](#) requires a county with more than 400,000 residents to establish an independent redistricting commission tasked with adopting the county's supervisorial districts following each federal decennial census, as specified. *Vetoed by Governor.*

[SB 205 \(Hertzberg\)](#) requires businesses to demonstrate enrollment with stormwater discharge permits when applying for, or renewing, a business license with a city or county. *Signed—Chapter 470, Statutes of 2019.*

[SB 281 \(Wiener\)](#) prohibits any officer, employee, operator, or lessee of Agriculture District 1-A, from contracting for, authorizing, or allowing the sale of any firearm or ammunition at the Cow Palace property in San Mateo County and San Francisco County. As heard by the Committee, SB 281 created the Cow Palace Authority, required the state to transfer the Cow Palace to this new entity, and banned gun shows on the premises. *Senate Appropriations Committee.*

[SB 438 \(Hertzberg\)](#) prohibits, with some exceptions, a public agency from delegating, assigning, or entering into a contract for "911" call processing or emergency notification duties regarding the dispatch of emergency response services, unless the contract or agreement is with another public agency, and states that "medical control" shall not be construed to limit, supplant, prohibit, or otherwise alter a public safety agency's (PSA) authority to directly receive and process requests for assistance originating within the PSA's territorial jurisdiction through the emergency "911" system. *Signed—Chapter 389, Statutes of 2019.*

[SB 598 \(Moorlach\)](#) establishes the Open Financial Statement Commission (Commission), within the State Treasurer's Office (STO), and requires the Commission to report to the Legislature regarding how and whether to transition state and local agencies' financial reporting to a machine readable format, as specified. *Vetoed by Governor.*

[SB 681 \(Stern\)](#) authorizes the proponent of a local referendum or charter amendment initiative to withdraw the measure prior to election, as specified. *Signed—Chapter 569, Statutes of 2019.*

[AB 423 \(Gloria\)](#) restructures the governing board of the San Diego County Air Pollution Control District (SDAPCD) to include city and public representatives, imposes new requirements on SDAPCD, and requires the California Air Resources Board (CARB) to conduct a specified program audit of the SDAPCD. *Signed—Chapter 744, Statutes of 2019.*

[AB 689 \(McCarty\)](#) authorizes a pilot project for the Sacramento Municipal Utility District (SMUD) to acquire nonstock security in private entities. *Signed—Chapter 230, Statutes of 2019.*

[AB 825 \(Mullin\)](#) makes numerous changes to the San Mateo County Flood Control District Act to allow the District to finance projects to address sea level rise. *Signed—Chapter 292, Statutes of 2019.*

[AB 849 \(Bonta\)](#) revises and standardizes the criteria, procedures, and requirements that counties and cities must use when adjusting the boundaries of electoral districts used to elect members of the jurisdictions' governing bodies. *Signed—Chapter 557, Statutes of 2019.*

[AB 891 \(Burke\)](#) requires each city and county with a population greater than 330,000 to establish a safe parking program that meets specified criteria by January 1, 2022. *Vetoed by Governor.*

[AB 931 \(Boerner Horvath\)](#) prohibits the membership of appointed boards and commissions in cities with a population of 50,000 or more from having more than 60% of the same gender identity on or after January 1, 2030; and specifies that smaller boards and commissions must not be comprised of members having the same gender identity. *Signed—Chapter 813, Statutes of 2019.*

[AB 945 \(McCarty\)](#) increases the cap on the amount of surplus funds local agencies can invest in certain deposits and removes the January 1, 2021 sunset date on the ability to make these types of deposits. *Signed—Chapter 619, Statutes of 2019.*

[AB 1112 \(Friedman\)](#) places restrictions on (1) the data a local authority may require a shared mobility device provider to provide to the local authority and (2) the kinds of regulations a local authority may place on a shared mobility service provider or user. *Senate Transportation Committee.*

[AB 1162 \(Kalra\)](#) prohibits a lodging establishment from providing a small plastic bottle containing shampoo, hair conditioner, or bath soap to guests, as specified, and prohibits local governments from adopting more restrictive ordinances. *Signed—Chapter 687, Statutes of 2019.*

[AB 1286 \(Muratsuchi\)](#) places requirements on companies that provide shared mobility devices and the local authorities that allow such devices to be operated within their jurisdictions, including to require specified levels of liability insurance and to obtain a permit to operate from a local jurisdiction. *Senate Judiciary Committee.*

[AB 1289 \(Chen\)](#) prohibits a city, county, or city and county from fining an alarm company requesting dispatch to a customer that does not have a current local use permit for an alarm system, as specified. *Signed—Chapter 65, Statutes of 2019.*

[AB 1486 \(Ting\)](#) imposes additional requirements on the process that public agencies must use when disposing of surplus property. *Signed—Chapter 664, Statutes of 2019.*

[AB 1605 \(Ting\)](#) authorizes the City and County of San Francisco to establish a reservation and pricing pilot program for vehicles that use the "Crooked Street." *Vetoed by Governor.*

[AB 1607 \(Boerner Horvath\)](#) requires a city or county, upon issuing a business license, to provide the business with written notice about the legal prohibition on gender-based pricing discrimination for services and the related posting requirements. *Signed—Chapter 293, Statutes of 2019.*

[AB 1736 \(Daly\)](#) requires a local agency to create and maintain a policy for notifying the apparent lowest responsible bidder and the subcontractors listed in a bid within a reasonable time. *Vetoed by Governor.*

[AB 1743 \(Bloom\)](#) expands properties exempt from community facility district taxes to include properties that qualify for the property tax welfare exemption, and limits the ability for local agencies to reject housing projects because they qualify for the exemption. *Signed—Chapter 665, Statutes of 2019.*

## Property Taxes

[AB 133 \(Quirk-Silva\)](#) lowers the interest rate on Property Tax Postponement loans, and increases the income threshold to be eligible for a loan. *Signed—Chapter 794, Statutes of 2019.*

[AB 173 \(Chau\)](#) extends the provisions of the “Register Your Mobilehome” program for one year until January 1, 2021. *Signed—Chapter 488, Statutes of 2019.*

[AB 608 \(Petrie-Norris\)](#) allows a county board of supervisors to reevaluate and potentially increase its low value exemption ordinance up to \$50,000 for all possessory interests. *Signed—Chapter 92, Statutes of 2019.*

[AB 872 \(Aguiar-Curry\)](#) adds a change in ownership exclusion for transfers of stock in legal entities for family-owned corporations in specified circumstances. *Signed—Chapter 685, Statutes of 2019.*

[AB 885 \(Irwin\)](#) creates a bright-line test to determine whether new construction after a misfortune or calamity is “substantially equivalent,” and therefore precluded from reassessment for property tax purposes. *Vetoed by Governor.*

[SB 196 \(Beall\)](#) enacts a new welfare exemption from property tax for property owned by a Community Land Trust (CLT), and makes other changes regarding property tax assessments of property subject to contracts with CLTs. *Signed—Chapter 669, Statutes of 2019.*

[SB 294 \(Hill\)](#) allows for a partial welfare exemption from property tax for non-publicly financed affordable housing, and increases the statewide cap on the value of property used for non-publicly financed affordable housing. *Vetoed by Governor.*

[SB 364 \(Stone\)](#) eliminates the inflation adjustment for the principal place of residence of an income-eligible veteran taxpayer over the age of 65. *Assembly Revenue and Taxation Committee.*

[SB 562 \(Morrell\)](#) increases the disabled veterans' exemption from property tax, as well as the income threshold below which disabled veterans are eligible for a higher exemption amount. *Assembly Revenue and Taxation Committee.*

[SB 663 \(Jones\)](#) provides that assessors cannot deny the welfare exemption on property owned by veterans' organizations used for fraternal, lodge, or social club purposes. *Vetoed by Governor.*

[SB 791 \(Committee on Governance and Finance\)](#) enacts changes to the process of assessing certificated aircraft to create a new allocation formula and enhance the lead assessor process. *Signed – Chapter 333, Statutes of 2019.*

[SCA 3 \(Hill\)](#) provides that the parent-child and grandparent-grandchild exclusion only apply when only the transferee uses the residence as his or her principal residence. *Senate Floor.*

## **Opportunity Zones**

[SB 635 \(Hueso\)](#) conforms state tax law to federal tax benefits for investments made in opportunity zones designated in California, effective in the 2019 taxable year. *Senate Appropriations Committee.*

## **Public Banking**

[AB 857 \(Chiu\)](#) creates a process for local agencies to create public banks, which are entities wholly owned by a local agency, local agencies, or a joint powers authority seeking to engage in the commercial or industrial banking business. *Signed – Chapter 442, Statutes of 2019.*

[SB 528 \(Hueso\)](#) authorizes the state and local agencies to deposit funds into the California Infrastructure and Economic Development Bank (I-Bank), and removes the I-Bank from the Governor's Office of Business and Economic Development's supervision to a newly formed Commission. *Senate Appropriations Committee.*

## **Redevelopment & Infrastructure Financing**

[SB 5 \(Beall\)](#) allows local agencies to reduce contributions of local property tax revenue to schools to build affordable housing and related infrastructure. *Vetoed by Governor.*

[SB 293 \(Skinner\)](#) establishes a procedure to form Oakland Infrastructure Financing Districts (Oakland IFDs), based on existing infrastructure financing district law. *Signed—Chapter 762, Statutes of 2019.*

[SB 532 \(Portantino\)](#) authorizes the City of Glendale's redevelopment agency (RDA) successor agency to use specified bond proceeds for specified affordable housing purposes, rather than using those proceeds to defease the bonds. *Vetoed by Governor.*

[SB 646 \(Morrell\)](#) requires connection fees to bear a fair or reasonable relationship to the water or sewer connection that they fund, consistent with existing law. *Signed—Chapter 78, Statutes of 2019.*

[AB 11 \(Chiu\)\\*](#) authorizes a city or county to create affordable housing and infrastructure agency subject to approval by the Strategic Growth Council. *Assembly Appropriations Committee.*

[AB 116 \(Ting\)\\*](#) authorizes Enhanced Infrastructure Financing Districts to issue bonds without voter approval provided they go through specified protest process. *Signed—Chapter 656, Statutes of 2019.*

[AB 305 \(Nazarian\)](#) allows wastewater utilities to issue rate reduction bonds and makes numerous changes to the process of issuing those bonds. *Signed—Chapter 225, Statutes of 2019.*

[AB 411 \(Mark Stone\)](#) authorizes the City of Santa Cruz’s redevelopment successor agency to use specified bond proceeds for affordable housing purposes, rather than defeasing or cancelling the bonds. *Vetoed by Governor.*

[AB 1290 \(Gloria\)](#) requires contractors for the Pure Water San Diego program to enter into a project labor agreement as a condition of receiving specified state funds. *Signed—Chapter 755, Statutes of 2019.*

[AB 1484 \(Grayson\)\\*](#) imposes numerous limitations on impact fees that local governments may impose on housing projects. *Senate Rules Committee.*

[AB 1487 \(Chiu\)](#) establishes the Bay Area Housing Finance Authority (BAHFA) throughout the San Francisco Bay Area and sets forth the governing structure and powers of the BAHFA Board, allowable financing activities, and allowable expenditures of the revenues generated. *Signed—Chapter 598, Statutes of 2019.*

[AB 1659 \(Bloom\)](#) redefines “city” as it applies to home mortgage financing and multifamily rental housing bonds, to include any nonprofit public benefit corporation or instrumentality created by the City of Los Angeles for the purpose of issuing housing bonds in the City. *Senate Floor.*

## **Sales & Use Taxes**

[AB 147 \(Burke\)](#) implements the United States Supreme Court’s 2018 decision in *South Dakota v. Wayfair* by enacting the Marketplace Facilitator Act, and requiring any retailer that sells more than \$500,000 in property for delivery in California in the current or preceding year to register to collect and remit use taxes. *Signed—Chapter 5, Statutes of 2019.*

[AB 321 \(Patterson\)](#) expands a current state and local sales and use tax exemption for vehicles delivered in California but used in interstate or foreign commerce. *Signed—Chapter 226, Statutes of 2019.*

[AB 784 \(Mullin\)](#) enacts a state-only sales and use tax exemption for zero-emission technology medium- and heavy-duty transit bus vehicles purchased by local public agencies using a California Hybrid and Zero-Emission Truck and Bus Voucher Incentive under the Air Quality Improvement Program. *Signed—Chapter 684, Statutes of 2019.*

[AB 1257 \(Salas\)](#) expands a current state and local sales and use tax exemption for items and materials used to modify a vehicle for physically handicapped persons to include veterans with severe burns. *Signed—Chapter 357, Statutes of 2019.*

[AB 1583 \(Eggman\)](#) enacts the California Recycling Market Development Act, which extends the California Alternative Energy and Advanced Transportation Financing Authority’s Sales and Use Tax Exclusion Program until January 1, 2026, among other changes. *Signed—Chapter 690, Statutes of 2019.*

[SB 43 \(Allen\)](#) requires the State Air Resources Board to study and submit a report to the Legislature on the feasibility of calculating the carbon intensity of all retail products currently subject to the sales and use tax. *Assembly Revenue and Taxation Committee.*

[SB 92 \(Committee on Budget and Fiscal Review\)\\*](#) exempts diapers for infants, toddlers, and children, as well as menstrual hygiene products, from the state share of the sales and use tax until January 1, 2022. *Signed—Chapter 34, Statutes of 2019.*

## **State Bonds & Indebtedness**

[AB 48 \(O’Donnell\)](#) authorizes a \$15 billion general obligation bond for the construction and modernization of public preschool, K-12, California Community College, University of California, and California State University facilities to be placed before voters on the March 3, 2020 primary ballot. *Signed – 530, Statutes of 2019.*

[AB 694 \(Irwin\)](#) enacts the Veterans Housing and Homelessness Prevention Bond Act of 2018, which places a \$600 million bond before voters at the November, 2020, state general election. *Senate Appropriations Committee.*

[SB 45 \(Allen\)](#) enacts the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which authorizes the sale of \$4.189 billion in general obligation bonds, upon approval by voters at the March 3, 2020 statewide general election. *Senate Floor.*

## **State Personal & Corporate Income Taxes**

[SB 175 \(Pan\)](#) requires a California resident to ensure that they and any of their dependents, maintain minimum essential health coverage for each month beginning on January 1, 2020, or pay a penalty collected on the income tax form. *Subsequently enacted in SB 78 (Committee on Budget and Fiscal Review)*

[SB 248 \(Glazer\)](#) restructures the Renter's Tax Credit to differentiate between filers with dependents and filers with no dependents, increases the credit amounts, and makes the credit refundable. *Assembly Appropriations Committee.*

[SB 295 \(McGuire\)](#) creates two tax credits under the Personal Income Tax Law for qualified homeowners who live in moderate, high, or very high fire hazard severity zones who incur expenses for vegetation management or make qualified home hardening improvements. *Assembly Appropriations Committee.*

[SB 349 \(Portantino\)](#) modifies the minimum franchise tax for corporations having less than \$15 million in gross receipts. *Vetoed by the Governor.*

[SB 451 \(Atkins\)](#) creates a tax credit for a portion of the costs paid or incurred to rehabilitate certain historic structures. *Signed—Chapter 703, Statutes of 2019.*

[AB 37 \(Jones-Sawyer\)](#) specifies that under the Personal Income Tax Law, the federal disallowance of ordinary business expenses related to the illegal sale of drugs does not apply to licensees engaged in commercial cannabis activities in California. *Signed—Chapter 792, Statutes of 2019.*

[AB 91 \(Burke\)\\*](#) enacts the Loophole Closure and Small Business and Working Families Tax Relief Act of 2019, which expands the California Earned Income Tax Credit, creates a refundable young child tax credit, and conforms several provisions of state tax law to changes made to federal law, among other changes. *Signed—Chapter 39, Statutes of 2019.*

[AB 211 \(Calderon\)](#) allows an above-the-line deduction under the Personal Income Tax Law for contributions made to a qualified tuition program, as specified. *Vetoed by the Governor.*

[AB 1590 \(Rubio\)](#) allows a non-refundable personal income tax credit of up to \$5,000 to low- or moderate-income first-time homebuyers who purchase a principal residence. *Vetoed by the Governor.*

## **State Tax Administration**

[AB 263 \(Burke\)](#) expands performance based budgeting standards that currently apply to personal income and corporation tax credits to all income tax expenditures under those taxes, as well as exemptions under the Sales and Use Tax, effective January 1, 2020. *Signed- Chapter 743, Statutes of 2019.*

[AB 357 \(Nazarian\)](#) provides that for purposes of triggering the 20-year statute of limitations applicable to the Franchise Tax Board's collection of tax liabilities, the term "tax liability"

does not include interest, penalties, costs, or fees, as specified, relating to that assessment of tax. *Vetoed by the Governor.*

[AB 1270 \(Stone\)](#) amends the California False Claims Act to apply to claims, records, or statements made under the Revenue and Taxation Code in specified circumstances. *Senate Appropriations Committee.*

[SB 92 \(Committee on Budget and Fiscal Review\)\\*](#) requires the Office of Tax Appeals to create a process for a person filing an appeal to choose to appear before one administrative law judge instead of the usual three-judge panel. *Signed – Chapter 34, Statutes of 2019.*

[SB 468 \(Jackson\)](#) establishes the California Tax Expenditure Review Board to determine the schedule for comprehensive assessments of major tax expenditures programs to be conducted by a University of California research center. *Vetoed by the Governor.*

## Other Cannabis Issues

[SB 34 \(Wiener\)](#) allows cannabis licensees to donate cannabis and cannabis products to medicinal cannabis patients who have difficulty accessing cannabis or cannabis products, and exempts such products from taxation, as specified. *Signed—Chapter 837, Statutes of 2019.*

[SB 51 \(Hertzberg\)](#) provides for licensure and supervision of cannabis limited charter banks and credit unions authorized to offer limited depository services to cannabis businesses. *Assembly Floor.*

\* = Bill was never heard in the Senate Governance & Finance Committee

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>