

**Senate Committee on Governance & Finance**  
**Senator Anna M. Caballero, Chair**  
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**TO:** People Interested in Public Finance and Governance Legislation  
**FROM:** Senator Anna M. Caballero, Chair  
**DATE:** November 14, 2022  
**SUBJECT: Summary of significant legislation heard in 2022**

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 2022. 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.

## **Cannabis Taxes**

[AB 195 \(Committee on Budget\)\\*](#) enacts several reforms to cannabis taxes, including suspending the state's cannabis cultivation tax; moving collection of the excise tax from the distributor to the point-of-sale; requiring the California Department of Tax and Fee Administration to adjust the excise tax every two years by a rate, not to exceed 19%, that would generate an amount of revenue equivalent to what would have been collected from the cultivation tax; allowing equity retailers who have received an equity fee waiver from the Department of Cannabis Control to retain 20% of the excise tax they collect; and enacting tax credits for high-road cannabis employers and cannabis equity operators. *Signed – Chapter 56, Statutes of 2022.*

[SB 1074 \(McGuire\)](#) makes ineffective the cannabis cultivation tax, and increases the cannabis excise tax rate that takes effect on different dates depending on whether the Legislature appropriates funds to replace revenues decreased by the repeal of the tax. *Died on the Senate Floor.*

[SB 1281 \(Bradford\)](#) reduces the cannabis excise tax rate from 15% to 5%, moves the point of collection for the excise tax from distributors to retailers, and makes ineffective the cannabis cultivation tax, effective January 1, 2023, among other changes. *Died in the Assembly Revenue & Taxation Committee.*

[SB 1293 \(Bradford\)](#) creates the Cannabis Equity Tax Credit, which allows a tax credit against the Personal Income and Corporation Tax equal to \$10,000 per taxable year for an equity applicant or licensee. *Died in the Assembly Appropriations Committee.*

[SB 1496 \(Committee on Governance and Finance\)](#) makes several changes to the Cannabis Tax Law; including to clarify CDTFA's authority to seize cannabis or cannabis products; correct drafting errors in AB 195; allow CDTFA to disclose the name, business name, business city location, account number, and account status of a person registered with CDTFA for cannabis tax purposes; permit CDTFA to provide cannabis tax information to a state and local law enforcement agency to carry out the functions and duties of that agency upon request; allow CDTFA to utilize the California Highway Patrol to serve warrants under the Fee Collection Procedures Law. *Signed – Chapter 474, Statutes of 2022.*

## **Excise Taxes**

[AB 194 \(Committee on Budget\)\\*](#) enacts a state General Fund-only exemption for diesel fuel from October 1, 2022, to October 1, 2023, then reimburses the Public Transportation Account from the Retail Sales Tax Fund. *Signed – Chapter 55, Statutes of 2022.*

[AB 1227 \(Levine\)](#) enacts the Gun Violence Prevention, Healing, and Recovery Act, which imposes an excise tax on firearms and ammunition sold in the state on firearms dealers and ammunition vendors, and allocates proceeds for specified purposes. *Died on the Senate Floor.*

[SB 125 \(Committee on Budget and Fiscal Review\)\\*](#) enacts a lithium extraction excise tax on a per ton basis in lieu of all county, municipal, or district taxes on lithium extraction or lithium storage, and appropriates 80% of the tax collections to the county where the lithium was extracted and 20% to the Salton Sea Restoration Fund for restoration and community projects at or around the Salton Sea. *Signed – Chapter 63, Statutes of 2022.*

[SB 518 \(Laird\)](#) requires any information contained in a winegrower's alcoholic beverage tax returns and accompanying schedules to be made public upon request. *Signed – Chapter 702, Statutes of 2022.*

[SB 1156 \(Grove\)](#) eliminates the annual inflation adjustment to motor vehicle and diesel fuel tax rates, effective July 1, 2022. *Died in the Senate Governance and Finance Committee.*

## **Income Tax Form**

[AB 1863 \(Irwin\)](#) requires the Franchise Tax Board to send notices to individuals that may qualify to use CalFile to education them about the service and about other services available. *Signed – Chapter 953, Statutes of 2022.*

## **Land Use Planning & Development**

[AB 2011 \(Wicks\)](#) enacts the "Affordable Housing and High Road Jobs Act of 2022" to create a ministerial, streamlined approval process for 100% affordable housing projects in commercial zones and for mixed-income housing projects along commercial corridors, as specified, until January 1, 2033. *Signed – Chapter 647, Statutes of 2022.*

[AB 2021 \(Wicks\)](#) requires tax collectors to publish specified tax sale information on their websites; directs the State Controller to publish additional tax sale information on their website. *Died in the Senate Appropriations Committee.*

[AB 2097 \(Friedman\)](#) prohibits public agencies from imposing or enforcing parking minimums on developments within ½ mile of a major transit stop, as specified. *Signed – Chapter 459, Statutes of 2022.*

[AB 2186 \(Grayson\)](#) creates the Housing Cost Reduction Incentive Program to reimburse local agencies for impact fee reductions and deferrals they provide to qualified housing developments. *Died in the Senate Appropriations Committee.*

[AB 2221 \(Quirk-Silva\)](#) clarifies and expands requirements for approval of accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). *Signed – Chapter 650, Statutes of 2022.*

[AB 2234 \(Rivas\)](#) establishes time limits for approval, and requires online permitting, of post-entitlement permits, as specified. *Signed – Chapter 651, Statutes of 2022.*

[AB 2244 \(Wicks\)](#) allows a developer of a new place of worship, when also constructing housing, to reduce by 50 percent the number of religious use parking spaces that would be required for a newly constructed place of worship. *Signed – Chapter 122, Statutes of 2022.*

[AB 2295 \(Bloom\)](#) deems a housing project, beginning January 1, 2024 and until January 1, 2033, to be an allowable use on property owned by a local educational agency if it meets specified affordability criteria and planning standards. *Signed – Chapter 652, Statutes of 2022.*

[AB 2334 \(Wicks\)](#) allows a housing development project to receive added height and unlimited density if the project is located in an urbanized very low vehicle travel area in specified counties, at least 80% of the units are restricted to lower income households, and no more than 20% are for moderate-income households. *Signed – Chapter 653, Statutes of 2022.*

[AB 2536 \(Grayson\)](#) requires local agencies to evaluate and show specified evidence when imposing or increasing connection fees and capacity charges, and excludes school districts from certain nexus study requirements. *Signed – Chapter 128, Statutes of 2022.*

[AB 2625 \(Ting\)](#) exempts from the Subdivision Map Act leases or easements for an electrical energy storage system. *Signed – Chapter 212, Statutes of 2022.*

[AB 2656 \(Ting\)](#) provides that a disapproval under the Housing Accountability Act includes failure to issue an exemption from CEQA or failure to adopt certain environmental documents under specified circumstances. *Died in the Senate Appropriations Committee.*

[AB 2668 \(Grayson\)](#) makes numerous clarifying changes to the streamlined housing development approval process established by SB 35 (Wiener, 2017). *Signed – Chapter 658, Statutes of 2022.*

[AB 2705 \(Quirk-Silva\)](#) requires cities and counties to make specified findings on fire standards prior to permitting development in the very high fire hazard severity zone (VHFHSZ). *Died in the Senate Appropriations Committee.*

[AB 2798 \(Fong\)](#) prohibits a local agency, until January 1, 2024, from denying a permit for a short-term freight transportation use under specified circumstances, and provides that specified transportation uses on port properties are existing facilities for the purposes of the California Environmental Quality Act (CEQA). *Signed – Chapter 535, Statutes of 2022.*

[AB 2840 \(Reyes\)](#) requires cities and counties within the Counties of Riverside and San Bernardino to impose setbacks of 1,000 feet from residences, schools, and other “sensitive receptors,” or equivalently protective alternative measures, as specified. *Died in the Senate Governance and Finance Committee.*

[SB 6 \(Caballero\)](#) enacts the “Middle Class Housing Act of 2022,” to establish housing as an allowable use on any parcel zoned for office or retail uses, as specified, until January 1, 2033. *Signed – Chapter 659, Statutes of 2022.*

[SB 379 \(Wiener\)](#) requires most cities and counties to adopt an automated, online permitting system for solar energy systems and energy storage. *Signed – Chapter 356, Statutes of 2022.*

[SB 884 \(McGuire\)](#) requires the California Public Utilities Commission (CPUC) to establish an expedited electric utility distribution infrastructure undergrounding program for large electrical corporations, as specified. *Signed – Chapter 819, Statutes of 2022.*

[SB 897 \(Wieckowski\)](#) makes numerous changes to the laws governing accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs), as specified, including to increase the minimum height of an ADU that a local agency must approve. *Signed – Chapter 664, Statutes of 2022.*

[SB 932 \(Portantino\)](#) requires the circulation element of a general plan to include specified contents related to bicycle plans, pedestrian plans, and traffic calming plans, and to implement those plans, as specified. *Signed – Chapter 710, Statutes of 2022.*

[SB 1067 \(Portantino\)](#) prohibits a city or county from imposing or enforcing minimum parking requirements on housing development projects located within one-half mile of a major transit stop, except as specified. *Died in the Assembly Appropriations Committee.*

[SB 1214 \(Jones\)](#) requires a local planning agency to ensure architectural drawings that contain copyright-protected material are made available to the public in a manner that does not facilitate copying. *Signed – Chapter 226, Statutes of 2022.*

[SB 1291 \(Archuleta\)](#) until January 1, 2030, requires cities and counties to administratively review applications for hydrogen-fueling stations and allows for denials based only on health or safety impacts, as specified. *Signed – Chapter 373, Statutes of 2022.*

[SB 1292 \(Stern\)](#) provides that, notwithstanding any other law, a local government may restrict the development of housing in moderate, high, and very high fire hazard severity zones if the local government adopts a plan, as specified, ensuring the production of at least double the number of residential units not developed as a result of the restriction. *Died in the Senate Housing Committee.*

[SB 1369 \(Wieckowski\)\\*](#) establishes as a use by-right in any zone an adaptive reuse project to make a commercial, public, industrial, or office building or structure into a housing development project, as specified. *Died in the Senate Governance and Finance Committee.*

[SB 1425 \(Stern\)](#) requires every city and county to review and update its open-space plan by January 1, 2026, which must include plans and an action program, as required by current law, that address specified topics. *Signed – Chapter 997, Statutes of 2022.*

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

[AB 2081 \(Eduardo Garcia\)](#) extends the sunset date on provisions related to delivery of water service to Indian lands to January 1, 2027, and extends this authorization to all lands held in trust. *Signed – Chapter 480, Statutes of 2022.*

[SB 938 \(Hertzberg\)](#) allows specified dissolutions of a special district that meets specified criteria to proceed with a 25 percent (rather than 10 percent) protest threshold. *Signed – Chapter 89, Statutes of 2022.*

[SB 1449 \(Caballero\)](#) requires the Governor’s Office of Planning and Research (OPR) to establish the Unincorporated Area Annexation Incentive Program, upon appropriation of funds by the Legislature, to provide grants to cities to fund projects related to the annexation of unincorporated islands, as specified. *Vetoed.*

## **Local Powers & Governance**

[AB 1307 \(Cervantes\)](#) creates the County of Riverside Citizens’ Redistricting Commission, and tasks it with adjusting the boundary lines of Riverside County’s supervisorial districts commencing upon the 2030 census. *Signed – Chapter 403, Statutes of 2022.*

[AB 1608 \(Gipson\)](#) removes counties’ ability to consolidate the offices of the sheriff and coroner, and specifies that if the offices of sheriff and coroner were consolidated before January 1, 2023, the board of supervisors must separate those offices. *Died on the Senate Floor.*

[AB 1850 \(Ward\)](#) prohibits public entities from acquiring unrestricted multifamily housing unless the development meets specified conditions. *Died in the Senate Governance and Finance Committee.*

[AB 1883 \(Quirk-Silva\)](#) requires local governments to create public restroom inventories and submit them to the Department of Public Health, which must create a searchable database of these inventories on its website. *Died in the Senate Appropriations Committee.*

[AB 1902 \(Aguiar-Curry\)](#) makes numerous changes to laws related to resource conservation districts, including expanding the scope of resource conservation activities these districts can perform. *Signed – Chapter 585, Statutes of 2022.*

[AB 1925 \(Santiago\)](#) removes the requirement for an individual to be a registered voter of a county or district to serve in an appointed office. *Signed – Chapter 864, Statutes of 2022.*

[AB 1944 \(Lee\)\\*](#) allows, until January 1, 2030, members of a legislative body of a local agency to use teleconferencing without noticing their teleconference locations and making them publicly accessible under certain conditions. *Died in the Senate Governance and Finance Committee.*

[AB 2030 \(Arambula\)](#) creates the County of Fresno Citizens’ Redistricting Commission, and tasks it with adjusting the boundary lines of Fresno County’s supervisorial districts. *Signed – Chapter 407, Statutes of 2022.*

[AB 2070 \(Bauer-Kahan\)\\*](#) authorizes a fire protection district to require an electrical corporation or local publicly owned electric utility to notify the district at least 24 hours, via both telephone and email, before the utility performs specified work within the fire protection district's jurisdiction. *Died in the Senate Energy, Utilities, and Communications Committee.*

[AB 2201 \(Bennett\)](#) prohibits local agencies from approving permits for new or altered wells unless specified conditions are met. *Died on the Assembly Floor.*

[AB 2319 \(Bonta\)](#) establishes a new category of exempt surplus land for the former military base Alameda Naval Air Station (Alameda Point). *Signed – Chapter 963, Statutes of 2022.*

[AB 2357 \(Ting\)](#) makes various changes to the Surplus Land Act regarding the disposal process, HCD's authority, and penalties for violations. *Died in the Senate Governance and Finance Committee.*

[AB 2449 \(Blanca Rubio\)](#) allows, until January 1, 2026, members of a legislative body of a local agency to use teleconferencing without noticing their teleconference locations and making them publicly accessible under certain conditions. *Signed – Chapter 285, Statutes of 2022.*

[AB 2494 \(Salas\)](#) creates the County of Kern Citizens' Redistricting Commission, and tasks it with adjusting the boundary lines of Kern County's supervisorial districts commencing upon the 2030 census. *Signed – Chapter 411, Statutes of 2022.*

[AB 2505 \(Gray\)](#) clarifies that an irrigation district may impose fines under specified existing authority to impose fines for water theft or under any authority granted by Irrigation District Law. *Signed – Chapter 23, Statutes of 2022.*

[AB 2633 \(Cooley\)\\*](#) allows the Sacramento County Board of Supervisors to order the removal of persons engaging in the act of unpermitted camping or the clearing of unpermitted campsites from American River Parkway. *Died in the Senate Governance and Finance Committee.*

[AB 2647 \(Levine\)](#) exempts local agencies from making materials available for public inspection at the time they distribute them to members of the legislative body less than 72 hours before the meeting, if the agency meets certain requirements. *Signed – Chapter 971, Statutes of 2022.*

[AB 2681 \(Levine\)](#) enacts the California Concert and Festival Crowd Safety Act, which establishes minimum crowd safety standards for local agencies when permitting large outdoor events. *Signed – Chapter 441, Statutes of 2022.*

[SB 361 \(Umberg\)\\*](#) requires the City of Anaheim to discuss a Notice of Violation of the Surplus Land Act (SLA) issued by the Department of Housing and Community Development (HCD) at a properly noticed public session prior to taking final action to ratify or approve the disposal of land subject to the notice. *Died on the Assembly Floor.*

[SB 679 \(Kamlager\)](#) establishes the Los Angeles County Affordable Housing Solutions Agency (LACAHS), and authorizes LACAHS to utilize specified local financing tools to fund renter

protections and the preservation and production of housing units affordable to households earning up to 80% of the area median income (AMI). *Signed – Chapter 661, Statutes of 2022.*

[SB 891 \(Hertzberg\)](#) expands requirements for local agencies to confirm that businesses can demonstrate enrollment with stormwater discharge permits as part of not just their business license processes, but also for equivalent instruments or permits. *Signed – Chapter 678, Statutes of 2022.*

[SB 1100 \(Cortese\)](#) authorizes the presiding member of a legislative body conducting a meeting, or their designee, to remove an individual for disrupting the meeting, and defines “disrupting” for these purposes. *Signed – Chapter 171, Statutes of 2022.*

[SB 1105 \(Hueso\)](#) establishes the San Diego Regional Equitable and Environmentally Friendly Affordable Housing Agency in San Diego County to facilitate increased funding for affordable housing activities, including new production, preservation, and renter protections. *Died in the Assembly Appropriations Committee.*

[SB 1186 \(Wiener\)](#) prohibits local governments, beginning January 1, 2024, from banning, or effectively banning, the delivery of medicinal cannabis to patients or primary caregivers within their jurisdictions, as specified. *Signed – Chapter 395, Statutes of 2022.*

[SB 1226 \(Durazo\)](#) allows a private, non-profit corporation that provides services for zero-emission transportation to enter into a joint powers agreement with a public agency to facilitate the development, construction, and operation of zero-emission transportation systems or facilities. *Signed – Chapter 423, Statutes of 2022.*

[SB 1290 \(Allen\)](#) requires, by January 1, 2025, the Governor’s Office of Business and Economic Development (GO-Biz), in consultation with others, to submit a specified report to the Legislature on local sidewalk vending in California. *Died in the Assembly Appropriations Committee.*

[SB 1345 \(Ochoa Bogh\)](#) revises various provisions in the Dig Safe Act of 2016 related to operator and excavator responsibilities when preparing for and conducting excavations, adds non-pressurized sewer lines and storm drains to the definition of a “subsurface installation,” and requires the California Department of Transportation (Caltrans) to comply with the Act. *Died in the Senate Appropriations Committee.*

[SB 1353 \(Wilk\)](#) requires cities and counties to provide specified homelessness information to the California Interagency Council on Homelessness Council (Cal-ICH) by January 1, 2025. It also requires Cal-ICH to develop and maintain a publicly available homelessness dashboard, post local government data and specified information on state programs to reduce homelessness on its dashboard, and provide an assessment on the success of state and local homelessness programs by January 1, 2027. *Died in the Senate Appropriations Committee.*

[SB 1373 \(Kamlager\)](#) extends by two years (until December 31, 2024) the deadlines in the Surplus Land Act to complete disposition of a property subject to an exclusive negotiating



agreement for a charter city with a population of over two million people. *Signed – Chapter 724, Statutes of 2022.*

## **Local Tax Authority**

[AB 2453 \(Bennett\)](#) allows the Ventura County Transportation Commission to impose a district tax of up to 0.5% that exceeds the 2% countywide cap. *Signed – Chapter 286, Statutes of 2022.*

## **Property Taxes**

[AB 1707 \(Boerner Horvath\)](#) requires General Fund transfers to ensure a \$15 million minimum balance in the Senior Citizens and Disabled Citizens Property Tax Postponement Fund. *Vetoed.*

[AB 1933 \(Friedman\)](#) adds a new welfare exemption from property tax for charitable organizations that develop affordable housing subject to a recorded agreement with a local agency. *Signed – Chapter 643, Statutes of 2022.*

[AB 2651 \(Petrie-Norris\)](#) extends by two years several dates in the Community Land Trust welfare exemption from property tax. *Signed – Chapter 656, Statutes of 2022.*

[SB 862 \(Umberg\)](#) extends the sunset date on the personal property exemption for space flight property, and expands it to include property used in ground support for space flight as well as testing space flight engines and components. *Died in the Senate Appropriations Committee.*

[SB 989 \(Hertzberg\)](#) defers property taxes for taxpayers claiming Proposition 19 base year value transfers, and requires tax collectors to include information on the property tax bill regarding Proposition 19 base year value transfers and potential tax deferment, in counties with a population of more than four million or that enact an ordinance opting-in to its provisions. *Signed – Chapter 712, Statutes of 2022.*

[SB 1073 \(Grove\)](#) expands the disabled veterans' exemption to allow a reduced exemption for partially disabled veterans. *Died in the Senate Appropriations Committee.*

[SB 1340 \(Hertzberg\)](#) extends the new construction exclusion for active solar energy systems from the 2023-24 fiscal year through the 2025-26 fiscal year, and its sunset date from January 1, 2025 to January 1, 2027. *Signed – Chapter 425, Statutes of 2022.*

[SB 1357 \(Archuleta\)](#) creates a new property tax exemption in lieu of the existing exemption for qualified disabled veterans. *Died in the Assembly Appropriations Committee.*

[SB 1456 \(Stern\)](#) eliminates the statewide cap on the value of property under the welfare exemption from property tax for non-publicly financed affordable housing. *Died in the Assembly Revenue and Taxation Committee.*

## Redevelopment & Infrastructure Financing

[AB 1845 \(Calderon\)](#) authorizes the Metropolitan Water District of Southern California (MWD) to use design-build, progressive design-build and construction manager/general contractor (CM/GC) project delivery methods for a regional water recycling project or a drought response project. *Signed – Chapter 275, Statutes of 2022.*

[AB 1932 \(Daly\)](#) extends the current sunset date for counties to enter into construction manager at-risk (CMAR) contracts to January 1, 2029. *Signed – Chapter 435, Statutes of 2022.*

[SB 852 \(Dodd\)](#) allows cities and counties to create climate resilience districts and provides these new districts various financing powers. *Signed – Chapter 266, Statutes of 2022.*

[SB 991 \(Newman\)](#) allows local agencies that provide water service to use progressive design-build for 15 projects over \$5 million each. *Signed – Chapter 243, Statutes of 2022.*

[SB 1354 \(Jones\)](#) allows cities and counties to use design-build for contracts that are necessary to comply with construction-related accessibility standards. *Signed – Chapter 900, Statutes of 2022.*

[SB 1422 \(Hertzberg\)](#) authorizes, until January 1, 2028, the Department of General Services (DGS) to use existing leveraged procurement tools for contracts for purchase and installation of carpet, resilient flooring, synthetic turf, or lighting fixtures, and allows state and local agencies to contract for these projects without further competitive bidding if they meet specified labor standards and other conditions. *Signed – Chapter 310, Statutes of 2022.*

## Sales & Use Taxes

[AB 209 \(Committee on Budget\)\\*](#) increases the current authorization for the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to provide an additional \$15,000,000 of sales and use tax exclusions for projects that manufacture, refine, extract, process, or recover lithium for the 2022, 2023, and 2024 calendar years. *Signed – Chapter 251, Statutes of 2022.*

[AB 1951 \(Grayson\)](#) converts the current state General Fund-only sales and use tax exemption for the purchase of manufacturing equipment into a full exemption. *Vetoed.*

[AB 2622 \(Mullin\)](#) extends the state General Fund-only sales and use tax exemption for public transportation agencies to purchase zero-emission transit bus vehicles from January 1, 2024, to January 1, 2026. *Signed – Chapter 353, Statutes of 2022.*

[AB 2887 \(E. Garcia\)](#) increases CAEATFA's authorization to allocate sales and use tax exclusions from \$100 million to \$150 million annually. *Signed – Chapter 248, Statutes of 2022 (Chaptered out by AB 209)*

[SB 1041 \(Atkins\)](#) removes the sunset date for the sales and use tax exemption for goods sold by thrift stores that are both located on a military installation and operated by a "military welfare society." *Signed – Chapter 225, Statutes of 2022.*

[SB 1312 \(Ochoa Bogh\)](#) amends the Marketplace Facilitator Act to provide that an operator of a marketplace is not a marketplace facilitator with regard to any portion of its marketplace that provides "car rental services." *Signed – Chapter 228, Statutes of 2022.*

[SB 1382 \(Gonzalez\)](#) exempts from the General Fund portion of the Sales and Use Tax the purchase of a plug-in hybrid vehicle or a zero-emission vehicle made with an award from the Clean Cars 4 All (CC4A) program, and requires the Air Resources Board to take specified actions to improve CC4A participation by households living in areas experiencing high levels of air pollution or poverty or that primarily speak a language other than English. *Signed – Chapter 375, Statutes of 2022.*

## **State Bonds & Indebtedness**

[SB 1050 \(Dodd\)](#) establishes a new authority to collect tolls on State Route 37 and requires the authority to impose tolls for improvement on the Sonoma Creek Bridge and for long-term improvements to the corridor, and additionally permits the authority to issue Toll Bridge Revenue Bonds. *Died in the Assembly Appropriations Committee.*

[SB 1457 \(Hertzberg\)](#) enacts the California Family Home Construction and Homeownership Bond Act of 2022, which creates the California Family Home Construction and Homeownership Program in the California Housing Finance Agency; expands expedited ministerial approval process under SB 35 (Wiener, 2018); provides a California Environmental Quality Act exemption for projects eligible for the bill's construction loan program and that meet additional criteria set by the bill; states that the shorter time limit for construction defects applies to any housing project eligible for its home construction loan program; devolves any debt obligation under the program to the borrower's heirs, devisees, or personal representatives; and authorizes the issuance of \$25 billion in general obligation bonds, and enacts provisions to create a repayment fund. *Died in the Assembly Housing and Community Development Committee.*

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

[AB 158 \(Committee on the Budget\)\\*](#) among other provisions, creates a new tax credit for the dues paid by a taxpayer to a labor organization not to exceed \$100 per taxable year, and clarifies the state income tax exclusion for loans forgiven under the Paycheck Protection Program Extension Act of 2021. *Signed - Chapter 737, Statutes of 2022.*

[AB 192 \(Committee on the Budget\)\\*](#) establishes the Better for Families Act, which provides approximately \$9.5 billion of payments to low-income and middle-income Californians to provide financial relief for economic disruptions resulting from the COVID-19 emergency. *Signed – Chapter 51, Statutes of 2022.*

[AB 194 \(Committee on the Budget\)\\*](#) among other provisions, (1) prohibits the State Controller from offsetting delinquent accounts against personal income tax refunds of an individual who received the Earned Income Tax Credit (EITC) or the Young Child Tax Credit, (2) makes technical changes to the Main Street Hiring Credit and the Homeless Hiring Credit of 2021, (3) extends the California Competes Tax Credit by five years from 2022-23 to 2027-28, (4) Requires the Franchise Tax Board to grant a one-time abatement of a failure-to-file or failure-to-pay penalties under specified circumstances. *Signed – Chapter 55, Statutes of 2022.*

[AB 1288 \(Quirk Silva\)](#) allows the Tax Credit Allocation Committee in any calendar year in which the California Debt Limit Allocation Committee has declared a competition for the award of tax-exempt bond authority for qualified residential rental projects, to reallocate some or all of the \$500 million that is made available from 4% tax credit projects to 9% tax credit projects. *Vetoed.*

[AB 1654 \(Rivas\)](#) increases the set-aside of the low income housing tax credits, authorized in the state budget each year, for farmworker housing projects and requires the Department of Housing and Community Development to create a comprehensive strategy to address farmworker housing needs in the state. *Signed – Chapter 638, Statutes of 2022.*

[AB 2142 \(Gabriel\)](#) excludes any rebate, voucher, or other financial incentive received in connection with a turf replacement water conservation program from taxable income. *Signed – Chapter 674, Statutes of 2022.*

[AB 2216 \(Irwin\)](#) makes technical changes to CalABLE accounts. *Signed – Chapter 896, Statutes of 2022.*

[AB 2880 \(Mia Bonta\)](#) extends the College Access Tax Credit through the 2027 taxable year. *Signed – Chapter 976, Statutes of 2022.*

[SB 113 \(Committee on the Budget and Fiscal Review\)\\*](#) contains numerous tax law changes, including modifying the elective pass-through entity (PTE) tax to allow the credit to reduce below tentative minimum tax, re-ordering the PTE credits, and allowing more entity types to qualify. Additionally, ends one year early both the net operating loss suspension and business tax credits limit, and conforms California to the federal treatment of certain pandemic-related grants. *Signed – Chapter 3, Statutes of 2022.*

[SB 201 \(Committee on the Budget and Fiscal Review\)\\*](#) creates a refundable tax credit of up to \$1,000 per individual for former foster youth that have been allowed the CalEITC, 2) Expands the definition of a “qualified taxpayer” for the CalEITC to include an eligible individual who has a qualified child and would have received the EITC, but has earned income of zero dollars or less in the taxable year, and 3) specifies that the phase-out of the EITC in years after the taxable year in which the minimum wage is set at \$15 per hour is set at the phase-out percentages for the prior taxable year. *Signed – Chapter 72, Statutes of 2022.*

[SB 834 \(Wiener\)](#) allows the Attorney General and the Franchise Tax Board to determine that an organization is no longer eligible for tax-exempt status if it has engaged in acts of criminal conspiracy, as specified. *Vetoed.*

[SB 843 \(Glazer\)](#) requires the Franchise Tax Board (FTB) to provide a report indicating the number of taxpayers claiming the renters' credit and the average credit amount. *Died on the Assembly Floor.*

[SB 851 \(Portantino\)](#) allows owners of pass-through entities that elect to pay the additional tax to apply those tax payments made on their behalf to the calculation of the other states tax credit. *Signed – Chapter 705, Statutes of 2022.*

[SB 967 \(Hertzberg\)](#) requires Covered California, in addition to existing efforts required under law, to annually conduct outreach and enrollment efforts to individuals who indicate on their individual income tax returns that they are interested in no-cost or low-cost health care coverage. *Signed – Chapter 170, Statutes of 2022.*

[SB 1246 \(Stern\)](#) excludes settlement payments from Personal Income and Corporation Tax in connection with the 2017 Thomas and 2018 Woolsey fires from taxable income. *Signed – Chapter 841, Statutes of 2022.*

[SB 1266 \(Borgeas\)](#) creates a tax credit against the Personal Income and the Corporation Tax, equal to 50 percent of the cost of a qualified generator or solar battery for qualified taxpayers in designated wildfire zones. *Died in the Assembly Revenue and Taxation Committee.*

[SB 1301 \(Becker\)](#) creates a tax credit against the Personal Income and the Corporation Tax, for newly-installed equipment used to manufacture clean energy products. *Died in the Assembly Revenue and Taxation Committee.*

[SB 1349 \(Caballero\)](#) expands the new employment credit against the Personal Income and the Corporation Tax, to add an employee qualified under the federal Work Opportunity Tax Credit program as a qualified employee, and removes the geographic restrictions for all quailed employees. *Died in the Assembly Appropriations Committee.*

[SB 1374 \(Borgeas\)](#) allows a qualified taxpayer a deduction for contributions made to a California qualified tuition program. *Vetoed.*

[SB 1377 \(Newman\)](#) provides a gross income exclusion from the Personal Income Tax for attorney fees paid in a consumer protection violation that may be includable in income for the consumer. *Died in the Assembly Appropriations Committee.*

[SB 1411 \(Melendez\)](#) Provides an income exclusion for retirement pay received by members of the uniformed services. *Died in the Senate Appropriations Committee.*

[SB 1484 \(Grove\)](#) creates a tax credit against the Personal Income and Corporation Taxes for employers that hire current or former foster youth. *Died in the Assembly Revenue and Taxation Committee.*

## **State Tax Administration**

[SB 440 \(Dodd\)](#) allows the State Board of Equalization to automatically extend filing and tax payment deadlines, and relieve penalties and interest, for persons in an area identified in a state of emergency proclamation under the Alcoholic Beverage Tax. *Signed – Chapter 299, Statutes of 2022.*

[SB 1496 \(Committee on Governance and Finance\)](#) makes technical changes to tax administration law recommended by the California Department of Insurance, California Department of Tax and Fee Administration (CDTFA) the Franchise Tax Board, and the California Department of Insurance, including amending several tax laws to allow CDTFA to extend filing deadlines for up to three months, and waive penalties and interest, for any person in an area identified in a state of emergency proclamation made by the Governor for the first 12 months the state of emergency proclamation is effective regardless of whether the taxpayer files a request. *Signed – Chapter 474, Statutes of 2022.*

\* = 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: <a href="http://sgf.senate.ca.gov">http://sgf.senate.ca.gov</a>
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