

ASSEMBLY BILL**No. 1170****Introduced by Assembly Member Dixon**

February 21, 2025

An act to amend Sections 205, 208, 1944, 2529.8.1, 4848.1, 4996.22, 5070.1, 5272, 5272.5, 7048, 7363, 8020.5, 17580, 19520, 23399.5, 26051.5, 26152.2, and 26200 of the Business and Professions Code, to amend Sections 714.3, 798.56, 835, 1770, 1785.11.11, 1798.130, 1798.140, 1798.185, 1950.6, 1954.09, 2214, 2924f, 3111, 3480, and 5115 of, and to amend the heading of Chapter 6 (commencing with Section 2213) of Title 7 of Part 4 of Division 3 of, the Civil Code, to amend Sections 8, 5510, 7510, and 12460 of the Corporations Code, to amend Sections 8222, 8242, 10864, 17586, 33328.5, 33355, 42238.026, 44260.1, 44320.5, 44395, 45202, 46392, 47604.2, 48306, 51225.7, 51255, 66023.4, 66023.5, 66076.2, 66270.7, 66280.5, 66308, 66749.81, 69996.9, and 76303 of, and to amend and renumber Section 51225.32 of, the Education Code, to amend Sections 2201, 2208, 3019, and 20513 of the Elections Code, to amend Sections 1352, 1352.5, 1672, and 2089.22 of the Fish and Game Code, to amend Sections 12811.2, 12839, 14513, 14611, 56571, 58231.1, and 82001 of the Food and Agricultural Code, to amend Sections 8547.2, 8547.5, 8657, 11126, 12530.5, 14072.6, 14839, 14840, 19829.9852, 19829.9854, 51298, 53398.52, 54239.4, 62506, 62509, 62520, 62551, 62551.1, 62582, 65302, 65585, 65588, 65852.8, 65913.4, 65915, 65915.3, 66314, 66499.41, and 89517.5 of, and to repeal the heading of Title 8.5 of, the Government Code, to amend Sections 1317.2a, 1343.3, 1374.72, 2056, 9077, 18214, 50197.3, 50513, 50515.03, 50710.7, 111926, 114368.8, 114381, 120440, 128454, and 130065.1 of, and to repeal the headings of Divisions 38 and 39 of, the Health and Safety Code, to amend Section 10509.9205 of the Insurance Code, to amend Sections 226.8, 2699, and

2699.3 of the Labor Code, to amend Sections 257, 395.1, 502, 502.1, 502.2, 502.4, 504, 505, 510, 513, 520, 552, 555, 557, 987.005, 987.300, and 1690 of the Military and Veterans Code, to amend Sections 236.8, 236.10, 236.11, 803, 888, 1233.12, and 28230 of the Penal Code, to amend Sections 2051, 10115.1, and 12140 of the Public Contract Code, to amend Sections 3206, 6217.8, 42281, 42282.1, 42283, 42968.32, 42968.62, 42968.71, 42968.74, 42984.3, 42984.10, 42984.21, 42999, and 48704.1 of the Public Resources Code, to amend Section 311 of the Public Utilities Code, to amend Sections 17052.1 and 36005 of the Revenue and Taxation Code, to amend Sections 94.4 and 31490 of the Streets and Highways Code, to amend Section 679 of the Unemployment Insurance Code, to amend Sections 9250.14 and 21214.7 of the Vehicle Code, to amend Section 73510 of the Water Code, to amend Sections 361.31, 706.6, 4095, 5404, 5610, 10492.2, 14149.95, and 16501.35 of, to amend and renumber the heading of Chapter 6.5 (commencing with Section 9320) of Division 8.5 of, and to repeal the heading of Division 26 of, the Welfare and Institutions Code, and to amend Section 1 of Chapter 107 of the Statutes of 2024, relating to maintenance of the codes.

LEGISLATIVE COUNSEL’S DIGEST

AB 1170, as introduced, Dixon. Maintenance of the codes.

Existing law directs the Legislative Counsel to advise the Legislature from time to time as to legislation necessary to maintain the codes.

This bill would make nonsubstantive changes in various provisions of the law to effectuate the recommendations made by the Legislative Counsel to the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 205 of the Business and Professions
- 2 Code, as amended by Section 2 of Chapter 497 of the Statutes of
- 3 2024, is amended to read:
- 4 205. (a) There is in the State Treasury the Professions and
- 5 Vocations Fund. The fund shall consist of the following special
- 6 funds:
- 7 (1) Accountancy Fund.

- 1 (2) California Architects Board Fund.
- 2 (3) Athletic Commission Fund.
- 3 (4) Barbering and Cosmetology Contingent Fund.
- 4 (5) Cemetery and Funeral Fund.
- 5 (6) Contractors License Fund.
- 6 (7) State Dentistry Fund.
- 7 (8) Home Furnishings and Thermal Insulation Fund.
- 8 (9) California Architects Board-Landscape Architects Fund.
- 9 (10) Contingent Fund of the Medical Board of California.
- 10 (11) Optometry Fund.
- 11 (12) Pharmacy Board Contingent Fund.
- 12 (13) Physical Therapy Fund.
- 13 (14) Private Security Services Fund.
- 14 (15) Professional Engineer's, Land Surveyor's, and Geologist's
- 15 Fund.
- 16 (16) Consumer Affairs Fund.
- 17 (17) Behavioral Sciences Fund.
- 18 (18) Licensed Midwifery Fund.
- 19 (19) Court Reporters' Fund.
- 20 (20) California Veterinary Medical Board Contingent Fund.
- 21 (21) Vocational Nursing and Psychiatric Technicians Fund.
- 22 (22) Electronic and Appliance Repair Fund.
- 23 (23) Acupuncture Fund.
- 24 (24) Physician Assistant Fund.
- 25 (25) Board of Podiatric Medicine Fund.
- 26 (26) Psychology Fund.
- 27 (27) Respiratory Care Fund.
- 28 (28) Speech-Language Pathology and Audiology and Hearing
- 29 Aid Dispensers Fund.
- 30 (29) Board of Registered Nursing Fund.
- 31 ~~(30) Animal Health Technician Examining Committee Fund.~~
- 32 ~~(31)~~
- 33 ~~(30)~~ State Dental Hygiene Fund.
- 34 ~~(32)~~
- 35 ~~(31)~~ Structural Pest Control Fund.
- 36 ~~(33)~~
- 37 ~~(32)~~ Structural Pest Control Education and Enforcement Fund.
- 38 ~~(34)~~
- 39 ~~(33)~~ Structural Pest Control Research Fund.
- 40 ~~(35)~~

1 (34) Household Movers Fund.

2 ~~(36)~~

3 (35) Household Goods and Services Fund.

4 ~~(37)~~

5 (36) Naturopathic Doctor's Fund.

6 (b) For accounting and recordkeeping purposes, the Professions
7 and Vocations Fund shall be deemed to be a single special fund,
8 and each of the several special funds therein shall constitute and
9 be deemed to be a separate account in the Professions and
10 Vocations Fund. Each account or fund shall be available for
11 expenditure only for the purposes as are now or may hereafter be
12 provided by law.

13 (c) This section shall remain in effect only until July 1, 2026,
14 and as of that date is repealed.

15 SEC. 2. Section 205 of the Business and Professions Code, as
16 amended by Section 3 of Chapter 497 of the Statutes of 2024, is
17 amended to read:

18 205. (a) There is in the State Treasury the Professions and
19 Vocations Fund. The fund shall consist of the following special
20 funds:

21 (1) Accountancy Fund.

22 (2) California Architects Board Fund.

23 (3) Athletic Commission Fund.

24 (4) Barbering and Cosmetology Contingent Fund.

25 (5) Cemetery and Funeral Fund.

26 (6) Contractors License Fund.

27 (7) State Dentistry Fund.

28 (8) California Architects Board-Landscape Architects Fund.

29 (9) Contingent Fund of the Medical Board of California.

30 (10) Optometry Fund.

31 (11) Pharmacy Board Contingent Fund.

32 (12) Physical Therapy Fund.

33 (13) Private Security Services Fund.

34 (14) Professional Engineer's, Land Surveyor's, and Geologist's
35 Fund.

36 (15) Consumer Affairs Fund.

37 (16) Behavioral Sciences Fund.

38 (17) Licensed Midwifery Fund.

39 (18) Court Reporters' Fund.

40 (19) California Veterinary Medical Board Contingent Fund.

- 1 (20) Vocational Nursing and Psychiatric Technicians Fund.
- 2 (21) Acupuncture Fund.
- 3 (22) Physician Assistant Fund.
- 4 (23) Board of Podiatric Medicine Fund.
- 5 (24) Psychology Fund.
- 6 (25) Respiratory Care Fund.
- 7 (26) Speech-Language Pathology and Audiology and Hearing
- 8 Aid Dispensers Fund.
- 9 (27) Board of Registered Nursing Fund.
- 10 ~~(28) Animal Health Technician Examining Committee Fund.~~
- 11 ~~(29)~~
- 12 (28) State Dental Hygiene Fund.
- 13 ~~(30)~~
- 14 (29) Structural Pest Control Fund.
- 15 ~~(31)~~
- 16 (30) Structural Pest Control Education and Enforcement Fund.
- 17 ~~(32)~~
- 18 (31) Structural Pest Control Research Fund.
- 19 ~~(33)~~
- 20 (32) Household Goods and Services Fund.
- 21 ~~(34)~~
- 22 (33) Naturopathic Doctor's Fund.

23 (b) For accounting and recordkeeping purposes, the Professions
24 and Vocations Fund shall be deemed to be a single special fund,
25 and each of the several special funds therein shall constitute and
26 be deemed to be a separate account in the Professions and
27 Vocations Fund. Each account or fund shall be available for
28 expenditure only for the purposes as are now or may hereafter be
29 provided by law.

30 (c) This section shall become operative on July 1, 2026.

31 SEC. 3. Section 208 of the Business and Professions Code, as
32 amended by Section 4 of Chapter 497 of the Statutes of 2024, is
33 amended to read:

34 208. (a) Beginning April 1, 2023, a Controlled Substance
35 Utilization Review and Evaluation System (CURES) fee of nine
36 dollars (\$9) shall be assessed annually on each of the licensees
37 specified in subdivision (b) to pay the reasonable costs associated
38 with operating and maintaining CURES for the purpose of
39 regulating those licensees. The fee assessed pursuant to this
40 subdivision shall be billed and collected by the regulating agency

1 of each licensee at the time of the licensee's license renewal. If
2 the reasonable regulatory cost of operating and maintaining CURES
3 is less than nine dollars (\$9) per licensee, the Department of
4 Consumer Affairs, by regulation, may reduce the fee established
5 by this section to the reasonable regulatory cost.

6 (b) (1) Licensees authorized pursuant to Section 11150 of the
7 Health and Safety Code to prescribe, order, administer, furnish,
8 or dispense Schedule II, Schedule III, or Schedule IV controlled
9 substances or pharmacists licensed pursuant to Chapter 9
10 (commencing with Section 4000) of Division 2.

11 (2) Licensees issued a license that has been placed in a retired
12 or inactive status pursuant to a statute or regulation are exempt
13 from the CURES fee requirement in subdivision (a). This
14 exemption shall not apply to licensees whose license has been
15 placed in a retired or inactive status if the licensee is at any time
16 authorized to prescribe, order, administer, furnish, or dispense
17 Schedule II, Schedule III, or Schedule IV controlled substances.

18 (3) Wholesalers, third-party logistics providers, nonresident
19 wholesalers, and nonresident third-party logistics providers of
20 dangerous drugs licensed pursuant to Article 11 (commencing with
21 Section 4160) of Chapter 9 of Division 2.

22 (4) Nongovernmental clinics licensed pursuant to Article 13
23 (commencing with Section 4180) and Article 14 (commencing
24 with Section 4190) of Chapter 9 of Division 2.

25 (5) Nongovernmental pharmacies licensed pursuant to Article
26 7 (commencing with Section 4110) of Chapter 9 of Division 2.

27 (c) The funds collected pursuant to subdivision (a) shall be
28 deposited in the CURES Fund, which is hereby created within the
29 State Treasury. Moneys in the CURES Fund, upon appropriation
30 by the Legislature, shall be available to the Department of
31 Consumer Affairs to reimburse the Department of Justice for costs
32 to operate and maintain CURES for the purposes of regulating the
33 licensees specified in subdivision (b).

34 (d) The Department of Consumer Affairs shall contract with
35 the Department of Justice on behalf of the Medical Board of
36 California, the Dental Board of California, the California State
37 Board of Pharmacy, the *California* Veterinary Medical Board, the
38 Board of Registered Nursing, the Physician Assistant Board, the
39 Osteopathic Medical Board of California, the California Board of
40 Naturopathic Medicine, the State Board of Optometry, and the

1 Podiatric Medical Board of California to operate and maintain
2 CURES for the purposes of regulating the licensees specified in
3 subdivision (b).

4 (e) This section shall become operative on April 1, 2023.

5 (f) This section shall become inoperative on April 1, 2025, and,
6 as of January 1, 2026, is repealed.

7 SEC. 4. Section 208 of the Business and Professions Code, as
8 amended by Section 5 of Chapter 497 of the Statutes of 2024, is
9 amended to read:

10 208. (a) Beginning April 1, 2025, a Controlled Substance
11 Utilization Review and Evaluation System (CURES) fee of fifteen
12 dollars (\$15) shall be assessed annually on each of the licensees
13 specified in subdivision (b) to pay the reasonable costs associated
14 with operating and maintaining CURES for the purpose of
15 regulating those licensees. The fee assessed pursuant to this
16 subdivision shall be billed and collected by the regulating agency
17 of each licensee at the time of the licensee's license renewal. If
18 the reasonable regulatory cost of operating and maintaining CURES
19 is less than fifteen dollars (\$15) per licensee, the Department of
20 Consumer Affairs, by regulation, may reduce the fee established
21 by this section to the reasonable regulatory cost.

22 (b) (1) Licensees authorized pursuant to Section 11150 of the
23 Health and Safety Code to prescribe, order, administer, furnish,
24 or dispense Schedule II, Schedule III, or Schedule IV controlled
25 substances or pharmacists licensed pursuant to Chapter 9
26 (commencing with Section 4000) of Division 2.

27 (2) Licensees issued a license that has been placed in a retired
28 or inactive status pursuant to a statute or regulation are exempt
29 from the CURES fee requirement in subdivision (a). This
30 exemption shall not apply to licensees whose license has been
31 placed in a retired or inactive status if the licensee is at any time
32 authorized to prescribe, order, administer, furnish, or dispense
33 Schedule II, Schedule III, or Schedule IV controlled substances.

34 (3) Wholesalers, third-party logistics providers, nonresident
35 wholesalers, and nonresident third-party logistics providers of
36 dangerous drugs licensed pursuant to Article 11 (commencing with
37 Section 4160) of Chapter 9 of Division 2.

38 (4) Nongovernmental clinics licensed pursuant to Article 13
39 (commencing with Section 4180) and Article 14 (commencing
40 with Section 4190) of Chapter 9 of Division 2.

(5) Nongovernmental pharmacies licensed pursuant to Article 7 (commencing with Section 4110) of Chapter 9 of Division 2.

(c) The funds collected pursuant to subdivision (a) shall be deposited in the CURES Fund, which is hereby created within the State Treasury. Moneys in the CURES Fund, upon appropriation by the Legislature, shall be available to the Department of Consumer Affairs to reimburse the Department of Justice for costs to operate and maintain CURES for the purposes of regulating the licensees specified in subdivision (b).

(d) The Department of Consumer Affairs shall contract with the Department of Justice on behalf of the Medical Board of California, the Dental Board of California, the California State Board of Pharmacy, the *California* Veterinary Medical Board, the Board of Registered Nursing, the Physician Assistant Board, the Osteopathic Medical Board of California, the California Board of Naturopathic Medicine, the State Board of Optometry, and the Podiatric Medical Board of California to operate and maintain CURES for the purposes of regulating the licensees specified in subdivision (b).

(e) This section shall become operative on April 1, 2025.

SEC. 5. Section 1944 of the Business and Professions Code is amended to read:

1944. (a) The dental hygiene board shall establish by resolution the amount of the fees that relate to the licensing of a registered dental hygienist, a registered dental hygienist in alternative practice, and a registered dental hygienist in extended functions. The fees established by dental hygiene board resolution in effect on June 30, 2009, as they relate to the licensure of registered dental hygienists, registered dental hygienists in alternative practice, and registered dental hygienists in extended functions, shall remain in effect until modified by the dental hygiene board. The fees are subject to the following limitations:

(1) The application fee for an original license and the fee for issuance of an original license shall not exceed two hundred fifty dollars (\$250).

(2) The fee for examination for licensure as a registered dental hygienist shall not exceed the actual cost of the examination.

(3) The fee for examination for licensure as a registered dental hygienist in extended functions shall not exceed the actual cost of the examination.

1 (4) The fee for examination for licensure as a registered dental
2 hygienist in alternative practice shall not exceed the actual cost of
3 administering the examination.

4 (5) The biennial renewal fee shall not exceed five hundred
5 dollars (\$500).

6 (6) The delinquency fee shall not exceed one-half of the renewal
7 fee. Any delinquent license may be restored only upon payment
8 of all fees, including the delinquency fee, and compliance with all
9 other applicable requirements of this article.

10 (7) The fee for issuance of a duplicate license to replace one
11 that is lost or destroyed, or in the event of a name change, shall
12 not exceed twenty-five dollars (\$25) or one-half of the renewal
13 fee, whichever is greater.

14 (8) The fee for certification of licensure shall not exceed one-half
15 of the renewal fee.

16 (9) The fee for each curriculum review and feasibility study
17 review for educational programs for dental hygienists who are not
18 accredited by a dental hygiene board-approved agency shall not
19 exceed two thousand one hundred dollars (\$2,100).

20 (10) The fee for each review or approval of course requirements
21 for licensure or procedures that require additional training shall
22 not exceed seven hundred fifty dollars (\$750).

23 (11) The initial application and biennial fee for a provider of
24 continuing education shall not exceed five hundred dollars (\$500).

25 (12) The amount of fees payable in connection with permits
26 issued under Section 1962 is as follows:

27 (A) The initial permit fee is an amount equal to the renewal fee
28 for the applicant's license to practice dental hygiene in effect on
29 the last regular renewal date before the date on which the permit
30 is issued.

31 (B) If the permit will expire less than one year after its issuance,
32 then the initial permit fee is an amount equal to 50 percent of the
33 renewal fee in effect on the last regular renewal date before the
34 date on which the permit is issued.

35 (13) The fee for the dental hygiene board to conduct a site visit
36 to educational programs for a registered dental hygienist, a
37 registered dental hygienist in alternative practice, or a registered
38 dental hygienist in extended functions to ensure compliance of
39 educational program requirements shall not exceed the actual cost

1 incurred by the dental hygiene board for cost recovery of site visit
2 expenditures.

3 (14) The fee for a retired license shall not exceed one-half of
4 the current license renewal fee.

5 (b) The renewal and delinquency fees shall be fixed by the dental
6 hygiene board by resolution at not more than the current amount
7 of the renewal fee for a license to practice under this article nor
8 less than five dollars (\$5).

9 (c) Fees fixed by the dental hygiene board by resolution pursuant
10 to this section shall not be subject to the approval of the Office of
11 Administrative Law.

12 (d) Fees collected pursuant to this section shall be collected by
13 the dental hygiene board and deposited into the State Dental
14 Hygiene Fund, which is hereby created. All money in this fund,
15 upon appropriation by the Legislature in the annual Budget Act,
16 shall be used to implement this article.

17 (e) No fees or charges other than those listed in this section shall
18 be levied by the dental hygiene board in connection with the
19 licensure of registered dental hygienists, registered dental
20 hygienists in alternative practice, or registered dental hygienists
21 in extended functions.

22 (f) The fee for registration of an extramural dental facility shall
23 not exceed two hundred fifty dollars (\$250).

24 (g) The fee for registration of a mobile dental hygiene unit shall
25 not exceed one hundred fifty dollars (\$150).

26 (h) The biennial renewal fee for a mobile dental hygiene unit
27 shall not exceed two hundred fifty dollars (\$250).

28 (i) The fee for an additional office permit shall not exceed two
29 hundred fifty dollars (\$250).

30 (j) The biennial renewal fee for an additional office as described
31 in Section 1926.4 shall not exceed two hundred fifty dollars (\$250).

32 (k) The initial application and biennial special permit fee is an
33 amount equal to the biennial renewal fee specified in paragraph
34 ~~(6)~~ (5) of subdivision (a).

35 (l) The fees in this section shall not exceed an amount sufficient
36 to cover the reasonable regulatory cost of carrying out this article.

37 SEC. 6. Section 2529.8.1 of the Business and Professions Code
38 is amended to read:

39 2529.8.1. (a) A person shall not hold themselves out to be an
40 athletic trainer, use the title “athletic trainer,” “certified athletic

1 trainer,” “licensed athletic trainer,” “registered athletic trainer,”
2 or any other term such as “AT,” “ATC,” “LAT,” or “CAT” to
3 imply or suggest that the person is an athletic trainer, unless they
4 meet the following requirements:

5 (1) Have done either of the following:

6 (A) Graduated from a college or university after completing an
7 athletic training education program accredited by the Commission
8 on Accreditation of Athletic Training Education, or its predecessors
9 or successors.

10 (B) Completed eligibility requirements for certification by the
11 Board of Certification for the Athletic Trainer, or its predecessors
12 or successors.

13 (2) Is certified by the Board of Certification for the Athletic
14 Trainer, or its predecessors or successors.

15 (b) It is an unfair business practice within the meaning of
16 Chapter 5 (commencing with Section 17200) of Part 2 of Division
17 7 for a person to use the title “athletic trainer,” “certified athletic
18 trainer,” “licensed athletic trainer,” “registered athletic trainer,”
19 or any other term such as “AT,” “ATC,” “LAT,” or “CAT,” that
20 implies or suggests that the person is an athletic trainer, if they do
21 not meet the requirements of subdivision (a).

22 (c) A person shall not hold themselves out to be an athletic
23 trainer or use any of the titles listed under subdivisions (a) and (b)
24 if either of the following is true:

25 (1) The person has been convicted in a court in or outside of
26 this state of any offense that, if committed or attempted in this
27 state, based on the ~~element~~ *elements* of the convicted ~~offense~~,
28 *offense*, would have been punishable as one or more of the offenses
29 described in subdivision (c) of Section 290 of the Penal Code.

30 (2) The person has an athletic trainer license or registration in
31 another state that was disciplined or is otherwise restricted, or if
32 an accusation or similar document initiating disciplinary action is
33 pending against the license or registration.

34 (d) A person who is currently using one of the titles listed under
35 subdivisions (a) and (b) and is covered under a collective
36 bargaining agreement is not subject to the requirements of this
37 section until the parties to that bargaining agreement renew that
38 agreement. At that time, a person shall not use the titles listed in
39 subdivisions (a) and (b) if the individual does not meet the
40 requirements of this section. Those individuals may choose a

1 different title to describe their positions under the new collective
2 bargaining agreement.

3 (e) An employee whose title is changed in order to comply with
4 this section shall not suffer any loss of employment status as a
5 result of the title change, including, but not limited to, layoff,
6 demotion, termination, reclassification, or loss of pay, seniority,
7 benefits, or any other status or compensation related to the position.

8 (f) This section does not apply to professional trainers licensed
9 by the State Athletic Commission.

10 SEC. 7. Section 4848.1 of the Business and Professions Code
11 is amended to read:

12 4848.1. (a) A veterinarian engaged in the practice of veterinary
13 medicine, as defined in Section 4826, employed by the University
14 of California and engaged in the performance of duties in
15 connection with the School of Veterinary Medicine or employed
16 by the Western University of Health Sciences and engaged in the
17 performance of duties in connection with the College of Veterinary
18 Medicine shall be issued a university license pursuant to this
19 section or hold a license to practice veterinary medicine in this
20 state.

21 (b) An individual may apply for and be issued a university
22 license if all of the following are satisfied:

23 (1) The applicant is currently employed by the University of
24 California or Western University of Health Sciences, as defined
25 in subdivision (a).

26 (2) The applicant passes an examination concerning the statutes
27 and regulations of this chapter, administered by the board, pursuant
28 to subparagraph ~~(C)~~ (B) of paragraph ~~(2)~~ (5) of subdivision (a) of
29 Section ~~4848~~, 4846.

30 (3) The applicant completes and submits the application
31 specified by the board and pays the application and the initial
32 license fee, pursuant to Section 4905.

33 (c) A university license:

34 (1) Shall automatically cease to be valid upon termination or
35 cessation of employment by the University of California or by the
36 Western University of Health Sciences.

37 (2) Shall be subject to the license renewal provisions in Section
38 4900 and the payment of the renewal fee pursuant to subdivision
39 (g) of Section 4905.

1 (3) Shall be subject to denial, revocation, or suspension pursuant
2 to Sections 480, 4875, and 4883.

3 (4) Authorizes the holder to practice veterinary medicine only
4 at an educational institution described in subdivision (a) and any
5 locations formally affiliated with those institutions.

6 (d) An individual who holds a university license is exempt from
7 satisfying the license renewal requirements of Section 4846.5.

8 SEC. 8. Section 4996.22 of the Business and Professions Code
9 is amended to read:

10 4996.22. (a) (1) Except as provided in subdivision (d), the
11 board shall not renew any license pursuant to this chapter unless
12 the applicant certifies to the board, on a form prescribed by the
13 board, that the applicant has completed not less than 36 hours of
14 approved continuing education in or relevant to the field of social
15 work in the preceding two years, as determined by the board.

16 (2) The board shall not renew any license of an applicant who
17 began graduate study before January 1, 2004, pursuant to this
18 chapter unless the applicant certifies to the board that during the
19 applicant's first renewal period after the operative date of this
20 section, the applicant completed a continuing education course in
21 spousal or partner abuse assessment, detection, and intervention
22 strategies, including community resources, cultural factors, and
23 same gender abuse dynamics. On and after January 1, 2005, the
24 course shall consist of not less than seven hours of training.
25 Equivalent courses in spousal or partner abuse assessment,
26 detection, and intervention strategies taken before the operative
27 date of this section or proof of equivalent teaching or practice
28 experience may be submitted to the board ~~and~~ and, at its discretion,
29 may be accepted in satisfaction of this requirement. Continuing
30 education courses taken pursuant to this paragraph shall be applied
31 to the 36 hours of approved continuing education required under
32 paragraph (1).

33 (3) The board shall not renew any registration pursuant to this
34 chapter unless the registrant certifies under penalty of perjury to
35 the board, and on a form prescribed by the board, that they have
36 completed not less than three hours of continuing education in the
37 subject of California law and ethics during the preceding year.

38 (b) (1) In determining its continuing education requirements,
39 the board shall consider including a course in menopausal mental
40 health.

1 (2) In determining its continuing education requirements, the
2 board shall consider including a course in maternal mental health.

3 (c) The board shall have the right to audit the records of any
4 applicant to verify the completion of the continuing education
5 requirement. Applicants shall maintain records of completion of
6 required continuing education coursework for a minimum of two
7 years and shall make these records available to the board for
8 auditing purposes upon request.

9 (d) The board may establish exceptions from the continuing
10 education requirement of this section for good cause as defined
11 by the board.

12 (e) The continuing education shall be obtained from one of the
13 following sources:

14 (1) An accredited school of social work, as defined in Section
15 4991.2, or a school or department of social work that is a candidate
16 for accreditation by the Commission on Accreditation of the
17 Council on Social Work Education. Nothing in this paragraph shall
18 be construed as requiring coursework to be offered as part of a
19 regular degree program.

20 (2) A school, college, or university accredited by a regional or
21 national institutional accrediting agency that is recognized by the
22 United States Department of Education or a school, college, or
23 university that is approved by the Bureau for Private Postsecondary
24 Education.

25 (3) Another continuing education provider, as specified by the
26 board by regulation.

27 (f) The board shall establish, by regulation, a procedure for
28 identifying acceptable providers of continuing education courses,
29 and all providers of continuing education, as described in
30 paragraphs (1) and (2) of subdivision (e), shall adhere to the
31 procedures established by the board. The board may revoke or
32 deny the right of a provider to offer continuing education
33 coursework pursuant to this section for failure to comply with this
34 section or any regulation adopted pursuant to this section.

35 (g) Training, education, and coursework by approved providers
36 shall incorporate one or more of the following:

37 (1) Aspects of the discipline that are fundamental to the
38 understanding, or the practice, of social work.

39 (2) Aspects of the social work discipline in which significant
40 recent developments have occurred.

1 (3) Aspects of other related disciplines that enhance the
2 understanding, or the practice, of social work.

3 (h) A system of continuing education for licensed clinical social
4 workers shall include courses directly related to the diagnosis,
5 assessment, and treatment of the client population being served.

6 (i) The continuing education requirements of this section shall
7 comply fully with the guidelines for mandatory continuing
8 education established by the Department of Consumer Affairs
9 pursuant to Section 166.

10 (j) The board may adopt regulations as necessary to implement
11 this section.

12 SEC. 9. Section 5070.1 of the Business and Professions Code
13 is amended to read:

14 5070.1. (a) The board may establish, by regulation, a system
15 for the placement of a license into a retired status, upon application,
16 for certified public accountants and public accountants who are
17 not actively engaged in the practice of public accountancy or any
18 activity that requires them to be licensed by the board.

19 (b) No licensee with a license in a retired status shall engage in
20 any activity for which a permit is required.

21 (c) The board shall deny an applicant's application to place a
22 license in a retired status if the permit is subject to an outstanding
23 order of the board, is ~~suspended~~, *suspended* or revoked, or is
24 subject to disciplinary action under this chapter.

25 (1) For purposes of this subdivision, a permanent restricted
26 practice order shall not be considered an outstanding order of the
27 board provided the licensee has completed probation as part of
28 any original discipline order.

29 (2) If a license is subject to a permanent restricted practice order
30 at the time the board approves the license to be placed in a retired
31 status, the permanent restricted practice order shall be reinstated
32 if the license is restored from retired status to an active status and
33 shall remain in effect until the board modifies or terminates the
34 permanent restricted practice order.

35 (d) (1) The holder of a license that was canceled pursuant to
36 Section 5070.7 may apply for the placement of that license in a
37 retired status pursuant to subdivision (a).

38 (2) Upon approval of an application made pursuant to paragraph
39 (1), the board shall reissue that license in a retired status.

(3) The holder of a canceled license that was placed in retired status between January 1, 1994, and January 1, 1999, inclusive, shall not be required to meet the qualifications established pursuant to subdivision (e), but shall be subject to all other requirements of this section.

(e) The board shall establish minimum qualifications to place a license in retired status.

(f) The board may exempt the holder of a license in a retired status from the renewal requirements described in Section 5070.5.

(g) The board shall establish minimum qualifications for the restoration of a license in a retired status to an active status. These minimum qualifications shall include, but are not limited to, continuing education and payment of a fee as provided in subdivision (h) of Section 5134.

(h) The board shall not restore to active or inactive status a license that was canceled by operation of law, pursuant to subdivision (a) of Section 5070.7, and then placed into retired status pursuant to subdivision (d). The individual shall instead apply for a new license, as described in subdivision (c) of Section 5070.7, in order to restore the individual's license.

(i) At the time of application, if the applicant has a valid email address, the applicant shall provide that email address to the board.

SEC. 10. Section 5272 of the Business and Professions Code is amended to read:

5272. (a) With the exception of Article 4 (commencing with Section 5300) and Sections 5400 to 5404, inclusive, this chapter does not apply to any advertising display used exclusively for any of the following purposes:

(1) To advertise the sale, lease, or exchange of real property on which the advertising display is placed.

(2) To advertise directions to, and the sale, lease, or exchange of, real property for which the advertising display is placed, provided that this exemption does not apply to advertising displays visible from a highway and subject to the Highway Beautification Act of 1965 (23 U.S.C. Sec. 131).

(3) To designate the name of the owner or occupant of the premises or to identify the premises.

(4) To advertise the business conducted, services rendered, or goods produced or sold on the property on which the advertising display is placed if the display is on the same side of the highway

1 and within 1,000 feet of the point on the property or within 1,000
2 feet of the entrance to the site at which the business is conducted,
3 services are rendered, or goods are produced or sold.

4 (5) To display only noncommercial public health, emergency,
5 and safety messages from the County of San Joaquin, on public
6 property and equipment owned and operated by the County of San
7 Joaquin in conformance with state law, federal law, regulations,
8 and agreements.

9 (b) With the exception of Article 4 (commencing with Section
10 5300) and Sections 5400 to 5404, inclusive, this chapter does not
11 apply to any advertising display used exclusively either to advertise
12 products, goods, or services sold by persons on the premises of an
13 arena on a regular basis, or to advertise products, goods, or services
14 marketed or promoted on the premises of an arena pursuant to a
15 sponsorship marketing plan, if all of the following conditions are
16 met:

17 (1) The arena is capable of providing a venue for professional
18 sports on a permanent basis.

19 (2) The arena has a capacity of 15,000 or more seats.

20 (3) The advertising display is either of the following:

21 (A) Located on the premises of the arena.

22 (B) Has been authorized as of January 1, 2021, by, or in
23 accordance with, a local ordinance, including, but not limited to,
24 a specific plan or sign district adopted in connection with the
25 approval of the arena by the city, county, or city and county, bears
26 the name or logo of the arena, and is visible when approaching
27 offramps from the interstate, primary, or state highways used to
28 access the premises of the arena. No arena shall be permitted more
29 than two advertising displays allowed under this subparagraph.

30 (c) (1) Any advertising display erected pursuant to subdivision
31 (b) and located on the premises of the arena shall be lawful only
32 if authorized by, or in accordance with, an ordinance, including,
33 but not limited to, a specific plan or sign district, adopted by the
34 city, county, or city and county, that regulates advertising displays
35 on the premises of the arena by identifying the specific displays
36 or establishing regulations that include, at a minimum, all of the
37 following:

38 (A) Number of signs and total signage area allowed.

39 (B) Maximum individual signage area.

40 (C) Minimum sign separation.

1 (D) Illumination restrictions and regulations, including signage
2 refresh rate, scrolling, and brightness.

3 (E) Illuminated sign hours of operation.

4 (2) Authorization of advertising displays under subdivision (b)
5 is subject to the owner of the advertising display submitting to the
6 department a copy of the ordinance adopted by the city, county,
7 or city and county in which the arena is located authorizing the
8 advertising display and, for signs located on the premises of the
9 arena, identification of the provisions of the ordinance required
10 under paragraph (1). The department shall certify that the proposed
11 ordinance meets the minimum requirements contained in paragraph
12 (1).

13 (3) An advertising display authorized pursuant to subdivision
14 (b) shall not advertise products, goods, or services related to
15 tobacco, firearms, or sexually explicit material.

16 (4) This chapter does not limit a local government from adopting
17 ordinances prohibiting or further restricting the size, number, or
18 type of advertising displays permitted by this section.

19 (d) As used in this section, “the premises of an arena” means
20 either of the following:

21 (1) A venue for indoor or outdoor sports, concerts, or other
22 events.

23 (2) Any development project or district encompassing the venue,
24 adjacent to it, or separated from it only by public or private
25 rights-of-way, the boundaries of which have been set by the city,
26 county, or city and county in which the arena is located. The
27 development project or district ~~must~~ *shall* be contiguous and ~~may~~
28 *shall* not extend more than 1,000 feet beyond the arena structure
29 or any structure physically connected to the arena structure.

30 (e) As used in this section, “sponsorship marketing plan” means
31 an agreement between the property owner, facility owner, facility
32 operator, or occupant of the premises of an arena and a sponsor
33 pursuant to which the sponsor is allowed to include its logo, slogan,
34 or advertising on advertising displays and that meets both of the
35 following conditions:

36 (1) The sponsorship marketing plan is for a period of not less
37 than 120 days.

38 (2) The sponsorship marketing plan grants the sponsor the
39 opportunity to display its logo, slogan, or advertising in the interior

1 of structures on the premises of an arena, or conduct promotions,
2 public relations, or marketing activities on the premises of an arena.

3 (f) Authorization of an advertising display under subdivision
4 (b) that is a message center display is subject to the owner of the
5 display complying with one of the following conditions:

6 (1) Making a message center display within the premises of the
7 arena available on a space-available basis for use by the department
8 or the Department of the California Highway Patrol for public
9 service messages, including Emergency Alert System (Amber
10 Alert) messages disseminated pursuant to Section 8594 of the
11 Government Code, and messages containing, among other things,
12 reports of commute times, drunk driving awareness messages,
13 reports of accidents of a serious nature, and emergency disaster
14 communications.

15 (2) Making a message center display not subject to this section
16 that is under the control of the owner of the advertising display
17 available on a space-available basis for public service messages
18 in a location acceptable to the department and the Department of
19 the California Highway Patrol.

20 (3) Providing funding to the department for the installation of
21 a message center display to accommodate those public service
22 messages, which may include funding as part of mitigation in
23 connection with the approval of the arena by the city, county, or
24 city and county.

25 (g) If an advertising display authorized under subdivision (b)
26 is subject to a notice from the United States Department of
27 Transportation, the Federal Highway Administration, or any other
28 applicable federal agency to the state that the operation of that
29 display will result in the reduction of federal aid highway funds
30 provided in Section 131 of Title 23 of the United States Code,
31 authorization of the display under subdivision (b) shall cease and
32 the display owner shall remove all advertising copy from the
33 display within 60 days after the state notifies the display owner of
34 the receipt of the federal notice. Failure to remove the advertising
35 copy pursuant to this subdivision shall result in a civil fine, imposed
36 by the ~~California Department of Transportation~~, *department*, of
37 ten thousand dollars (\$10,000) per day until the advertising copy
38 is removed. The department shall not assume any liability in
39 connection with cessation of operation or removal of an advertising
40 display or advertising copy pursuant to this subdivision.

(h) The city, county, or city and county adopting the ordinance authorizing the displays erected pursuant to this section shall have primary responsibility for ensuring that the displays remain in conformance with all provisions of the ordinance and of this section. If the city, county, or city and county fails to ensure that the displays remain in conformance with all provisions of the ordinance and of this section after 30 days of receipt of a written notice from the department, the city, county, or city and county shall hold the department harmless and indemnify the department for all costs incurred by the department to ensure compliance with the ordinance and this section or to defend actions challenging the adoption of the ordinance allowing the displays.

(i) An advertising display lawfully erected on or before December 31, 2013, in conformity with subdivision (e) of this section as it read on that date, shall remain authorized, subject to the terms of that subdivision.

SEC. 11. Section 5272.5 of the Business and Professions Code is amended to read:

5272.5. The ~~Department~~ *department* shall, when renegotiating an agreement with the Federal Highway Administration on the state's obligations pursuant to the Highway Beautification Act of 1965 (23 U.S.C. Sec. 131), include among its priorities support for advertising displays at arenas, as described in Section 5272.

SEC. 12. Section 7048 of the Business and Professions Code is amended to read:

7048. (a) This chapter does not apply to a work or operation on one undertaking or project by one or more ~~contracts~~, *contracts* if the aggregate contract price for labor, materials, and all other ~~items~~, *items* is less than one thousand dollars (~~\$1,000~~) (*\$1,000*), that work or operation being considered of casual, minor, or inconsequential nature, and the work or operation does not require a building permit.

(b) This section does not apply in a case wherein the work of construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made in contracts of amounts less than one thousand dollars (\$1,000) for the purpose of evasion of this chapter or otherwise.

(c) This section does not apply to a person who does either of the following:

1 (1) Advertises or puts out a sign or card or other device that
2 might indicate to the public that the person is a contractor or that
3 the person is qualified to engage in the business of a contractor.

4 (2) Employs another person to perform, or assist in performing,
5 the work or operation.

6 SEC. 13. Section 7363 of the Business and Professions Code
7 is amended to read:

8 7363. (a) A course in hairstyling established by a school shall
9 consist of not less than 600 hours of practical and technical
10 instruction.

11 (b) The curriculum for a hairstyling course shall include, at a
12 minimum, technical and practical instruction in the following areas:

13 (1) One hundred hours in health and safety, which includes
14 hazardous substances, chemical safety, safety data sheets,
15 protection from hazardous chemicals, preventing chemical injuries,
16 health and safety laws and regulations, and preventing
17 communicable diseases.

18 (2) One hundred hours in disinfection and sanitation, which
19 includes disinfection procedures to protect the health and safety
20 of consumers as well as the technician and proper disinfection
21 procedures for equipment used in establishments.

22 (3) (A) Two hundred hours in ~~hair styling~~ *hairstyling* services,
23 which includes arranging, blow drying, cleansing, curling, dressing,
24 hair analysis, shampooing, waving, and nonchemical straightening,
25 and hair cutting including the use of shears, razors, electrical
26 clippers and trimmers, and thinning shears, for wet and dry cutting.

27 (B) Instruction in hairstyling services shall include instruction
28 regarding the provision of services to individuals with all hair types
29 and textures, including, but not limited to, various curl or wave
30 patterns, hair strand thicknesses, and volumes of hair.

31 SEC. 14. Section 8020.5 of the Business and Professions Code
32 is amended to read:

33 8020.5. (a) (1) The California state licensing examination
34 shall consist of the following three divisible parts:

35 (A) English.

36 (B) Professional Practice.

37 (C) Dictation/Transcription (Machine/Skill).

38 (2) (A) The passing grades for the Dictation/Transcription part
39 of the examination is ~~ninety-five~~ 95 percent.

1 (B) (i) The passing grades for English and Professional Practice,
2 the two written knowledge parts of the examination, shall be
3 determined by the Angoff criterion-referenced method.

4 (ii) The passing scores may vary moderately with changes in
5 test composition.

6 (iii) Any examinee who obtains a grade which equals or exceeds
7 the passing score determined by the Angoff criterion-referenced
8 method will be deemed to have passed the applicable portion of
9 the examination, assuming the other requirements of this section
10 are met.

11 (b) The board shall notify each examinee electronically or in
12 writing of their pass or fail examination results.

13 (c) (1) An applicant shall take and pass all three parts of the
14 examination within three consecutive years to have passed the
15 examination.

16 (2) The three-year period shall begin from the date of the
17 examination or any part of the examination for which the applicant
18 is first scheduled.

19 (d) (1) After a period of four months has elapsed, an applicant
20 may repeat any part of the examination.

21 (2) An applicant shall not repeat any part of the examination
22 unless or until a new version of the examination has been
23 introduced.

24 (e) Notwithstanding subdivision (c), an applicant who passes a
25 part of the examination shall receive conditional credit for passing
26 that part and may retake the remaining parts.

27 (f) The period of time designated in subdivision (c) may be
28 extended by the board for a period of time not to exceed one year
29 upon the showing of extraordinary extenuating circumstances.

30 (g) (1) Successful completion of the Certified Verbatim
31 Reporter (CVR) or Certified Verbatim Reporter-Stenotype
32 (CVR-S) certification administered through the National Verbatim
33 Reporters Association satisfies the requirement to pass the
34 Dictation/Transcription examination under subparagraph (C) of
35 paragraph (1) of subdivision (a).

36 (2) Applicants who passed the Certified Verbatim Reporter
37 (CVR) or Certified Verbatim Reporter-Stenotype (CVR-S) are
38 subject to the requirements identified under subdivision (a) for the
39 English examination and the Professional Practice examination,
40 all of which must be passed within three consecutive years,

1 pursuant to subdivision (c), to have passed the California state
2 licensing examination.

3 SEC. 15. Section 17580 of the Business and Professions Code
4 is amended to read:

5 17580. (a) A person who represents in advertising or on the
6 label or container of a consumer good that the consumer good that
7 it manufactures or distributes is not harmful to, or is beneficial to,
8 the natural environment, through the use of such terms as
9 “environmental choice,” “ecologically friendly,” “earth friendly,”
10 “environmentally friendly,” “ecologically sound,” “environmentally
11 sound,” “environmentally safe,” “ecologically safe,”
12 “environmentally lite,” “green product,” or any other like term, or
13 through the use of a chasing arrows symbol or by otherwise
14 directing a consumer to recycle the consumer good, shall maintain
15 in written form in its records all of the following information and
16 documentation supporting the validity of the representation:

17 (1) The reasons the person believes the representation to be true.

18 (2) Any significant adverse environmental impacts directly
19 associated with the production, distribution, use, and disposal of
20 the consumer good.

21 (3) Any measures that are taken by the person to reduce the
22 environmental impacts directly associated with the production,
23 distribution, and disposal of the consumer good.

24 (4) Violations of any federal, state, or local permits directly
25 associated with the production or distribution of the consumer
26 good.

27 (5) Whether, if applicable, the consumer good conforms with
28 the uniform standards contained in the Federal Trade Commission
29 Guidelines for Environmental Marketing Claims for the use of the
30 terms “recycled,” “recyclable,” “biodegradable,”
31 “photodegradable,” or “ozone friendly.”

32 (6) If the person uses the term “recyclable,” uses a chasing
33 arrows symbol, or otherwise directs a consumer to recycle the
34 consumer good, whether the consumer good meets all of the criteria
35 for statewide recyclability pursuant to subdivision (d) of Section
36 42355.51 of the Public Resources Code.

37 (b) Information and documentation maintained pursuant to this
38 section shall be furnished to any member of the public upon
39 request.

1 (c) For purposes of this section, a wholesaler or retailer who
2 does not initiate a representation by advertising or by placing the
3 representation on a package shall not be deemed to have made the
4 representation.

5 (d) It is the intent of the Legislature that the information and
6 documentation supporting the validity of the representation
7 maintained under this section shall be fully disclosed to the public,
8 within the limits of all applicable laws.

9 (e) For purposes of this section, displaying a chasing arrows
10 symbol or otherwise directing a consumer to recycle a consumer
11 good shall not be considered misleading pursuant to Section
12 17580.5 or Section 42355.51 of the Public Resources Code if either
13 of the following applies:

14 (1) The consumer good is required by any federal or California
15 law or regulation to display a chasing arrows symbol, including,
16 but not limited to, Section 103(b)(1) of the federal
17 Mercury-Containing and Rechargeable Battery Management Act
18 (42 U.S.C. Sec. 14322(b)(1)) and Section 25215.65 of the Health
19 and Safety Code.

20 (2) The consumer good is a beverage container subject to the
21 California Beverage Container Recycling and Litter Reduction
22 Act (Division 12.1 (commencing with Section 14500) of the Public
23 Resources Code).

24 (f) For purposes of this section, “chasing arrows symbol” means
25 an equilateral triangle, formed by three arrows curved at their
26 midpoints, depicting a clockwise path, with a short gap separating
27 the apex of each arrow from the base of the adjacent arrow.
28 “Chasing arrows symbol” also includes variants of that symbol
29 that are likely to be interpreted by a consumer as an implication
30 of recyclability, including, but not limited to, one or more arrows
31 arranged in a circular pattern or around a globe.

32 (g) For purposes of this section, a direction to a consumer to
33 properly dispose of or otherwise properly handle a consumer good
34 at the end of its useful life shall not be considered “otherwise
35 directing a consumer to recycle a consumer good” pursuant to
36 subdivision (a) if both of the following requirements are met:

37 (1) The consumer good is subject to any of the following
38 programs:

1 (A) Chapter 20 (commencing with Section 42970) of Part 3 of
2 Division 30 of the Public Resources Code relating to product
3 stewardship for carpets.

4 (B) The Used Mattress Recovery and Recycling Act (Chapter
5 21 (commencing with Section 42985) of Part 3 of Division 30 of
6 the Public Resources Code).

7 (C) The California Tire Recycling Act (Chapter 17 (commencing
8 with Section 42860) of Part 3 of Division 30 of the Public
9 Resources Code).

10 (D) The Electronic Waste Recycling Act of 2003 (Chapter 8.5
11 (commencing with Section 42460) of Part 3 of Division 30 of the
12 Public Resources Code).

13 (E) Article 10.3 (commencing with Section 25214.9) of Chapter
14 6.5 of Division 20 of the Health and Safety Code relating to
15 electronic waste.

16 (F) The Rechargeable Battery Recycling Act of 2006 (Chapter
17 8.4 (commencing with Section 42451) of Part 3 of Division 30 of
18 the Public Resources Code).

19 (G) The Cell Phone Recycling Act of 2004 (Chapter ~~8.6~~ 8.7
20 (commencing with Section 42490) of Part 3 of Division 30 of the
21 Public Resources Code).

22 (H) The paint product recovery program established pursuant
23 to Chapter 5 (commencing with Section 48700) of Part 7 of
24 Division 30 of the Public Resources Code.

25 (I) The Mercury Thermostat Collection Act of ~~2008~~ 2001
26 (Article 10.2.2 (commencing with Section 25214.8.10) of Chapter
27 6.5 of Division 20 of the Health and Safety Code).

28 (J) The Lead-Acid Battery Recycling Act of 2016 (Article 10.5
29 (commencing with Section 25215) of Chapter 6.5 of Division 20
30 of the Health and Safety Code).

31 (2) The direction to the consumer accurately instructs the
32 consumer to dispose of the consumer good through participation
33 in, and consistent with, one of the programs identified in paragraph
34 (1) as that program applies to the consumer good.

35 (h) For purposes of this section, directing a consumer to compost
36 or properly dispose of a consumer good through an organics
37 recycling program shall not be considered “otherwise directing a
38 consumer to recycle a consumer good” pursuant to subdivision
39 (a).

1 SEC. 16. Section 19520 of the Business and Professions Code
2 is amended to read:

3 19520. (a) (1) Every person not required to be licensed under
4 Article 4 (commencing with Section 19480) who participates in,
5 or has anything to do with, the racing of horses in any of the
6 following capacities shall be licensed by the board pursuant to
7 rules and regulations that the board may adopt and upon the
8 payment of a license fee fixed and determined by the board:

- 9 (A) Assistant trainer.
- 10 (B) Association employee.
- 11 (C) Bloodstock agent.
- 12 (D) Corporate officer.
- 13 (E) Driver.
- 14 (F) Exercise rider.
- 15 (G) Farrier.
- 16 (H) Jockey.
- 17 (I) Jockey agent.
- 18 (J) Jockey apprentice.
- 19 (K) Jockey valet.
- 20 (L) Off-track wagering personnel.
- 21 (M) Open claim owner.
- 22 (N) Outrider.
- 23 (O) Owner.
- 24 (P) Parimutuel employee.
- 25 (Q) Pony rider.
- 26 (R) Safety personnel.
- 27 (S) Special event personnel.
- 28 (T) Stable agent.
- 29 (U) Stable foreman.
- 30 (V) Stableworker.
- 31 (W) Stakeholder representative.
- 32 (X) Trainer.
- 33 (Y) Vendor or vendor employee.
- 34 (Z) Veterinarian.
- 35 (AA) Veterinarian assistant.

36 (2) Any license issued pursuant to this article shall include a
37 current photograph of the licensed person.

38 (b) A person required to be licensed pursuant to this article shall
39 not participate in any capacity in any horse race meeting without
40 a valid and unrevoked license authorizing the participation.

1 (c) The board may adopt regulations to require outrider license
2 applicants to pass both a written and an oral examination and to
3 authorize outriders to exercise the duties and powers of the board
4 set forth in Section 19440 as are delegated by the board.

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

6 (1) "Assistant trainer" means a person employed by a trainer
7 that has passed the board-issued trainer's examination but fails to
8 meet the board's minimum qualifications for a trainer's license.

9 (2) "Association employee" means a person hired by a racing
10 association that has access to the licensed inclosure. An
11 "association employee" includes management of the racetrack and
12 persons hired to work as maintenance, food service, media,
13 security, and racing staff.

14 (3) "Bloodstock agent" means a person who for gain, gratuity,
15 ~~commission~~ *commission*, or reward, in either money or goods, acts
16 as an agent for the sale or purchase of any racehorse not their own
17 that is eligible to race at an authorized race meeting in the state.

18 (4) "Corporate officer" means an officer, director, or partner,
19 or an individual who holds 5 percent or more of outstanding shares,
20 of an advance deposit wagering, mini-satellite wagering provider,
21 simulcast service supplier, or totalizer company.

22 (5) "Driver" means a person who drives and controls the horse
23 from a seated position on a two-wheel sulky.

24 (6) "Exercise rider" means a person mounted and exercising a
25 horse within a licensed inclosure.

26 (7) "Farrier" means a person responsible for shoeing and caring
27 for equine hooves. A "farrier" is also interchangeably referred to
28 as a "horseshoer" or "plater."

29 (8) "Jockey" means a race rider.

30 (9) "Jockey agent" means a person who represents a jockey
31 whose main responsibility is to arrange and book mounts.

32 (10) "Jockey apprentice" means a race rider who otherwise
33 meets the license qualifications of a jockey, but has not ridden the
34 requisite number of winners, as established by the board.

35 (11) "Jockey valet" means a person responsible for preparing
36 both jockey and horse for racing.

37 (12) "Off-track wagering personnel" means a person employed
38 at an off-track simulcast wagering facility or a person employed
39 to represent an organization overseeing off-track wagering at a
40 simulcast location pursuant to section 19608.2.

1 (13) “Open-claim owner” means a prospective owner of a horse
2 entered into a claiming race.

3 (14) “Outrider” means a person responsible for providing a safe
4 environment during training or racing.

5 (15) “Owner” means the owner, part owner, or lessee of a horse.
6 An interest only in the earnings of a horse does not constitute
7 ownership.

8 (16) “Parimutuel employee” means a person hired to work for
9 the company licensed to accept wagers on the outcome of a horse
10 race. A “parimutuel employee” includes totalizer technicians and
11 those persons employed by a licensed totalizer company.

12 (17) “Pony rider” means a person riding a pony horse on training
13 or race days.

14 (18) “Safety personnel” means a person hired to provide
15 security, medical services, or emergency services within a racing
16 inclosure.

17 (19) “Special event personnel” means a person who works for
18 the Breeders’ Cup World Championships when the event is held
19 at a board-licensed racing facility or a person who is otherwise
20 hired for a temporary racing event.

21 (20) “Stable agent” means a person who is the authorized
22 representative of a stable or an owner that may act on their behalf
23 in managing the schedule of races.

24 (21) “Stable foreman” means a person in charge of daily
25 operations in a racing stable.

26 (22) “Stableworker” means a person employed at the operation
27 of a stable at a board-licensed inclosure that is not more specifically
28 described by another classification. This classification includes
29 those who feed, groom, exercise, train, and conduct general care
30 of horses.

31 (23) “Stakeholder representative” means a person whose
32 constituents are located within a licensed inclosure. This includes
33 clergy, union representatives, and representatives from
34 state-recognized organizations of trainers or horsepersons.

35 (24) “Trainer” means a person who has passed the board’s
36 trainer’s examination and otherwise meets the board’s
37 qualifications for licensure as established pursuant to regulation.

38 (25) “Vendor or vendor employee” means a person who provides
39 goods or services related to horse racing at a facility licensed by
40 the board. A “vendor” includes persons who access the licensed

1 inclosure for the purpose of delivering equine supplies or
2 transporting equines and maintenance workers, media, food service
3 staff, jockey room staff, and stable staff.

4 (26) "Veterinarian" means a California-licensed veterinarian.

5 (27) "Veterinarian assistant" means a person employed by a
6 board-licensed veterinarian.

7 SEC. 17. Section 23399.5 of the Business and Professions
8 Code is amended to read:

9 23399.5. (a) (1) A license or permit is not required for the
10 serving of alcoholic beverages in a limousine by any person
11 operating a limousine service regulated by the Public Utilities
12 Commission, provided there is no extra charge or fee for the
13 alcoholic beverages.

14 (2) For purposes of this subdivision, there is no extra charge or
15 fee for the alcoholic beverages when the fee charged for the
16 limousine service is the same regardless of whether alcoholic
17 beverages are served.

18 (b) (1) A license or permit is not required for the serving of
19 alcoholic beverages as part of a hot air balloon ride service,
20 provided there is no extra charge or fee for the alcoholic beverages.

21 (2) For purposes of this subdivision, there is no extra charge or
22 fee for the alcoholic beverages when the fee charged for the hot
23 air balloon ride service is the same regardless of whether alcoholic
24 beverages are served.

25 (c) A license or permit is not required for the serving of wine
26 or beer as part of any service provided by an establishment that is
27 subject to regulation by the State Board of Barbering and
28 Cosmetology under the Barbering and Cosmetology Act (Chapter
29 10 (commencing with Section 7301) of Division 3) if the following
30 requirements are met:

31 (1) There is no extra charge or fee for the beer or wine. For
32 purposes of this paragraph, there is no extra charge or fee for the
33 beer or wine if the fee charged for the service is the same regardless
34 of whether beer or wine is served.

35 (2) The license of the establishment providing the service is in
36 good standing with the State Board of Barbering and Cosmetology.

37 (3) No more than 12 ounces of beer or ~~six~~ 6 ounces of wine by
38 the glass is offered to a client.

39 (4) The beer or wine is provided only during business hours and
40 in no case later than 10 p.m.

(5) Nothing in this subdivision shall be construed to limit the authority of a city or city and county to restrict or limit the consumption of alcoholic beverages, as described in this subdivision, pursuant to Section 23791.

(d) A license or permit is not required for the serving of alcoholic beverages as part of the curriculum of an apprenticeship program for bartending or mixology, provided all of the following requirements are met:

(1) The apprenticeship program is approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code.

(2) Students enrolled in the apprenticeship program are 21 years of age or older.

(3) The apprenticeship program adopts a policy that the students may taste, but may not consume, the alcoholic beverages served.

(4) There is no extra charge or fee for the alcoholic beverages served.

SEC. 18. Section 26051.5 of the Business and Professions Code is amended to read:

26051.5. (a) An applicant for a state license issued pursuant to this division to conduct commercial cannabis activity, as defined in Section 26001, shall do all of the following:

(1) Except as provided in subparagraph (G), require that each owner, as defined in paragraphs (1) to (3), inclusive, of subdivision ~~(ap)~~ (aq) of Section 26001, electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and state and federal arrests, and also information as to the existence and content of a record of state or federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on their own recognizance pending trial or appeal.

(A) Notwithstanding any other law, the department may obtain criminal history information from the Department of Justice and the Federal Bureau of Investigation for an applicant or its owners, as defined in paragraphs (1) to (3), inclusive, of subdivision ~~(ap)~~ (aq) of Section 26001, for any state license, as described in Section 26050, under this division pursuant to subdivision (u) of Section 11105 of the Penal Code.

1 (B) When received, the Department of Justice shall transmit
2 fingerprint images and related information received pursuant to
3 this section to the Federal Bureau of Investigation for the purpose
4 of obtaining a federal criminal history records check. The
5 Department of Justice shall review the information returned from
6 the Federal Bureau of Investigation and compile and disseminate
7 a response to the licensing authority.

8 (C) The Department of Justice shall provide a response to the
9 licensing authority pursuant to paragraph (1) of subdivision (p) of
10 Section 11105 of the Penal Code.

11 (D) The department shall request from the Department of Justice
12 subsequent notification service, as provided pursuant to Section
13 11105.2 of the Penal Code, for applicants.

14 (E) The Department of Justice shall charge the applicant a fee
15 sufficient to cover the reasonable cost of processing the requests
16 described in this paragraph.

17 (F) Notwithstanding any other law, a licensing authority may
18 request and receive from a local or state agency certified records
19 of all arrests and convictions, certified records regarding probation,
20 and any and all other related documentation needed to complete
21 an applicant or licensee investigation. A local or state agency may
22 provide those records to a licensing authority upon request.

23 (G) If an owner has previously submitted fingerprint images
24 and related information required by the Department of Justice
25 pursuant to this paragraph in connection with a valid state license
26 issued by a licensing authority, all of the following apply:

27 (i) The owner shall not be required to submit additional
28 fingerprint images and related information pursuant to this
29 paragraph in connection with a subsequent application for a state
30 license.

31 (ii) The department shall not consider the owner's criminal
32 history information obtained from the fingerprint images and
33 related information that were previously submitted pursuant to this
34 paragraph when considering whether to issue a subsequent state
35 license.

36 (iii) An owner shall not be required to resubmit owner-related
37 information previously provided to the department.

38 (2) Provide evidence of the legal right to occupy and use the
39 proposed location and provide a statement from the landowner of
40 real property or that landowner's agent where the commercial

1 cannabis activity will occur, as proof to demonstrate the landowner
2 has acknowledged and consented to permit commercial cannabis
3 activities to be conducted on the property by the tenant applicant.

4 (3) Provide evidence that the proposed location is in compliance
5 with subdivision (b) of Section 26054.

6 (4) Provide a statement, signed by the applicant under penalty
7 of perjury, that the information provided is complete, true, and
8 accurate.

9 (5) (A) (i) For an applicant with 20 or more employees, or an
10 applicant with 10 or more employees that submits an application
11 on or after July 1, 2024, provide a notarized statement that the
12 applicant will enter into, or demonstrate that it has already entered
13 into, and will abide by the terms of a labor peace agreement. On
14 and after July 1, 2024, the department shall not renew a license
15 for a licensee with 10 or more employees unless the licensee
16 provides a statement that the licensee has already entered into and
17 will abide by the terms of a labor peace agreement.

18 (ii) For an applicant with 10 or more employees but less than
19 20 employees that has not yet entered into a labor peace agreement,
20 provide a notarized statement as a part of its application indicating
21 that the applicant will enter into and abide by the terms of a labor
22 peace agreement within 60 days of employing its 20th employee,
23 or on or before July 1, 2024, whichever is earlier.

24 (iii) For an applicant with less than 10 employees that has not
25 yet entered into a labor peace agreement, provide a notarized
26 statement as a part of its application indicating that the applicant
27 will enter into and abide by the terms of a labor peace agreement
28 within 60 days of employing its 10th employee, or on or before
29 July 1, 2024, whichever is later.

30 (iv) Nothing in this paragraph shall be construed to limit the
31 authority of the department to revoke or suspend a license for a
32 violation of this paragraph.

33 (B) Compliance with the terms of an applicable labor peace
34 agreement is a condition of licensure. A licensee seeking renewal
35 of any license shall attest to the department that it remains in
36 compliance with the terms of any applicable labor peace agreement.

37 (C) Any labor organization, or any current or former employee
38 of the relevant licensee, may report to the department that a licensee
39 has failed to provide a truthful attestation of compliance with
40 subparagraph (B).

1 (i) The reporting party shall provide documentation, in a form
2 and manner required by the department, to substantiate their
3 allegation before the department considers it. The department shall
4 collaborate with such agencies as it deems relevant to evaluate the
5 report.

6 (ii) If the department substantiates the validity of a report made
7 pursuant to this subparagraph, the department may suspend, revoke,
8 place on probation with terms and conditions, or otherwise
9 discipline the license and fine the licensee.

10 (D) (i) Any labor organization, or any current or former
11 employee of the relevant licensee, may file a complaint with the
12 Agricultural Labor Relations Board that an organization with which
13 a licensee has entered into a labor peace agreement is not a bona
14 fide labor organization.

15 (ii) The Agricultural Labor Relations Board shall consider all
16 relevant evidence provided or obtained in rendering a decision on
17 whether the entity is a bona fide labor organization and issue a
18 report with its findings no later than 90 days from receiving the
19 complaint.

20 (iii) If the Agricultural Labor Relations Board determines that
21 the entity is not a bona fide labor organization, the labor peace
22 agreement shall be null and void. The department shall promptly
23 notify all licensees that have signed labor peace agreements with
24 the entity that the entity was found not to be a bona fide labor
25 organization and offer those licensees a reasonable time period,
26 not to exceed 180 days, to enter into a labor peace agreement with
27 a bona fide labor organization. Failure to enter into a labor peace
28 agreement with a bona fide labor organization after that reasonable
29 time period shall be a violation of this section.

30 (E) For the purposes of this paragraph, all of the following shall
31 apply:

32 (i) "Employee" does not include a supervisor.

33 (ii) "Labor organization" means any organization of any kind,
34 or any agency or employee representation committee or plan, in
35 which employees participate and which exists, in whole or in part,
36 for the purpose of dealing with employers concerning grievances,
37 labor disputes, wages, rates of pay, hours of employment, or
38 conditions of work for employees.

39 (iii) "Supervisor" means an individual having authority, in the
40 interest of the applicant, to hire, transfer, suspend, lay off, recall,

1 promote, discharge, assign, reward, or discipline other employees,
2 or responsibility to direct them or to adjust their grievances, or
3 effectively to recommend such action, if, in connection with the
4 foregoing, the exercise of that authority is not of a merely routine
5 or clerical nature, but requires the use of independent judgment.

6 (6) Provide the applicant's valid seller's permit number issued
7 pursuant to Part 1 (commencing with Section 6001) of Division 2
8 of the Revenue and Taxation Code or indicate that the applicant
9 is currently applying for a seller's permit.

10 (7) Provide any other information required by the department.

11 (8) For an applicant seeking a cultivation license, provide a
12 statement declaring the applicant is an "agricultural employer," as
13 defined in the Alatorre-Zenovich-Dunlap-Berman Agricultural
14 Labor Relations Act of 1975 (Part 3.5 (commencing with Section
15 1140) of Division 2 of the Labor Code), to the extent not prohibited
16 by law.

17 (9) Pay all applicable fees required for licensure by the
18 department.

19 (10) Provide proof of a bond to cover the costs of destruction
20 of cannabis or cannabis products if necessitated by a violation of
21 licensing requirements.

22 (11) (A) Provide a statement, upon initial application and
23 application for renewal, that the applicant employs, or will employ
24 within one year of receiving or renewing a license, one supervisor
25 and one employee who have successfully completed a Division of
26 Occupational Safety and Health 30-hour general industry outreach
27 course offered by a training provider that is authorized by an OSHA
28 Training Institute Education Center to provide the course. This
29 paragraph shall not be construed to alter or amend existing
30 requirements for employers to provide occupational safety and
31 health training to employees.

32 (B) An applicant with only one employee shall not be subject
33 to subparagraph (A).

34 (C) For purposes of this paragraph "employee" has the same
35 meaning as provided in *clause (i) of* subparagraph ~~(B)~~ (E) of
36 paragraph (5) and "supervisor" has the same meaning as provided
37 in *clause (iii)* subparagraph ~~(C)~~ (E) of paragraph (5).

38 (b) An applicant shall also include in the application a detailed
39 description of the applicant's operating procedures for all of the
40 following, as required by the department:

- 1 (1) Cultivation.
- 2 (2) Extraction and infusion methods.
- 3 (3) The transportation process.
- 4 (4) Inventory procedures.
- 5 (5) Quality control procedures.
- 6 (6) Security protocols.

7 (7) For applicants seeking licensure to cultivate, the source or
8 sources of water the applicant will use for cultivation, as provided
9 in subdivisions (a) to (c), inclusive, of Section 26060.1. For
10 purposes of this paragraph, “cultivation” as used in Section 26060.1
11 shall have the same meaning as defined in Section 26001. The
12 department shall consult with the State Water Resources Control
13 Board and the Department of Fish and Wildlife in the
14 implementation of this paragraph.

15 (c) The applicant shall also provide a complete detailed diagram
16 of the proposed premises wherein the license privileges will be
17 exercised, with sufficient particularity to enable ready
18 determination of the bounds of the premises, showing all
19 boundaries, dimensions, entrances and exits, interior partitions,
20 walls, rooms, and common or shared entryways, and include a
21 brief statement or description of the principal activity to be
22 conducted therein, and, for licenses permitting cultivation,
23 measurements of the planned canopy, including aggregate square
24 footage and individual square footage of separate cultivation areas,
25 if any, roads, water crossings, points of diversion, water storage,
26 and all other facilities and infrastructure related to the cultivation.

27 (d) Provide a complete list of every person with a financial
28 interest in the person applying for the license as required by the
29 department. For purposes of this subdivision, “persons with a
30 financial interest” does not include persons whose only interest in
31 a licensee is an interest in a diversified mutual fund, blind trust,
32 or similar instrument.

33 SEC. 19. Section 26152.2 of the Business and Professions
34 Code is amended to read:

35 26152.2. (a) The Attorney General, on behalf of the people,
36 a city attorney, or a county counsel may bring and maintain an
37 action to redress a violation of subdivisions (d), (e), (f), and (g) of
38 Section 26152, or subdivision (b) of Section 111926 of the Health
39 and Safety Code.

(b) (1) The Attorney General, a city attorney, or a county counsel who prevails in an action pursuant to this section shall be awarded injunctive relief.

(2) The Attorney General, a city attorney, or a county counsel may also be awarded either or both of the following:

(A) Reasonable attorney's fees and costs.

(B) Civil penalties of not more than five thousand dollars (\$5,000) per violation by a licensed cannabis business or an industrial hemp registrant and not more than thirty thousand dollars (\$30,000) per violation by an unlicensed cannabis business or an unregistered business engaged in the sale of products that contain industrial hemp.

(3) The remedies provided in this section shall be in addition to any other remedies otherwise provided in any other law.

(c) In determining whether to award reasonable attorney's fees and costs and civil penalties, and in assessing the amount of any civil penalty, the court shall consider factors the court determines to be relevant, including, but not limited to, *all of* the following:

(1) The gravity of the violation.

(2) The defendant's good faith, or lack thereof.

(3) The defendant's history of previous violations.

(d) Civil penalties awarded in an action brought pursuant to this section shall be distributed as described in subdivision (d) of Section 26038.

(e) (1) Except as provided in paragraph (2), a defendant shall not be subject to more than one action pursuant to this section in connection with the same, or substantially similar, advertising or marketing.

(2) This subdivision does not prohibit a subsequent action pursuant to this section to redress a recurring or continuing violation of Section 26152 or of Section 111926 of the Health and Safety Code, after the defendant has previously been found to have engaged in the same violation of Section 26152 or of Section 111926 of the Health and Safety Code or a substantially similar violation. Such an action may be brought and maintained if all of the following conditions are satisfied:

(A) The defendant has previously been found, in an action pursuant to this section, to have violated one or more subdivisions of Section 26152 or subdivision (b) of Section 111926 of the Health and Safety Code.

1 (B) The defendant subsequently engages in the same advertising
2 or marketing, or substantially similar advertising or marketing,
3 that was previously found to violate Section 26152 or subdivision
4 (b) of Section 111926 of the Health and Safety Code.

5 (C) The subsequent action is limited to advertising or marketing
6 that occurred after entry of judgment in the prior action.

7 (f) (1) The causes of action, remedies, and penalties provided
8 by this section are cumulative to each other and to the causes of
9 action, remedies, and penalties available under all other laws of
10 this state.

11 (2) This section shall not be construed to limit the availability
12 of any cause of action, remedy, or penalty otherwise available
13 under any other law of this state.

14 (g) (1) This section shall not be construed to limit or otherwise
15 alter, in any way, any other authority conferred by law upon the
16 Attorney General, the department, or any other state or local officer
17 or agency.

18 (2) An action brought pursuant to this section shall not have
19 preclusive effect upon the Attorney General, the department, or
20 any other state or local officer or agency.

21 SEC. 20. Section 26200 of the Business and Professions Code
22 is amended to read:

23 26200. (a) (1) Except as set forth in the Medicinal Cannabis
24 Patients' Right of Access Act (Chapter 26 (commencing with
25 Section 26320)), this division shall not be interpreted to supersede
26 or limit the authority of a local jurisdiction to adopt and enforce
27 local ordinances to regulate businesses licensed under this division,
28 including, but not limited to, local zoning and land use
29 requirements, business license requirements, and requirements
30 related to reducing exposure to secondhand smoke, or to completely
31 prohibit the establishment or operation of one or more types of
32 businesses licensed under this division within the local jurisdiction.

33 (2) Except as set forth in the Medicinal Cannabis Patients' Right
34 of Access Act (Chapter 26 (commencing with Section 26320)),
35 this division shall not be interpreted to supersede or limit existing
36 local authority for law enforcement activity, enforcement of local
37 zoning requirements or local ordinances, or enforcement of local
38 license, permit, or other authorization requirements.

39 (b) This division shall not be interpreted to require the
40 department to undertake local law enforcement responsibilities,

1 enforce local zoning requirements, or enforce local licensing,
2 permitting, or other authorization requirements.

3 (c) A local jurisdiction shall notify the department upon
4 revocation of any local license, permit, or authorization for a
5 licensee to engage in commercial cannabis activity within the local
6 jurisdiction. Within 60 days of being so informed, the department
7 shall begin the process to determine whether a license issued to
8 the licensee should be suspended or revoked pursuant to Chapter
9 3 (commencing with Section 26030).

10 (d) For facilities issued a state license that are located within
11 the incorporated area of a city, the city shall have full power and
12 authority to enforce this division and the regulations promulgated
13 by the department, if delegated by the state. Notwithstanding
14 Sections 101375, 101400, and 101405 of the Health and Safety
15 Code or any contract entered into pursuant thereto, or any other
16 law, the city shall assume complete responsibility for any
17 regulatory function pursuant to this division within the city limits
18 that would otherwise be performed by the county or any county
19 officer or employee, including a county health officer, without
20 liability, cost, or expense to the county.

21 (e) (1) This division does not prohibit the issuance of a state
22 temporary event license to a licensee authorizing onsite cannabis
23 sales to, and consumption by, persons 21 years of age or older at
24 a county fair event, district agricultural association event, or at
25 another venue expressly approved by a local jurisdiction for the
26 purpose of holding temporary events of this nature, provided that
27 the activities, at a minimum, comply with all the following:

28 (A) The requirements of subparagraphs (A) to (C), inclusive,
29 of paragraph (2) of subdivision (g).

30 (B) All participants who are engaged in the onsite retail sale of
31 cannabis or cannabis products at the event are licensed under this
32 division to engage in that activity.

33 (C) The activities are otherwise consistent with regulations
34 promulgated and adopted by the department governing state
35 temporary event licenses, except as otherwise provided in
36 paragraphs (6), (7), and (8).

37 (D) A state temporary event license shall only be issued in local
38 jurisdictions that authorize such events.

39 (E) A licensee who submits an application for a state temporary
40 event license shall, 60 days before the event, provide to the

1 department a list of all licensees that will be providing onsite sales
2 of cannabis or cannabis products at the event. If any changes occur
3 in that list, the licensee shall provide the department with a final
4 updated list to reflect those changes. A person shall not engage in
5 the onsite retail sale of cannabis or cannabis products, or in any
6 way participate in the event, who is not included in the list,
7 including any updates, provided to the department.

8 (2) The department may impose a civil penalty on any person
9 who violates this subdivision, or any regulations adopted by the
10 department governing state temporary event licenses, in an amount
11 up to three times the amount of the license fee for each violation,
12 consistent with Sections 26018 and 26038.

13 (3) The department may require the event and all participants
14 to cease operations without delay if in the opinion of the
15 department or local law enforcement it is necessary to protect the
16 immediate public health and safety of the people of the state. The
17 department may also require the event organizer to immediately
18 expel from the event any participant selling cannabis or cannabis
19 products without a license from the department that authorizes the
20 participant to sell cannabis or cannabis products. If the unlicensed
21 participant does not leave the event, the department may require
22 the event and all participants to cease operations immediately.

23 (4) The order by the department for the event to cease operations
24 pursuant to paragraph (3) does not entitle the event organizer or
25 any participant in the event to a hearing or an appeal of the
26 decision. Chapter 3 (commencing with Section 490) of Division
27 1.5 and Chapter 4 (commencing with Section 26040) of this
28 division shall not apply to the order by the department for the event
29 to cease operations pursuant to paragraph (3).

30 (5) The smoking of cannabis or cannabis products at temporary
31 events authorized pursuant to this subdivision is prohibited in
32 locations where smoking is prohibited. For purposes of this section,
33 “smoking” has the same meaning as defined in subdivision (c) of
34 Section 22950.5.

35 (6) (A) All licensees who are issued a state temporary event
36 license allowed pursuant to this subdivision may, upon completion
37 or cessation of the temporary event, reconcile unsold inventory of
38 cannabis or cannabis products and return it to the licensee’s retail
39 premises.

1 (B) All unsold inventory of cannabis or cannabis products from
2 the temporary event shall be noted in track and trace prior to
3 transport.

4 (C) All unsold inventory of cannabis or cannabis products from
5 the temporary event shall be in its original packaging in which it
6 was placed pursuant to Chapter 12 (commencing with Section
7 26120).

8 (7) The inventory of cannabis or cannabis products authorized
9 to be sold by a state temporary event license pursuant to this
10 subdivision shall only be transported to and from the temporary
11 event by a licensed distributor or licensed microbusiness.

12 (8) The department shall not deny an application for a state
13 temporary event license pursuant to this subdivision solely on the
14 basis that there is a license issued pursuant to the Alcoholic
15 Beverage Control Act (Division 9 (commencing with Section
16 23000)) for the proposed premises of the event. Furthermore, the
17 Department of Alcoholic Beverage Control shall not take any
18 disciplinary action against a person licensed pursuant to the
19 Alcoholic Beverage Control Act on the basis of a state temporary
20 event license issued by the department to a licensee pursuant to
21 this subdivision that utilizes the same premises as the person
22 licensed pursuant to the Alcoholic Beverage Control Act.

23 (A) All on- and off-sale privileges of alcoholic beverages at the
24 venue shall be suspended for the day of the event and shall not
25 resume until 6 a.m. on the day after the event has ended.

26 (B) Alcohol consumption on the venue premises shall be strictly
27 prohibited for the day of the event and shall not resume until 6
28 a.m. on the day after the event has ended.

29 (f) This division, or any regulations promulgated thereunder,
30 shall not be deemed to limit the authority or remedies of a city,
31 county, or city and county under any provision of law, including,
32 but not limited to, Section 7 of Article XI of the California
33 Constitution.

34 (g) (1) Notwithstanding paragraph (1) of subdivision (a) of
35 Section 11362.3 of the Health and Safety Code, if all of the
36 conditions in paragraph (2) are met, a local jurisdiction may allow
37 for any of the following:

38 (A) Smoking, vaporizing, and ingesting of cannabis or cannabis
39 products on the premises of a retailer or microbusiness licensed

1 under this division that has been granted authority by a local
2 jurisdiction to engage in onsite cannabis consumption.

3 (B) (i) Preparation or sale of noncannabis food or beverage
4 products in compliance with all applicable provisions of the
5 California Retail Food Code (Chapter 1 (commencing with Section
6 113700) of Part 7 of Division 104 of the Health and Safety Code)
7 by a retailer or microbusiness licensed under this division in the
8 area where the consumption of cannabis is allowed.

9 (ii) For purposes of this subparagraph, “noncannabis food or
10 beverage products” shall not include industrial hemp products or
11 hemp products, as defined in Section 111920 of the Health and
12 Safety Code.

13 (C) Live musical or other performances on the premises of a
14 retailer or microbusiness licensed under this division in the area
15 where the consumption of cannabis is allowed, and the sale of
16 tickets for those performances.

17 (2) A local jurisdiction may allow any of the activities provided
18 in paragraph (1) if all of the following conditions are met:

19 (A) Access to the area where cannabis consumption is allowed
20 is restricted to persons 21 years of age or older and each entrance
21 to the area prominently posts a warning that cannabis consumption,
22 including smoking of cannabis, is permitted inside.

23 (B) Cannabis consumption is not visible from any public place
24 or nonage-restricted area.

25 (C) Sale or consumption of alcohol or tobacco is not allowed
26 on the premises.

27 (D) Noncannabis food or beverage products are not
28 contaminated by or commingled with any cannabis products sold
29 or served on the premises where the consumption of cannabis is
30 allowed.

31 (E) (i) Smoking or vaporizing of any cannabis product by an
32 employee or customer is not allowed in the food preparation, food
33 storage, or warewashing area of a food facility located on the
34 premises.

35 (ii) For purposes of this subparagraph, the following definitions
36 apply:

37 (I) “Food facility” has the same meaning as that term is defined
38 in Section 113789 of the Health and Safety Code.

39 (II) “Warewashing” has the same meaning as that term is defined
40 in Section 113940 of the Health and Safety Code.

1 (F) The local jurisdiction considers whether to require adequate
2 ventilation and filtration systems.

3 (i) Ventilation and filtration systems are considered adequate
4 for the purpose of this subparagraph if they prevent smoke and
5 odors from migrating to any other part of the building hosting the
6 consumption lounge or any neighboring building or grounds.

7 (ii) Nothing in this subparagraph prohibits a local jurisdiction
8 from allowing one or more forms of cannabis consumption on the
9 premises of a retailer or microbusiness licensed under this division,
10 including smoking, vaporizing, and ingesting of cannabis or
11 cannabis products, while prohibiting other forms of cannabis
12 consumption on the premises of a retailer or microbusiness licensed
13 under this division.

14 (G) (i) Employees are permitted at their discretion and without
15 penalty or sanction to wear a mask for respiration, including N95
16 and NIOSH N95 rated masks in any area where cannabis is
17 smoked.

18 (ii) Employers are required to pay for the mask.

19 (H) When hired, employees who will be working where cannabis
20 is smoked shall be provided in writing the *State* Department of
21 Public Health or its successor's guidance regarding secondhand
22 cannabis smoke.

23 (I) A cannabis consumption lounge that offers ~~on-site~~ *onsite*
24 consumption of cannabis products shall include secondhand smoke
25 in their analysis of potential work hazards for purposes of their
26 injury and illness prevention programs required by Section 3203
27 of Title 8 of the California Code of Regulations.

28 (J) Loitering in or around the business is prohibited, and the
29 retailer or microbusiness shall ensure the absence of loitering.

30 (h) This division shall not be interpreted to supersede Section
31 6404.5 of the Labor Code.

32 (i) This section does not alter or affect the prohibition on the
33 sale of alcoholic beverages by a licensee, as provided in Section
34 26054, on or at a venue premises licensed under this division.

35 (j) If a retailer or microbusiness license issued under this division
36 is suspended, the licensee shall not engage in activities authorized
37 under subdivision (g) for the duration of the license suspension.

38 (k) All noncannabis food and beverages present, pursuant to
39 this section, on the premises of a retailer or microbusiness licensed
40 under this division shall be stored and displayed separately and

1 distinctly from all cannabis and cannabis products present on the
2 premises.

3 (l) Subdivision (g) does not authorize a retailer or microbusiness
4 licensed under this division to prepare or sell industrial hemp, as
5 defined in Section 11018.5 of the Health and Safety Code, or any
6 products containing industrial hemp.

7 SEC. 21. Section 714.3 of the Civil Code is amended to read:

8 714.3. (a) Any covenant, restriction, or condition contained
9 in any deed, contract, security instrument, or other instrument
10 affecting the transfer or sale of any interest in real property that
11 either effectively prohibits or unreasonably restricts the
12 construction or use of an accessory dwelling unit or junior
13 accessory dwelling unit on a lot zoned for single-family residential
14 use that meets the requirements of Article 2 (commencing with
15 Section 66314) ~~of Chapter 13~~ or Article 3 (commencing with
16 Section 66333) of Chapter 13 of Division 1 of Title 7 of the
17 Government Code is void and unenforceable.

18 (b) This section does not apply to provisions that impose
19 reasonable restrictions on accessory dwelling units or junior
20 accessory dwelling units. For purposes of this subdivision,
21 “reasonable restrictions” means restrictions that do not
22 unreasonably increase the cost to construct, effectively prohibit
23 the construction of, or extinguish the ability to otherwise construct,
24 an accessory dwelling unit or junior accessory dwelling unit
25 consistent with the provisions of Article 2 (commencing with
26 Section 66314) or Article 3 (commencing with Section 66333) of
27 Chapter 13 of Division 1 of Title 7 of the Government Code.

28 SEC. 22. Section 798.56 of the Civil Code, as amended by
29 Section 2 of Chapter 395 of the Statutes of 2024, is amended to
30 read:

31 798.56. (a) A tenancy shall be terminated by the management
32 only for one or more of the following reasons:

33 (a)

34 (1) Failure of the homeowner or resident to comply with a local
35 ordinance or state law or regulation relating to mobilehomes within
36 a reasonable time after the homeowner receives a notice of
37 noncompliance from the appropriate governmental agency.

38 (b)

(2) Conduct by the homeowner or resident, upon the park premises, that constitutes a substantial annoyance to other homeowners or residents.

(e)

(3) ~~(1)-(A)~~ Conviction of the homeowner or resident for prostitution, for a violation of subdivision (d) of Section 243, paragraph (2) of subdivision (a), or subdivision (b), of Section 245, Section 288, or Section 451, of the Penal Code, or a felony controlled substance offense, if the act resulting in the conviction was committed anywhere on the premises of the mobilehome park, including, but not limited to, within the homeowner's mobilehome.

(2)

(B) However, the tenancy ~~may~~ *shall* not be terminated for the reason specified in this ~~subdivision~~ *paragraph* if the person convicted of the offense has permanently vacated, and does not subsequently reoccupy, the mobilehome.

(d)

(4) Failure of the homeowner or resident to comply with a reasonable rule or regulation of the park that is part of the rental agreement or any amendment thereto.

No act or omission of the homeowner or resident shall constitute a failure to comply with a reasonable rule or regulation unless and until the management has given the homeowner written notice of the alleged rule or regulation violation and the homeowner or resident has failed to adhere to the rule or regulation within seven days. However, if a homeowner has been given a written notice of an alleged violation of the same rule or regulation on three or more occasions within a 12-month period after the homeowner or resident has violated that rule or regulation, no written notice shall be required for a subsequent violation of the same rule or regulation.

~~Nothing in this subdivision shall~~ *This paragraph does not* relieve the management from its obligation to demonstrate that a rule or regulation has in fact been violated.

(e)

(5) ~~(1)-(A)~~ Nonpayment of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a period of at least five days from its due date, and provided that the homeowner shall be given a three-day written notice subsequent to that five-day period to pay the amount due

1 or to vacate the tenancy. For purposes of this ~~subdivision~~,
2 *paragraph*, the five-day period does not include the date the
3 payment is due. The three-day written notice shall be given to the
4 homeowner in the manner prescribed by Section 1162 of the Code
5 of Civil Procedure. A copy of this notice shall be sent to the persons
6 or entities specified in subdivision (b) of Section 798.55 within
7 10 days after notice is delivered to the homeowner. If the
8 homeowner cures the default, the notice need not be sent. The
9 notice may be given at the same time as the 60 days' notice
10 required for termination of the tenancy. A three-day notice given
11 pursuant to this ~~subdivision~~ *paragraph* shall contain the following
12 provisions printed in at least 12-point boldface type at the top of
13 the notice, with the appropriate number written in the blank:

14 “Warning: This notice is the (insert number) three-day notice
15 for nonpayment of rent, utility charges, or other reasonable
16 incidental services that has been served upon you in the last 12
17 months. Pursuant to Civil Code Section 798.56-~~(e)(5)~~, *(a)(5)(E)*,
18 if you have been given a three-day notice to either pay rent, utility
19 charges, or other reasonable incidental services or to vacate your
20 tenancy on three or more occasions within a 12-month period,
21 management is not required to give you a further three-day period
22 to pay rent or vacate the tenancy before your tenancy can be
23 terminated.”

24 ~~(2)~~
25 (B) Payment by the homeowner prior to the expiration of the
26 three-day notice period shall cure a default under this ~~subdivision~~.
27 *paragraph*. If the homeowner does not pay prior to the expiration
28 of the three-day notice period, the homeowner shall remain liable
29 for all payments due up until the time the tenancy is vacated.

30 ~~(3)~~
31 (C) Payment by the legal owner, as defined in Section 18005.8
32 of the Health and Safety Code, any junior lienholder, as defined
33 in Section 18005.3 of the Health and Safety Code, or the registered
34 owner, as defined in Section 18009.5 of the Health and Safety
35 Code, if other than the homeowner, on behalf of the homeowner
36 prior to the expiration of 30 calendar days following the mailing
37 of the notice to the legal owner, each junior lienholder, and the
38 registered owner provided in subdivision (b) of Section 798.55,
39 shall cure a default under this subdivision with respect to that
40 payment.

1 ~~(4)~~

2 (D) Cure of a default of rent, utility charges, or reasonable
3 incidental service charges by the legal owner, any junior lienholder,
4 or the registered owner, if other than the homeowner, as provided
5 by this subdivision, ~~may~~ *paragraph, shall* not be exercised more
6 than twice during a 12-month period.

7 ~~(5)~~

8 (E) If a homeowner has been given a three-day notice to pay
9 the amount due or to vacate the tenancy on three or more occasions
10 within the preceding 12-month period and each notice includes
11 the provisions specified in ~~paragraph (1)~~, *subparagraph (A)* no
12 written three-day notice shall be required in the case of a
13 subsequent nonpayment of rent, utility charges, or reasonable
14 incidental service charges.

15 In that event, the management shall give written notice to the
16 homeowner in the manner prescribed by Section 1162 of the Code
17 of Civil Procedure to remove the mobilehome from the park within
18 a period of not less than 60 days, which period shall be specified
19 in the notice. A copy of this notice shall be sent to the legal owner,
20 each junior lienholder, and the registered owner of the mobilehome,
21 if other than the homeowner, as specified in subdivision (b) of
22 Section 798.55, by certified or registered mail, return receipt
23 requested, within 10 days after notice is sent to the homeowner.

24 ~~(6)~~

25 (F) When a copy of the 60 days' notice described in ~~paragraph~~
26 ~~(5)~~ *subparagraph (E)* is sent to the legal owner, each junior
27 lienholder, and the registered owner of the mobilehome, if other
28 than the homeowner, the default may be cured by any of them on
29 behalf of the homeowner prior to the expiration of 30 calendar
30 days following the mailing of the notice, if all of the following
31 conditions exist:

32 ~~(A)~~

33 (i) A copy of a three-day notice sent pursuant to subdivision (b)
34 of Section 798.55 to a homeowner for the nonpayment of rent,
35 utility charges, or reasonable incidental service charges was not
36 sent to the legal owner, junior lienholder, or registered owner, of
37 the mobilehome, if other than the homeowner, during the preceding
38 12-month period.

39 ~~(B)~~

1 (ii) The legal owner, junior lienholder, or registered owner of
2 the mobilehome, if other than the homeowner, has not previously
3 cured a default of the homeowner during the preceding 12-month
4 period.

5 ~~(C)~~

6 (iii) The legal owner, junior lienholder, or registered owner, if
7 other than the homeowner, is not a financial institution or
8 mobilehome dealer.

9 If the default is cured by the legal owner, junior lienholder, or
10 registered owner within the 30-day period, the notice to remove
11 the mobilehome from the park described in ~~paragraph (5)~~
12 *subparagraph (E)* shall be rescinded.

13 ~~(F)~~

14 (6) Condemnation of the park.

15 ~~(g)~~

16 (7) Change of use of the park or any portion thereof, provided:

17 ~~(1)~~

18 (A) The management gives the homeowners at least 60 days'
19 written notice that the management will be appearing before a
20 local governmental board, commission, or body to request permits
21 for a change of use of the mobilehome park.

22 ~~(2)~~

23 (B) ~~(A)~~-(i) After all required permits requesting a change of
24 use have been approved by the local governmental board,
25 commission, or body, the management shall give the homeowners
26 six months' or more written notice of termination of tenancy.

27 ~~(B)~~

28 (ii) If the change of use requires no local governmental permits,
29 then notice shall be given 12 months or more prior to the
30 management's determination that a change of use will occur. The
31 management in the notice shall disclose and describe in detail the
32 nature of the change of use.

33 ~~(3)~~

34 (C) The management gives each proposed homeowner written
35 notice thereof prior to the inception of the proposed homeowner's
36 tenancy that the management is requesting a change of use before
37 local governmental bodies or that a change of use request has been
38 granted.

39 ~~(4)~~

1 (D) The notice requirements for termination of tenancy set forth
2 in ~~Sections 798.56~~ *this section* and *Section 798.57* shall be followed
3 if the proposed change actually occurs.

4 ~~(5)~~

5 (E) A notice of a proposed change of use given prior to January
6 1, 1980, that conforms to the requirements in effect at that time
7 shall be valid. The requirements for a notice of a proposed change
8 of use imposed by this ~~subdivision~~ *paragraph* shall be governed
9 by the law in effect at the time the notice was given.

10 ~~(h)~~

11 (b) The report required pursuant to subdivisions (b) and (i) of
12 Section 65863.7 of the Government Code shall be given to the
13 homeowners or residents at the same time that notice is required
14 pursuant to *paragraph (7) of subdivision (g)* (a) of this section.

15 ~~(i)~~

16 (c) A tenancy shall not be terminated pursuant to ~~subdivision~~
17 ~~(e) or (g)~~, *paragraph (5) or (7) of subdivision (a)* and a notice of
18 termination based thereon shall not be issued pursuant to Section
19 798.55 unless the park has a valid permit to operate issued by the
20 enforcement agency pursuant to Chapter 4 (commencing with
21 Section 18500) of Part 2.1 of Division 13 of the Health and Safety
22 Code.

23 ~~(j)~~

24 (d) For purposes of this section, “financial institution” means
25 a state or national bank, state or federal savings and loan
26 association or credit union, or similar organization, and
27 mobilehome dealer as defined in Section 18002.6 of the Health
28 and Safety Code or any other organization that, as part of its usual
29 course of business, originates, owns, or provides loan servicing
30 for loans secured by a mobilehome.

31 ~~(k)~~

32 (e) This section shall become operative on February 1, 2025.

33 SEC. 23. Section 835 of the Civil Code, as amended by Section
34 1 of Chapter 235 of the Statutes of 2024, is amended to read:

35 835. (a) As used in this chapter, “electrified security fence”
36 means any fence, other than an electrified fence as defined in
37 Section 17151 of the Food and Agricultural Code, that meets the
38 following requirements:

39 (1) The electrified security fence is powered by an electrical
40 energizer, driven by solar-charged batteries of no more than 12

1 volts of direct current, with both of the following output
2 characteristics:

3 (A) The impulse repetition rate does not exceed 1 hertz (hz).

4 (B) The impulse duration does not exceed 10 milliseconds, or
5 $\frac{10}{1000}$ of a second.

6 (2) The electrified security fence is used to protect and secure
7 manufacturing or industrial property, or property zoned under
8 another designation, but legally authorized to be used for a
9 commercial purpose that stores, parks, services, sells, or rents
10 vehicles, vessels, equipment, materials, freight, or utility
11 infrastructure within an outdoor lot or yard, provided that the
12 secured area does not include any existing residential or hospitality
13 uses.

14 (b) An owner of real property may install and operate an
15 electrified security fence on their property, subject to all of the
16 following:

17 (1) The property is not located in a residential zone and falls
18 within the description of property described in paragraph (2) of
19 subdivision (a).

20 (2) The electrified security fence meets the standards and
21 specifications of the International Electrotechnical Commission
22 for electric security fence energizers in "International Standard
23 IEC 60335, Part 2-76:2018."

24 (3) The electrified security fence is identified by prominently
25 placed warning signs that are legible from both sides of the fence.
26 At a minimum, the warning signs shall meet all of the following
27 criteria:

28 (A) The warning signs are placed at each gate and access point,
29 and at intervals along the electrified security fence not exceeding
30 30 feet.

31 (B) The warning signs are adjacent to any other signs relating
32 to chemical, radiological, or biological hazards.

33 (C) The warning signs are marked with a written warning or a
34 commonly recognized symbol for shock, a written warning or a
35 commonly recognized symbol to warn people with pacemakers,
36 and a written warning or commonly recognized symbol about the
37 danger of touching the electrified security fence in wet conditions.

38 (4) The height of the electrified security fence does not exceed
39 10 feet or 2 feet higher than an existing nonelectrified perimeter
40 fence or wall, whichever is greater. The electrified security fence

1 shall be located behind a nonelectrified perimeter fence or wall
2 that is not less than five feet in height.

3 (5) The electrified security fence includes a device that enables
4 first responders to deactivate the electrified security fence in
5 response to an emergency, if utilized by a city, county, or city and
6 county.

7 (c) The electrified security fence may interface with a monitored
8 alarm device in a manner that enables the alarm system to transmit
9 a signal intended to summon the business, a monitoring service,
10 or both the business and a monitoring service, in response to an
11 intrusion or burglary.

12 (d) (1) An owner of real property not specified in paragraph
13 (2) of subdivision (a) shall not install or operate an electrified
14 security fence where a local ordinance prohibits the installation or
15 operation of an electrified security fence. A local ordinance may
16 prohibit the installation and operation of an electrified security
17 fence that does not comply with subdivisions (a) to (c), inclusive.
18 A local ordinance that prohibits or regulates only the installation
19 or operation of an electrified fence as defined in Section 17151 of
20 the Food and Agricultural Code shall not be construed to apply to
21 an electrified security fence.

22 (2) For property specified under paragraph (2) of subdivision
23 ~~(a)~~ (a), and in compliance with subdivisions (a) to (c), inclusive,
24 a city, county, or city and county ordinance, regulation, or code
25 shall not prohibit the installation and operation of an electrified
26 security fence, nor require a permit or approval that is in addition
27 to an alarm system permit issued by the city, county, or city and
28 county. A city, county, or city and county may require an
29 administrative permit confirming the fence meets the requirements
30 of this section if it is on a property abutting a property in residential
31 use, or within 300 feet of a public park, childcare facility, recreation
32 center, community center, or school facility.

33 (e) Nothing in this section shall be construed to alter the
34 authority of a jurisdiction to adopt and enforce an ordinance
35 relating to nonelectrified perimeter fences or walls as legally
36 authorized, if applicable.

37 (f) This section shall remain in effect only until January 1, 2028,
38 and as of that date is repealed.

39 SEC. 24. Section 1770 of the Civil Code is amended to read:

1 1770. (a) The unfair methods of competition and unfair or
2 deceptive acts or practices listed in this subdivision undertaken by
3 any person in a transaction intended to result or that results in the
4 sale or lease of goods or services to any consumer are unlawful:

5 (1) Passing off goods or services as those of another.

6 (2) Misrepresenting the source, sponsorship, approval, or
7 certification of goods or services.

8 (3) Misrepresenting the affiliation, connection, or association
9 with, or certification by, another.

10 (4) Using deceptive representations or designations of
11 geographic origin in connection with goods or services.

12 (5) Representing that goods or services have sponsorship,
13 approval, characteristics, ingredients, uses, benefits, or quantities
14 that they do not have or that a person has a sponsorship, approval,
15 status, affiliation, or connection that the person does not have.

16 (6) Representing that goods are original or new if they have
17 deteriorated unreasonably or are altered, reconditioned, reclaimed,
18 used, or secondhand.

19 (7) Representing that goods or services are of a particular
20 standard, quality, or grade, or that goods are of a particular style
21 or model, if they are of another.

22 (8) Disparaging the goods, services, or business of another by
23 false or misleading representation of fact.

24 (9) Advertising goods or services with intent not to sell them
25 as advertised.

26 (10) Advertising goods or services with intent not to supply
27 reasonably expectable demand, unless the advertisement discloses
28 a limitation of quantity.

29 (11) Advertising furniture without clearly indicating that it is
30 unassembled if that is the case.

31 (12) Advertising the price of unassembled furniture without
32 clearly indicating the assembled price of that furniture if the same
33 furniture is available assembled from the seller.

34 (13) Making false or misleading statements of fact concerning
35 reasons for, existence of, or amounts of, price reductions.

36 (14) Representing that a transaction confers or involves rights,
37 remedies, or obligations that it does not have or involve, or that
38 are prohibited by law.

39 (15) Representing that a part, replacement, or repair service is
40 needed when it is not.

1 (16) Representing that the subject of a transaction has been
2 supplied in accordance with a previous representation when it has
3 not.

4 (17) Representing that the consumer will receive a rebate,
5 discount, or other economic benefit, if the earning of the benefit
6 is contingent on an event to occur subsequent to the consummation
7 of the transaction.

8 (18) Misrepresenting the authority of a salesperson,
9 representative, or agent to negotiate the final terms of a transaction
10 with a consumer.

11 (19) Inserting an unconscionable provision in the contract.

12 (20) Advertising that a product is being offered at a specific
13 price plus a specific percentage of that price unless (A) the total
14 price is set forth in the advertisement, which may include, but is
15 not limited to, shelf tags, displays, and media advertising, in a size
16 larger than any other price in that advertisement, and (B) the
17 specific price plus a specific percentage of that price represents a
18 markup from the seller's costs or from the wholesale price of the
19 product. This subdivision shall not apply to in-store advertising
20 by businesses that are open only to members or cooperative
21 organizations organized pursuant to Division 3 (commencing with
22 Section 12000) of Title 1 of the Corporations Code if more than
23 50 percent of purchases are made at the specific price set forth in
24 the advertisement.

25 (21) Selling or leasing goods in violation of Chapter 4
26 (commencing with Section 1797.8) of Title 1.7.

27 (22) (A) Disseminating an unsolicited prerecorded message by
28 telephone without an unrecorded, natural voice first informing the
29 person answering the telephone of the name of the caller or the
30 organization being represented, and either the address or the
31 telephone number of the caller, and without obtaining the consent
32 of that person to listen to the prerecorded message.

33 (B) This subdivision does not apply to a message disseminated
34 to a business associate, customer, or other person having an
35 established relationship with the person or organization making
36 the call, to a call for the purpose of collecting an existing
37 obligation, or to any call generated at the request of the recipient.

38 (23) (A) The home solicitation, as defined in subdivision (h)
39 of Section 1761, of a consumer who is a senior citizen where a
40 loan or assessment is made encumbering the primary residence of

1 that consumer for purposes of paying for home improvements and
2 where the transaction is part of a pattern or practice in violation
3 of any of the following:

4 (i) Subsection (h) or (i) of Section 1639 of Title 15 of the United
5 States Code.

6 (ii) Paragraph (1), (2), or (4) of subdivision (a) of Section 226.34
7 of Title 12 of the Code of Federal Regulations.

8 (iii) Section 22684, 22685, 22686, or 22687 of the Financial
9 Code.

10 (iv) Section 5898.16, 5898.17, 5913, 5922, 5923, 5924, 5925,
11 5926, or 5940 of the Streets and Highways Code.

12 (B) A third party shall not be liable under this subdivision unless
13 (i) there was an agency relationship between the party who engaged
14 in home solicitation and the third party, or (ii) the third party had
15 actual knowledge of, or participated in, the unfair or deceptive
16 transaction. A third party who is a holder in due course under a
17 home solicitation transaction shall not be liable under this
18 subdivision.

19 (24) (A) Charging or receiving an unreasonable fee to prepare,
20 aid, or advise any prospective applicant, applicant, or recipient in
21 the procurement, maintenance, or securing of public social services.

22 (B) For purposes of this paragraph:

23 (i) "Public social services" means those activities and functions
24 of state and local government administered or supervised by the
25 State Department of Health Care Services, the State Department
26 of Public Health, or the State Department of Social Services, and
27 involved in providing aid or services, or both, including health
28 care services, and medical assistance, to those persons who,
29 because of their economic circumstances or social condition, are
30 in need of that aid or those services and may benefit from them.

31 (ii) "Public social services" also includes activities and functions
32 administered or supervised by the United States Department of
33 Veterans Affairs or the California Department of Veterans Affairs
34 involved in providing aid or services, or both, to veterans, including
35 pension benefits.

36 (iii) "Unreasonable fee" means a fee that is exorbitant and
37 disproportionate to the services performed. Factors to be
38 considered, if appropriate, in determining the reasonableness of a
39 fee, are based on the circumstances existing at the time of the
40 service and shall include, but not be limited to, all of the following:

1 (I) The time and effort required.

2 (II) The novelty and difficulty of the services.

3 (III) The skill required to perform the services.

4 (IV) The nature and length of the professional relationship.

5 (V) The experience, reputation, and ability of the person
6 providing the services.

7 (C) This paragraph shall not apply to attorneys licensed to
8 practice law in California, who are subject to the California Rules
9 of Professional Conduct and to the mandatory fee arbitration
10 provisions of Article 13 (commencing with Section 6200) of
11 Chapter 4 of Division 3 of the Business and Professions Code,
12 when the fees charged or received are for providing representation
13 in administrative agency appeal proceedings or court proceedings
14 for purposes of procuring, maintaining, or securing public social
15 services on behalf of a person or group of persons.

16 (25) (A) Advertising or promoting any event, presentation,
17 seminar, workshop, or other public gathering regarding veterans'
18 benefits or entitlements that does not include the following
19 statement in the same type size and font as the term "veteran" or
20 any variation of that term:

21 (i) "I am not authorized to file an initial application for Veterans'
22 Aid and Attendance benefits on your behalf, or to represent you
23 before the Board of Veterans' Appeals within the United States
24 Department of Veterans Affairs in any proceeding on any matter,
25 including an application for those benefits. It would be illegal for
26 me to accept a fee for preparing that application on your behalf."
27 The requirements of this clause do not apply to a person licensed
28 to act as an agent or attorney in proceedings before the Agency of
29 Original Jurisdiction and the Board of Veterans' Appeals within
30 the United States Department of Veterans Affairs when that person
31 is offering those services at the advertised event.

32 (ii) The statement in clause (i) shall also be disseminated, both
33 orally and in writing, at the beginning of any event, presentation,
34 seminar, workshop, or public gathering regarding veterans' benefits
35 or entitlements.

36 (B) Advertising or promoting any event, presentation, seminar,
37 workshop, or other public gathering regarding veterans' benefits
38 or entitlements that is not sponsored by, or affiliated with, the
39 United States Department of Veterans Affairs, the California
40 Department of Veterans Affairs, or any other congressionally

1 chartered or recognized organization of honorably discharged
2 members of the Armed Forces of the United States, or any of their
3 auxiliaries that does not include the following statement, in the
4 same type size and font as the term “veteran” or the variation of
5 that term:
6

7 “This event is not sponsored by, or affiliated with, the United
8 States Department of Veterans Affairs, the California Department
9 of Veterans Affairs, or any other congressionally chartered or
10 recognized organization of honorably discharged members of the
11 Armed Forces of the United States, or any of their auxiliaries.
12 None of the insurance products promoted at this sales event are
13 endorsed by those organizations, all of which offer free advice to
14 veterans about how to qualify and apply for benefits.”
15

16 (i) The statement in this subparagraph shall be disseminated,
17 both orally and in writing, at the beginning of any event,
18 presentation, seminar, workshop, or public gathering regarding
19 veterans’ benefits or entitlements.

20 (ii) The requirements of this subparagraph shall not apply in a
21 case where the United States Department of Veterans Affairs, the
22 California Department of Veterans Affairs, or other congressionally
23 chartered or recognized organization of honorably discharged
24 members of the Armed Forces of the United States, or any of their
25 auxiliaries have granted written permission to the advertiser or
26 promoter for the use of its name, symbol, or insignia to advertise
27 or promote the event, presentation, seminar, workshop, or other
28 public gathering.

29 (26) Advertising, offering for sale, or selling a financial product
30 that is illegal under state or federal law, including any cash payment
31 for the assignment to a third party of the consumer’s right to receive
32 future pension or veteran’s benefits.

33 (27) Representing that a product is made in California by using
34 a Made in California label created pursuant to Section 12098.10
35 of the Government Code, unless the product complies with Section
36 12098.10 of the Government Code.

37 (28) (A) Failing to include either of the following in a
38 solicitation by a covered person, or an entity acting on behalf of
39 a covered person, to a consumer for a consumer financial product
40 or service:

1 (i) The name of the covered person, and, if applicable, the entity
2 acting on behalf of the covered person, and relevant contact
3 information, including a mailing address and telephone number.

4 (ii) (I) The following disclosure statement in at least 18-point
5 bold type and in the language in which a solicitation described by
6 this paragraph is drafted: “THIS IS AN ADVERTISEMENT. YOU
7 ARE NOT REQUIRED TO MAKE ANY PAYMENT OR TAKE
8 ANY OTHER ACTION IN RESPONSE TO THIS OFFER.”

9 (II) (ia) The disclosure statement described in subclause (I)
10 shall appear in at least 16-point bold type on the front of an
11 envelope that contains a solicitation described by this paragraph.

12 (ib) This subclause applies only to solicitations made by physical
13 mail.

14 (B) For purposes of this paragraph:

15 (i) “Consumer financial product or service” has the same
16 meaning as defined in Section 90005 of the Financial Code.

17 (ii) (I) “Covered person” has the same meaning as defined in
18 Section 90005 of the Financial Code.

19 (II) “Covered person” does not mean an entity exempt from
20 Division 24 (commencing with Section 90000) of the Financial
21 Code pursuant to Section 90002 of the Financial Code.

22 (iii) “Solicitation” means an advertisement or marketing
23 communication through writing or graphics that is directed to, or
24 likely to give the impression of being directed to, an individually
25 identified person, residence, or business location. “Solicitation”
26 does not include any of the following:

27 (I) Communication through a mass advertisement, including in
28 a catalog, on a radio or television broadcast, or on a publicly
29 accessible internet website, if that communication is not directed
30 to, or is not likely to give the impression of being directed to, an
31 individually identified person, residence, or business location.

32 (II) Communication via a telephone, mail, or electronic
33 communication that was initiated by a consumer.

34 (III) A written credit or insurance solicitation that is subject to
35 the disclosure requirements of subsection (d) of Section 1681m of
36 Title 15 of the United States Code.

37 (29) (A) Advertising, displaying, or offering a price for a good
38 or service that does not include all mandatory fees or charges other
39 than either of the following:

40 (i) Taxes or fees imposed by a government on the transaction.

1 (ii) Postage or carriage charges that will be reasonably and
2 actually incurred to ship the physical good to the consumer.

3 (B) Compliance by a person providing broadband internet access
4 service on its own or as part of a bundle, as defined in Section
5 8.1(b) of Title 47 of the Code of Federal Regulations, with the
6 broadband consumer label requirements adopted by the Federal
7 Communications Commission in FCC 22-86 on November 14,
8 2022, codified in Section 8.1(a) of Title 47 of the Code of Federal
9 Regulations, shall be deemed compliance with this paragraph.

10 (C) (i) For purposes of this subparagraph, “financial entity”
11 means an entity that is exempt from Division 24 (commencing
12 with Section 90000) of the Financial Code pursuant to Section
13 90002 of the Financial Code.

14 (ii) A financial entity that is required to provide disclosures in
15 compliance with any of the following federal or state acts or
16 regulations with respect to a financial transaction is exempt from
17 this paragraph for purposes of that financial transaction:

18 (I) The federal Truth in Savings Act, as amended (12 U.S.C.
19 Sec. 4301 et seq.).

20 (II) The federal Electronic Fund Transfer Act, as amended (15
21 U.S.C. Sec. 1693 et seq.).

22 (III) Section 19 of the Federal Reserve Act, as amended (12
23 U.S.C. Sec. 461 et seq.).

24 (IV) The federal Truth in Lending Act, as amended (15 U.S.C.
25 Sec. 1601 et seq.).

26 (V) The federal Real Estate Settlement Procedures Act, as
27 amended (12 U.S.C. Sec. 2601 et seq.).

28 (VI) The federal Home Ownership and Equity Protection Act
29 (15 U.S.C. Sec. 1639).

30 (VII) Any regulation adopted pursuant to any of the federal acts
31 in subclauses (I) to (VI), inclusive.

32 (VIII) The California Financing Law (Division 9 (commencing
33 with Section 22000) of the Financial Code).

34 (IX) The California Residential Mortgage Lending Act (Division
35 20 (commencing with Section 50000) of the Financial Code).

36 (X) The Real Estate Law (Part 1 (commencing with Section
37 10000) of Division 4 of the Business and Professions Code).

38 (XI) Any regulation adopted pursuant to any of the state acts in
39 subclauses (VIII) to (X), inclusive.

1 (D) (i) Subject to clause (ii), this paragraph does not apply to
2 a mandatory fee or charge for individual food or beverage items
3 sold directly to a customer by a restaurant, bar, food concession,
4 grocery store, or grocery delivery service, or by means of a menu
5 or contract for banquet or catering services that fully discloses the
6 terms of service.

7 (ii) A mandatory fee or charge under clause (i) shall be clearly
8 and conspicuously displayed, with an explanation of its purpose,
9 on any advertisement, menu, or other display that contains the
10 price of the food or beverage item.

11 (iii) “Grocery delivery service” means a company owned by,
12 or under contract with, a grocery store or distributor that delivers
13 food, primarily fresh produce, meat, poultry, fish, deli products,
14 dairy products, perishable beverages, baked foods, and prepared
15 foods, from the grocery store or distributor to a consumer.

16 (iv) The exemption in this subparagraph does not apply to a
17 “third-party food delivery platform,” as defined in Section
18 113930.5 of the Health and Safety Code, or any other food delivery
19 platform.

20 (b) (1) It is an unfair or deceptive act or practice for a mortgage
21 broker or lender, directly or indirectly, to use a home improvement
22 contractor to negotiate the terms of any loan that is secured,
23 whether in whole or in part, by the residence of the borrower and
24 that is used to finance a home improvement contract or any portion
25 of a home improvement contract. For purposes of this subdivision,
26 “mortgage broker or lender” includes a finance lender licensed
27 pursuant to the California Financing Law (Division 9 (commencing
28 with Section 22000) of the Financial Code), a residential mortgage
29 lender licensed pursuant to the California Residential Mortgage
30 Lending Act (Division 20 (commencing with Section 50000) of
31 the Financial Code), or a real estate broker licensed under the Real
32 Estate Law (Division 4 (commencing with Section 10000) of the
33 Business and Professions Code).

34 (2) This section shall not be construed to either authorize or
35 prohibit a home improvement contractor from referring a consumer
36 to a mortgage broker or lender by this subdivision. However, a
37 home improvement contractor may refer a consumer to a mortgage
38 lender or broker if that referral does not violate Section 7157 of
39 the Business and Professions Code or any other law. A mortgage
40 lender or broker may purchase an executed home improvement

1 contract if that purchase does not violate Section 7157 of the
2 Business and Professions Code or any other law. Nothing in this
3 paragraph shall have any effect on the application of Chapter 1
4 (commencing with Section 1801) of Title 2 to a home improvement
5 transaction or the financing of a home improvement transaction.

6 (c) As of July 1, 2025, any disclosure, advertisement, or notice
7 that is required to be “clearly” or “clearly and conspicuously”
8 made must have text that is “clear and conspicuous,” as defined
9 in subdivision (u) of Section 1791.

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

11 SEC. 25. Section 1785.11.11 of the Civil Code is amended to
12 read:

13 1785.11.11. (a) (1) A consumer credit reporting agency shall
14 place a security freeze for a protected consumer if both of the
15 following occur:

16 (A) The consumer credit reporting agency receives a request
17 from the protected consumer’s representative for the placement
18 of the security freeze pursuant to this section.

19 (B) The protected consumer’s representative does all of the
20 following:

21 (i) Submits the request to the consumer credit reporting agency
22 at the address or other point of contact and in the manner specified
23 by the consumer credit reporting agency.

24 (ii) Provides to the consumer credit reporting agency sufficient
25 proof of identification of the protected consumer and the
26 representative.

27 (iii) Provides to the consumer credit reporting agency sufficient
28 proof of authority to act on behalf of the protected consumer.

29 (iv) Pays to the consumer credit reporting agency a fee as
30 authorized by subdivision (i).

31 (2) (A) If the request for the placement or removal of a security
32 freeze is for a protected consumer who has been placed in a foster
33 care setting, the credit reporting agency shall deem the
34 requirements of clauses (ii) and (iii) of subparagraph (B) of
35 paragraph (1) to have been met if the request is from a county
36 welfare department or a county probation department appearing
37 on the most recent list provided or available to a consumer credit
38 reporting agency by the State Department of Social Services and
39 the requesting entity provides sufficient proof of identification
40 under 15 U.S.C. Sec. 1681c-1(j)(1)(G). A county welfare

1 department or county probation department shall not have the
2 authority to request a security freeze for a protected consumer
3 placed in foster care that continues beyond the protected
4 consumer's 18th birthday. A consumer credit reporting agency
5 may use whatever lawful mechanism is available to it, including
6 mechanisms for thawing or unfreezing reports by dates certain, to
7 ensure the freeze does not extend beyond a protected consumer's
8 18th birthday.

9 (B) Notwithstanding any other law, the State Department of
10 Social Services may, at the request of a consumer credit reporting
11 agency, provide or, in the State Department of Social Service's
12 discretion, otherwise make available to consumer reporting
13 agencies in any other manner, a list of county welfare departments
14 or county probation departments whose employees may be
15 representatives of protected consumers who have been placed in
16 a foster care setting.

17 (b) If a consumer credit reporting agency does not have a file
18 pertaining to a protected consumer when the consumer credit
19 reporting agency receives a request pursuant to paragraph (1) of
20 subdivision (a), the consumer credit reporting agency shall create
21 a record for the protected consumer.

22 (c) If a protected consumer's representative requests a security
23 freeze, the consumer credit reporting agency shall disclose the
24 process for placing and removing a security freeze.

25 (d) Within 30 days after receiving a request that meets the
26 requirements of subdivision (a), a consumer credit reporting agency
27 shall place a security freeze for the protected consumer. The
28 consumer credit reporting agency shall send written confirmation
29 of the security freeze to the address on file within 10 days of the
30 placement of the security freeze.

31 (e) Unless a security freeze for a protected consumer is removed
32 pursuant to subdivision (h) or (j), a consumer credit reporting
33 agency shall not release the protected consumer's consumer credit
34 report, any information derived from the protected consumer's
35 consumer credit report, or any record created for the protected
36 consumer.

37 (f) A security freeze for a protected consumer placed pursuant
38 to this section shall remain in effect until either of the following
39 occurs:

1 (1) The protected consumer or the protected consumer's
2 representative requests that the consumer credit reporting agency
3 remove the security freeze in accordance with subdivision (h).

4 (2) The security freeze is removed in accordance with
5 subdivision (j).

6 (g) To remove a security freeze, a protected consumer or a
7 protected consumer's representative shall do all of the following:

8 (1) Submit a request for removal of the security freeze to the
9 consumer credit reporting agency at the address or other point of
10 contact and in the manner specified by the consumer credit
11 reporting agency.

12 (2) Provide to the consumer credit reporting agency:

13 (A) If the request is made by the protected consumer:

14 (i) Proof that the sufficient proof of authority for the protected
15 consumer's representative to act on behalf of the protected
16 consumer is no longer valid, they have been emancipated, or they
17 are 16 years of age or older.

18 (ii) Sufficient proof of identification of the protected consumer.

19 (B) If the request is made by the representative of a protected
20 consumer:

21 (i) Sufficient proof of identification of the protected consumer
22 and the representative.

23 (ii) Sufficient proof of authority to act on behalf of the protected
24 consumer.

25 (3) Pay to the consumer credit reporting agency a fee as
26 authorized by subdivision (i).

27 (h) Within 30 days after receiving a request that meets the
28 requirements of subdivision (g), a consumer credit reporting agency
29 shall remove a security freeze for a protected consumer.

30 (i) (1) Except as provided in paragraph (2), a consumer credit
31 reporting agency may not charge a fee for any service performed
32 pursuant to this section.

33 (2) A consumer credit reporting agency is authorized to charge
34 a reasonable fee, not exceeding ten dollars (\$10), for each
35 placement or removal of a security freeze for a protected consumer.

36 (3) Notwithstanding paragraph (2), a consumer credit reporting
37 agency shall not charge any fee pursuant to this section under any
38 of the following circumstances:

39 (A) The protected consumer's representative has received a
40 report of alleged identity theft against the protected consumer

1 under Section 530.5 of the Penal Code and has provided copy of
2 the report to the consumer credit reporting agency.

3 (B) The request for the placement or removal of a security freeze
4 is for a protected consumer who is under 16 years of age at the
5 time of the request and the consumer credit reporting agency has
6 a report pertaining to the protected consumer.

7 (C) The request for the placement or removal of a security freeze
8 is for a protected consumer who has been placed in a foster care
9 setting.

10 (j) (1) A consumer credit reporting agency is authorized to
11 remove a security freeze for a protected consumer or to delete a
12 record of a protected consumer if the security freeze was placed
13 or the record was created based upon a material misrepresentation
14 of fact by the protected consumer or the protected consumer's
15 representative.

16 (2) With respect to a security freeze placed for a protected
17 consumer under paragraph (2) of subdivision (a), the freeze may
18 be removed prior to the protected consumer's 18th birthday at the
19 request of the representative of the protected consumer, or by the
20 protected consumer if the protected consumer is 16 years of age
21 or older at the time they make the request, under any of the
22 following circumstances:

23 (A) Upon the protected consumer's removal from foster care.

24 (B) Upon the protected consumer's request, if the protected
25 consumer is 16 years of age or older.

26 (C) Upon a determination by the representative of the protected
27 consumer that removal of the security freeze is in the best interest
28 of the protected consumer.

29 (3) A representative of the protected consumer may also remove
30 the freeze pursuant to paragraph (2) at a time when the
31 representative inquires with each of the three major credit reporting
32 agencies pursuant to paragraph (1) of subdivision (a) of Section
33 10618.6 of the Welfare and Institutions Code.

34 (k) A consumer credit reporting agency may develop procedures
35 involving the use of telephone, mail, fax, the internet, or other
36 electronic media to receive and process a request for a protected
37 consumer's security freeze to be placed or removed.

38 SEC. 26. Section 1798.130 of the Civil Code is amended to
39 read:

1 1798.130. Notice, Disclosure, Correction, and Deletion
2 Requirements

3 (a) In order to comply with Sections 1798.100, 1798.105,
4 1798.106, 1798.110, 1798.115, and 1798.125, a business shall, in
5 a form that is reasonably accessible to consumers:

6 (1) (A) Make available to consumers two or more designated
7 methods for submitting requests for information required to be
8 disclosed pursuant to Sections 1798.110 and 1798.115, or requests
9 for deletion or correction pursuant to Sections 1798.105 and
10 1798.106, respectively, including, at a minimum, a toll-free
11 telephone number. A business that operates exclusively online and
12 has a direct relationship with a consumer from whom it collects
13 personal information shall only be required to provide an email
14 address for submitting requests for information required to be
15 disclosed pursuant to Sections 1798.110 and 1798.115, or for
16 requests for deletion or correction pursuant to Sections 1798.105
17 and 1798.106, respectively.

18 (B) If the business maintains an internet website, make the
19 internet website available to consumers to submit requests for
20 information required to be disclosed pursuant to Sections 1798.110
21 and 1798.115, or requests for deletion or correction pursuant to
22 Sections 1798.105 and 1798.106, respectively.

23 (2) (A) Disclose and deliver the required information to a
24 consumer free of charge, correct inaccurate personal information,
25 or delete a consumer's personal information, based on the
26 consumer's request, within 45 days of receiving a verifiable
27 consumer request from the consumer. The business shall promptly
28 take steps to determine whether the request is a verifiable consumer
29 request, but this shall not extend the business' duty to disclose and
30 deliver the information, to correct inaccurate personal information,
31 or to delete personal information within 45 days of receipt of the
32 consumer's request. The time period to provide the required
33 information, to correct inaccurate personal information, or to delete
34 personal information may be extended once by an additional 45
35 days when reasonably necessary, provided the consumer is
36 provided notice of the extension within the first 45-day period.
37 The disclosure of the required information shall be made in writing
38 and delivered through the consumer's account with the business,
39 if the consumer maintains an account with the business, or by mail
40 or electronically at the consumer's option if the consumer does

1 not maintain an account with the business, in a readily useable
2 format that allows the consumer to transmit this information from
3 one entity to another entity without hindrance. The business may
4 require authentication of the consumer that is reasonable in light
5 of the nature of the personal information requested, but shall not
6 require the consumer to create an account with the business in
7 order to make a verifiable consumer request provided that if the
8 consumer, has an account with the business, the business may
9 require the consumer to use that account to submit a verifiable
10 consumer request.

11 (B) The disclosure of the required information shall cover the
12 12-month period preceding the business' receipt of the verifiable
13 consumer request provided that, upon the adoption of a regulation
14 pursuant to paragraph (8) of subdivision (a) of Section 1798.185,
15 a consumer may request that the business disclose the required
16 information beyond the 12-month period, and the business shall
17 be required to provide that information unless doing so proves
18 impossible or would involve a disproportionate effort. A
19 consumer's right to request required information beyond the
20 12-month period, and a business' obligation to provide that
21 information, shall only apply to personal information collected on
22 or after January 1, 2022. Nothing in this subparagraph shall require
23 a business to keep personal information for any length of time.

24 (3) (A) A business that receives a verifiable consumer request
25 pursuant to Section 1798.110 or 1798.115 shall disclose any
26 personal information it has collected about a consumer, directly
27 or indirectly, including through or by a service provider or
28 contractor, to the consumer. A service provider or contractor shall
29 not be required to comply with a verifiable consumer request
30 received directly from a consumer or a consumer's authorized
31 agent, pursuant to Section 1798.110 or 1798.115, to the extent that
32 the service provider or contractor has collected personal
33 information about the consumer in its role as a service provider or
34 contractor. A service provider or contractor shall provide assistance
35 to a business with which it has a contractual relationship with
36 respect to the business' response to a verifiable consumer request,
37 including, but not limited to, by providing to the business the
38 consumer's personal information in the service provider or
39 contractor's possession, which the service provider or contractor
40 obtained as a result of providing services to the business, and by

1 correcting inaccurate information or by enabling the business to
2 do the same. A service provider or contractor that collects personal
3 information pursuant to a written contract with a business shall be
4 required to assist the business through appropriate technical and
5 organizational measures in complying with the requirements of
6 subdivisions (d) to (f), inclusive, of Section 1798.100, taking into
7 account the nature of the processing.

8 (B) For purposes of subdivision (b) of Section 1798.110:

9 (i) To identify the consumer, associate the information provided
10 by the consumer in the verifiable consumer request to any personal
11 information previously collected by the business about the
12 consumer.

13 (ii) Identify by category or categories the personal information
14 collected about the consumer for the applicable period of time by
15 reference to the enumerated category or categories in subdivision
16 (c) that most closely describes the personal information collected;
17 the categories of sources from which the consumer's personal
18 information was collected; the business or commercial purpose
19 for collecting, selling, or sharing the consumer's personal
20 information; and the categories of third parties to whom the
21 business discloses the consumer's personal information.

22 (iii) Provide the specific pieces of personal information obtained
23 from the consumer in a format that is easily understandable to the
24 average consumer, and to the extent technically feasible, in a
25 structured, commonly used, machine-readable format that may
26 also be transmitted to another entity at the consumer's request
27 without hindrance. "Specific pieces of information" do not include
28 data generated to help ensure security and integrity or as prescribed
29 by regulation. Personal information is not considered to have been
30 disclosed by a business when a consumer instructs a business to
31 transfer the consumer's personal information from one business
32 to another in the context of switching services.

33 (4) For purposes of subdivision (b) of Section 1798.115:

34 (A) Identify the consumer and associate the information
35 provided by the consumer in the verifiable consumer request to
36 any personal information previously collected by the business
37 about the consumer.

38 (B) Identify by category or categories the personal information
39 of the consumer that the business sold or shared during the
40 applicable period of time by reference to the enumerated category

1 in subdivision (c) that most closely describes the personal
2 information, and provide the categories of third parties to whom
3 the consumer's personal information was sold or shared during
4 the applicable period of time by reference to the enumerated
5 category or categories in subdivision (c) that most closely describes
6 the personal information sold or shared. The business shall disclose
7 the information in a list that is separate from a list generated for
8 the purposes of subparagraph (C).

9 (C) Identify by category or categories the personal information
10 of the consumer that the business disclosed for a business purpose
11 during the applicable period of time by reference to the enumerated
12 category or categories in subdivision (c) that most closely describes
13 the personal information, and provide the categories of persons to
14 whom the consumer's personal information was disclosed for a
15 business purpose during the applicable period of time by reference
16 to the enumerated category or categories in subdivision (c) that
17 most closely describes the personal information disclosed. The
18 business shall disclose the information in a list that is separate
19 from a list generated for the purposes of subparagraph (B).

20 (5) Disclose the following information in its online privacy
21 policy or policies if the business has an online privacy policy or
22 policies and in any California-specific description of consumers'
23 privacy rights, or if the business does not maintain those policies,
24 on its internet website, and update that information at least once
25 every 12 months:

26 (A) A description of a consumer's rights pursuant to Sections
27 1798.100, 1798.105, 1798.106, 1798.110, 1798.115, and 1798.125
28 and two or more designated methods for submitting requests,
29 except as provided in subparagraph (A) of paragraph (1) of
30 subdivision (a).

31 (B) For purposes of subdivision (c) of Section 1798.110:

32 (i) A list of the categories of personal information it has
33 collected about consumers in the preceding 12 months by reference
34 to the enumerated category or categories in subdivision (c) that
35 most closely describe the personal information collected.

36 (ii) The categories of sources from which consumers' personal
37 information is collected.

38 (iii) The business or commercial purpose for collecting, selling,
39 or sharing consumers' personal information.

1 (iv) The categories of third parties to whom the business
2 discloses consumers' personal information.

3 (C) For purposes of paragraphs (1) and (2) of subdivision (c)
4 of Section 1798.115, two separate lists:

5 (i) A list of the categories of personal information it has sold or
6 shared about consumers in the preceding 12 months by reference
7 to the enumerated category or categories in subdivision (c) that
8 most closely describe the personal information sold or shared, or
9 if the business has not sold or shared consumers' personal
10 information in the preceding 12 months, the business shall
11 prominently disclose that fact in its privacy policy.

12 (ii) A list of the categories of personal information it has
13 disclosed about consumers for a business purpose in the preceding
14 12 months by reference to the enumerated category in subdivision
15 (c) that most closely describes the personal information disclosed,
16 or if the business has not disclosed consumers' personal
17 information for a business purpose in the preceding 12 months,
18 the business shall disclose that fact.

19 (6) Ensure that all individuals responsible for handling consumer
20 inquiries about the business' privacy practices or the business'
21 compliance with this title are informed of all requirements in
22 Sections 1798.100, 1798.105, 1798.106, 1798.110, 1798.115,
23 1798.125, and this section, and how to direct consumers to exercise
24 their rights under those sections.

25 (7) Use any personal information collected from the consumer
26 in connection with the business' verification of the consumer's
27 request solely for the purposes of verification and shall not further
28 disclose the personal information, retain it longer than necessary
29 for purposes of verification, or use it for unrelated purposes.

30 (b) A business is not obligated to provide the information
31 required by Sections 1798.110 and 1798.115 to the same consumer
32 more than twice in a 12-month period.

33 (c) The categories of personal information required to be
34 disclosed pursuant to Sections 1798.100, 1798.110, and 1798.115
35 shall follow the definitions of personal information and sensitive
36 personal information in Section 1798.140 by describing the
37 categories of personal information using the specific terms set
38 forth in subparagraphs (A) to (K), inclusive, of paragraph (1) of
39 subdivision (v) of Section 1798.140 and by describing the
40 categories of sensitive personal information using the specific

1 terms set forth in ~~paragraphs (1) to (9), inclusive, of subdivision~~
2 ~~(ae) of Section 1798.140; subparagraphs (A) to (F), inclusive, of~~
3 ~~paragraph (1), and subparagraphs (A) to (C), inclusive, of~~
4 ~~paragraph (2), of subdivision (ae) of Section 1798.140.~~

5 SEC. 27. Section 1798.140 of the Civil Code is amended to
6 read:

7 1798.140. Definitions

8 For purposes of this title:

9 (a) “Advertising and marketing” means a communication by a
10 business or a person acting on the business’ behalf in any medium
11 intended to induce a consumer to obtain goods, services, or
12 employment.

13 (b) “Aggregate consumer information” means information that
14 relates to a group or category of consumers, from which individual
15 consumer identities have been removed, that is not linked or
16 reasonably linkable to any consumer or household, including via
17 a device. “Aggregate consumer information” does not mean one
18 or more individual consumer records that have been deidentified.

19 (c) “Biometric information” means an individual’s physiological,
20 biological, or behavioral characteristics, including information
21 pertaining to an individual’s deoxyribonucleic acid (DNA), that
22 is used or is intended to be used singly or in combination with each
23 other or with other identifying data, to establish individual identity.
24 Biometric information includes, but is not limited to, imagery of
25 the iris, retina, fingerprint, face, hand, palm, vein patterns, and
26 voice recordings, from which an identifier template, such as a
27 faceprint, a minutiae template, or a voiceprint, can be extracted,
28 and keystroke patterns or rhythms, gait patterns or rhythms, and
29 sleep, health, or exercise data that contain identifying information.

30 (d) “Business” means:

31 (1) A sole proprietorship, partnership, limited liability company,
32 corporation, association, or other legal entity that is organized or
33 operated for the profit or financial benefit of its shareholders or
34 other owners, that collects consumers’ personal information, or
35 on the behalf of which such information is collected and that alone,
36 or jointly with others, determines the purposes and means of the
37 processing of consumers’ personal information, that does business
38 in the State of California, and that satisfies one or more of the
39 following thresholds:

1 (A) As of January 1 of the calendar year, had annual gross
2 revenues in excess of twenty-five million dollars (\$25,000,000)
3 in the preceding calendar year, as adjusted pursuant to subdivision
4 (d) of Section 1798.199.95.

5 (B) Alone or in combination, annually buys, sells, or shares the
6 personal information of 100,000 or more consumers or households.

7 (C) Derives 50 percent or more of its annual revenues from
8 selling or sharing consumers' personal information.

9 (2) Any entity that controls or is controlled by a business, as
10 defined in paragraph (1), and that shares common branding with
11 the business and with whom the business shares consumers'
12 personal information. "Control" or "controlled" means ownership
13 of, or the power to vote, more than 50 percent of the outstanding
14 shares of any class of voting security of a business; control in any
15 manner over the election of a majority of the directors, or of
16 individuals exercising similar functions; or the power to exercise
17 a controlling influence over the management of a company.
18 "Common branding" means a shared name, servicemark, or
19 trademark that the average consumer would understand that two
20 or more entities are commonly owned.

21 (3) A joint venture or partnership composed of businesses in
22 which each business has at least a 40 percent interest. For purposes
23 of this title, the joint venture or partnership and each business that
24 composes the joint venture or partnership shall separately be
25 considered a single business, except that personal information in
26 the possession of each business and disclosed to the joint venture
27 or partnership shall not be shared with the other business.

28 (4) A person that does business in California, that is not covered
29 by paragraph (1), (2), or (3), and that voluntarily certifies to the
30 California Privacy Protection Agency that it is in compliance with,
31 and agrees to be bound by, this title.

32 (e) "Business purpose" means the use of personal information
33 for the business' operational purposes, or other notified purposes,
34 or for the service provider or contractor's operational purposes,
35 as defined by regulations adopted pursuant to paragraph (10) of
36 subdivision (a) of Section 1798.185, provided that the use of
37 personal information shall be reasonably necessary and
38 proportionate to achieve the purpose for which the personal
39 information was collected or processed or for another purpose that

1 is compatible with the context in which the personal information
2 was collected. Business purposes are:

3 (1) Auditing related to counting ad impressions to unique
4 visitors, verifying positioning and quality of ad impressions, and
5 auditing compliance with this specification and other standards.

6 (2) Helping to ensure security and integrity to the extent the use
7 of the consumer's personal information is reasonably necessary
8 and proportionate for these purposes.

9 (3) Debugging to identify and repair errors that impair existing
10 intended functionality.

11 (4) Short-term, transient use, including, but not limited to,
12 nonpersonalized advertising shown as part of a consumer's current
13 interaction with the business, provided that the consumer's personal
14 information is not disclosed to another third party and is not used
15 to build a profile about the consumer or otherwise alter the
16 consumer's experience outside the current interaction with the
17 business.

18 (5) Performing services on behalf of the business, including
19 maintaining or servicing accounts, providing customer service,
20 processing or fulfilling orders and transactions, verifying customer
21 information, processing payments, providing financing, providing
22 analytic services, providing storage, or providing similar services
23 on behalf of the business.

24 (6) Providing advertising and marketing services, except for
25 cross-context behavioral advertising, to the consumer provided
26 that, for the purpose of advertising and marketing, a service
27 provider or contractor shall not combine the personal information
28 of opted-out consumers that the service provider or contractor
29 receives from, or on behalf of, the business with personal
30 information that the service provider or contractor receives from,
31 or on behalf of, another person or persons or collects from its own
32 interaction with consumers.

33 (7) Undertaking internal research for technological development
34 and demonstration.

35 (8) Undertaking activities to verify or maintain the quality or
36 safety of a service or device that is owned, manufactured,
37 manufactured for, or controlled by the business, and to improve,
38 upgrade, or enhance the service or device that is owned,
39 manufactured, manufactured for, or controlled by the business.

(f) “Collects,” “collected,” or “collection” means buying, renting, gathering, obtaining, receiving, or accessing any personal information pertaining to a consumer by any means. This includes receiving information from the consumer, either actively or passively, or by observing the consumer’s behavior.

(g) “Commercial purposes” means to advance a person’s commercial or economic interests, such as by inducing another person to buy, rent, lease, join, subscribe to, provide, or exchange products, goods, property, information, or services, or enabling or effecting, directly or indirectly, a commercial transaction.

(h) “Consent” means any freely given, specific, informed, and unambiguous indication of the consumer’s wishes by which the consumer, or the consumer’s legal guardian, a person who has power of attorney, or a person acting as a conservator for the consumer, including by a statement or by a clear affirmative action, signifies agreement to the processing of personal information relating to the consumer for a narrowly defined particular purpose. Acceptance of a general or broad terms of use, or similar document, that contains descriptions of personal information processing along with other, unrelated information, does not constitute consent. Hovering over, muting, pausing, or closing a given piece of content does not constitute consent. Likewise, agreement obtained through use of dark patterns does not constitute consent.

(i) “Consumer” means a natural person who is a California resident, as defined in Section 17014 of Title 18 of the California Code of Regulations, as that section read on September 1, 2017, however identified, including by any unique identifier.

(j) (1) “Contractor” means a person to whom the business makes available a consumer’s personal information for a business purpose, pursuant to a written contract with the business, provided that the contract:

(A) Prohibits the contractor from:

(i) Selling or sharing the personal information.

(ii) Retaining, using, or disclosing the personal information for any purpose other than for the business purposes specified in the contract, including retaining, using, or disclosing the personal information for a commercial purpose other than the business purposes specified in the contract, or as otherwise permitted by this title.

1 (iii) Retaining, using, or disclosing the information outside of
2 the direct business relationship between the contractor and the
3 business.

4 (iv) Combining the personal information that the contractor
5 receives pursuant to a written contract with the business with
6 personal information that it receives from or on behalf of another
7 person or persons, or collects from its own interaction with the
8 consumer, provided that the contractor may combine personal
9 information to perform any business purpose as defined in
10 regulations adopted pursuant to paragraph (9) of subdivision (a)
11 of Section 1798.185, except as provided for in paragraph (6) of
12 subdivision (e) and in regulations adopted by the California Privacy
13 Protection Agency.

14 (B) Includes a certification made by the contractor that the
15 contractor understands the restrictions in subparagraph (A) and
16 will comply with them.

17 (C) Permits, subject to agreement with the contractor, the
18 business to monitor the contractor's compliance with the contract
19 through measures, including, but not limited to, ongoing manual
20 reviews and automated scans and regular assessments, audits, or
21 other technical and operational testing at least once every 12
22 months.

23 (2) If a contractor engages any other person to assist it in
24 processing personal information for a business purpose on behalf
25 of the business, or if any other person engaged by the contractor
26 engages another person to assist in processing personal information
27 for that business purpose, it shall notify the business of that
28 engagement, and the engagement shall be pursuant to a written
29 contract binding the other person to observe all the requirements
30 set forth in paragraph (1).

31 (k) "Cross-context behavioral advertising" means the targeting
32 of advertising to a consumer based on the consumer's personal
33 information obtained from the consumer's activity across
34 businesses, distinctly branded internet websites, applications, or
35 services, other than the business, distinctly branded internet
36 website, application, or service with which the consumer
37 intentionally interacts.

38 (l) "Dark pattern" means a user interface designed or
39 manipulated with the substantial effect of subverting or impairing

1 user autonomy, decisionmaking, or choice, as further defined by
2 regulation.

3 (m) “Deidentified” means information that cannot reasonably
4 be used to infer information about, or otherwise be linked to, a
5 particular consumer provided that the business that possesses the
6 information:

7 (1) Takes reasonable measures to ensure that the information
8 cannot be associated with a consumer or household.

9 (2) Publicly commits to maintain and use the information in
10 deidentified form and not to attempt to reidentify the information,
11 except that the business may attempt to reidentify the information
12 solely for the purpose of determining whether its deidentification
13 processes satisfy the requirements of this subdivision.

14 (3) Contractually obligates any recipients of the information to
15 comply with all provisions of this subdivision.

16 (n) “Designated methods for submitting requests” means a
17 mailing address, email address, internet web page, internet web
18 portal, toll-free telephone number, or other applicable contact
19 information, whereby consumers may submit a request or direction
20 under this title, and any new, consumer-friendly means of
21 contacting a business, as approved by the Attorney General
22 pursuant to Section 1798.185.

23 (o) “Device” means any physical object that is capable of
24 connecting to the internet, directly or indirectly, or to another
25 device.

26 (p) “Homepage” means the introductory page of an internet
27 website and any internet web page where personal information is
28 collected. In the case of an online service, such as a mobile
29 application, homepage means the application’s platform page or
30 download page, a link within the application, such as from the
31 application configuration, “About,” “Information,” or settings
32 page, and any other location that allows consumers to review the
33 notices required by this title, including, but not limited to, before
34 downloading the application.

35 (q) “Household” means a group, however identified, of
36 consumers who cohabitate with one another at the same residential
37 address and share use of common devices or services.

38 (r) “Infer” or “inference” means the derivation of information,
39 data, assumptions, or conclusions from facts, evidence, or another
40 source of information or data.

(s) “Intentionally interacts” means when the consumer intends to interact with a person, or disclose personal information to a person, via one or more deliberate interactions, including visiting the person’s internet website or purchasing a good or service from the person. Hovering over, muting, pausing, or closing a given piece of content does not constitute a consumer’s intent to interact with a person.

(t) “Nonpersonalized advertising” means advertising and marketing that is based solely on a consumer’s personal information derived from the consumer’s current interaction with the business with the exception of the consumer’s precise geolocation.

(u) “Person” means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.

(v) (1) “Personal information” means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information includes, but is not limited to, the following if it identifies, relates to, describes, is reasonably capable of being associated with, or could be reasonably linked, directly or indirectly, with a particular consumer or household:

(A) Identifiers such as a real name, alias, postal address, unique personal identifier, online identifier, Internet Protocol address, email address, account name, social security number, driver’s license number, passport number, or other similar identifiers.

(B) Any personal information described in subdivision (e) of Section 1798.80.

(C) Characteristics of protected classifications under California or federal law.

(D) Commercial information, including records of personal property, products or services purchased, obtained, or considered, or other purchasing or consuming histories or tendencies.

(E) Biometric information.

(F) Internet or other electronic network activity information, including, but not limited to, browsing history, search history, and information regarding a consumer’s interaction with an internet website application, or advertisement.

1 (G) Geolocation data.

2 (H) Audio, electronic, visual, thermal, olfactory, or similar
3 information.

4 (I) Professional or employment-related information.

5 (J) Education information, defined as information that is not
6 publicly available personally identifiable information as defined
7 in the Family Educational Rights and Privacy Act (20 U.S.C. Sec.
8 1232g; 34 C.F.R. Part 99).

9 (K) Inferences drawn from any of the information identified in
10 this subdivision to create a profile about a consumer reflecting the
11 consumer's preferences, characteristics, psychological trends,
12 predispositions, behavior, attitudes, intelligence, abilities, and
13 aptitudes.

14 (L) Sensitive personal information.

15 (2) (A) "Personal information" does not include publicly
16 available information or lawfully obtained, truthful information
17 that is a matter of public concern.

18 (B) (i) For purposes of this paragraph, "publicly available"
19 means any of the following:

20 (I) Information that is lawfully made available from federal,
21 state, or local government records.

22 (II) Information that a business has a reasonable basis to believe
23 is lawfully made available to the general public by the consumer
24 or from widely distributed media.

25 (III) Information made available by a person to whom the
26 consumer has disclosed the information if the consumer has not
27 restricted the information to a specific audience.

28 (ii) "Publicly available" does not mean biometric information
29 collected by a business about a consumer without the consumer's
30 knowledge.

31 (3) "Personal information" does not include consumer
32 information that is deidentified or aggregate consumer information.

33 (4) "Personal information" can exist in various formats,
34 including, but not limited to, all of the following:

35 (A) Physical formats, including paper documents, printed
36 images, vinyl records, or video tapes.

37 (B) Digital formats, including text, image, audio, or video files.

38 (C) Abstract digital formats, including compressed or encrypted
39 files, metadata, or artificial intelligence systems that are capable
40 of outputting personal information.

1 (w) “Precise geolocation” means any data that is derived from
2 a device and that is used or intended to be used to locate a
3 consumer within a geographic area that is equal to or less than the
4 area of a circle with a radius of 1,850 feet, except as prescribed
5 by regulations.

6 (x) “Probabilistic identifier” means the identification of a
7 consumer or a consumer’s device to a degree of certainty of more
8 probable than not based on any categories of personal information
9 included in, or similar to, the categories enumerated in the
10 definition of personal information.

11 (y) “Processing” means any operation or set of operations that
12 are performed on personal information or on sets of personal
13 information, whether or not by automated means.

14 (z) “Profiling” means any form of automated processing of
15 personal information, as further defined by regulations pursuant
16 to paragraph (15) of subdivision (a) of Section 1798.185, to
17 evaluate certain personal aspects relating to a natural person and
18 in particular to analyze or predict aspects concerning that natural
19 person’s performance at work, economic situation, health, personal
20 preferences, interests, reliability, behavior, location, or movements.

21 (aa) “Pseudonymize” or ~~or~~ “Pseudonymization”
22 “*pseudonymization*” means the processing of personal information
23 in a manner that renders the personal information no longer
24 attributable to a specific consumer without the use of additional
25 information, provided that the additional information is kept
26 separately and is subject to technical and organizational measures
27 to ensure that the personal information is not attributed to an
28 identified or identifiable consumer.

29 (ab) “Research” means scientific analysis, systematic study,
30 and observation, including basic research or applied research that
31 is designed to develop or contribute to public or scientific
32 knowledge and that adheres or otherwise conforms to all other
33 applicable ethics and privacy laws, including, but not limited to,
34 studies conducted in the public interest in the area of public health.
35 Research with personal information that may have been collected
36 from a consumer in the course of the consumer’s interactions with
37 a business’ service or device for other purposes shall be:

38 (1) Compatible with the business purpose for which the personal
39 information was collected.

1 (2) Subsequently pseudonymized and deidentified, or
2 deidentified and in the aggregate, such that the information cannot
3 reasonably identify, relate to, describe, be capable of being
4 associated with, or be linked, directly or indirectly, to a particular
5 consumer, by a business.

6 (3) Made subject to technical safeguards that prohibit
7 reidentification of the consumer to whom the information may
8 pertain, other than as needed to support the research.

9 (4) Subject to business processes that specifically prohibit
10 reidentification of the information, other than as needed to support
11 the research.

12 (5) Made subject to business processes to prevent inadvertent
13 release of deidentified information.

14 (6) Protected from any reidentification attempts.

15 (7) Used solely for research purposes that are compatible with
16 the context in which the personal information was collected.

17 (8) Subjected by the business conducting the research to
18 additional security controls that limit access to the research data
19 to only those individuals as are necessary to carry out the research
20 purpose.

21 (ac) “Security and integrity” means the ability of:

22 (1) Networks or information systems to detect security incidents
23 that compromise the availability, authenticity, integrity, and
24 confidentiality of stored or transmitted personal information.

25 (2) Businesses to detect security incidents, resist malicious,
26 deceptive, fraudulent, or illegal actions and to help prosecute those
27 responsible for those actions.

28 (3) Businesses to ensure the physical safety of natural persons.

29 (ad) (1) “Sell,” “selling,” “sale,” or “sold,” means selling,
30 renting, releasing, disclosing, disseminating, making available,
31 transferring, or otherwise communicating orally, in writing, or by
32 electronic or other means, a consumer’s personal information by
33 the business to a third party for monetary or other valuable
34 consideration.

35 (2) For purposes of this title, a business does not sell personal
36 information when:

37 (A) A consumer uses or directs the business to intentionally:

38 (i) Disclose personal information.

39 (ii) Interact with one or more third parties.

(B) The business uses or shares an identifier for a consumer who has opted out of the sale of the consumer's personal information or limited the use of the consumer's sensitive personal information for the purposes of alerting persons that the consumer has opted out of the sale of the consumer's personal information or limited the use of the consumer's sensitive personal information.

(C) The business transfers to a third party the personal information of a consumer as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business, provided that information is used or shared consistently with this title. If a third party materially alters how it uses or shares the personal information of a consumer in a manner that is materially inconsistent with the promises made at the time of collection, it shall provide prior notice of the new or changed practice to the consumer. The notice shall be sufficiently prominent and robust to ensure that existing consumers can easily exercise their choices consistently with this title. This subparagraph does not authorize a business to make material, retroactive privacy policy changes or make other changes in their privacy policy in a manner that would violate the Unfair and Deceptive Practices Act (Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code).

(ae) "Sensitive personal information" means:

(1) Personal information that reveals:

(A) A consumer's social security, driver's license, state identification card, or passport number.

(B) A consumer's account log-in, financial account, debit card, or credit card number in combination with any required security or access code, password, or credentials allowing access to an account.

(C) A consumer's precise geolocation.

(D) A consumer's racial or ethnic origin, citizenship or immigration status, religious or philosophical beliefs, or union membership.

(E) The contents of a consumer's mail, email, and text messages unless the business is the intended recipient of the communication.

(F) A consumer's genetic data.

(G) (i) A consumer's neural data.

1 (ii) “Neural data” means information that is generated by
2 measuring the activity of a consumer’s central or peripheral nervous
3 system, and that is not inferred from nonneural information.

4 (2) (A) The processing of biometric information for the purpose
5 of uniquely identifying a consumer.

6 (B) Personal information collected and analyzed concerning a
7 consumer’s health.

8 (C) Personal information collected and analyzed concerning a
9 consumer’s sex life or sexual orientation.

10 (3) Sensitive personal information that is “publicly available”
11 pursuant to paragraph (2) of subdivision (v) shall not be considered
12 sensitive personal information or personal information.

13 (af) “Service” or “services” means work, labor, and services,
14 including services furnished in connection with the sale or repair
15 of goods.

16 (ag) (1) “Service provider” means a person that processes
17 personal information on behalf of a business and that receives from
18 or on behalf of the business consumer’s personal information for
19 a business purpose pursuant to a written contract, provided that
20 the contract prohibits the person from:

21 (A) Selling or sharing the personal information.

22 (B) Retaining, using, or disclosing the personal information for
23 any purpose other than for the business purposes specified in the
24 contract for the business, including retaining, using, or disclosing
25 the personal information for a commercial purpose other than the
26 business purposes specified in the contract with the business, or
27 as otherwise permitted by this title.

28 (C) Retaining, using, or disclosing the information outside of
29 the direct business relationship between the service provider and
30 the business.

31 (D) Combining the personal information that the service provider
32 receives from, or on behalf of, the business with personal
33 information that it receives from, or on behalf of, another person
34 or persons, or collects from its own interaction with the consumer,
35 provided that the service provider may combine personal
36 information to perform any business purpose as defined in
37 regulations adopted pursuant to paragraph (9) of subdivision (a)
38 of Section 1798.185, except as provided for in paragraph (6) of
39 subdivision (e) of this section and in regulations adopted by the
40 California Privacy Protection Agency. The contract may, subject

1 to agreement with the service provider, permit the business to
2 monitor the service provider's compliance with the contract through
3 measures, including, but not limited to, ongoing manual reviews
4 and automated scans and regular assessments, audits, or other
5 technical and operational testing at least once every 12 months.

6 (2) If a service provider engages any other person to assist it in
7 processing personal information for a business purpose on behalf
8 of the business, or if any other person engaged by the service
9 provider engages another person to assist in processing personal
10 information for that business purpose, it shall notify the business
11 of that engagement, and the engagement shall be pursuant to a
12 written contract binding the other person to observe all the
13 requirements set forth in paragraph (1).

14 (ah) (1) "Share," "shared," or "sharing" means sharing, renting,
15 releasing, disclosing, disseminating, making available, transferring,
16 or otherwise communicating orally, in writing, or by electronic or
17 other means, a consumer's personal information by the business
18 to a third party for cross-context behavioral advertising, whether
19 or not for monetary or other valuable consideration, including
20 transactions between a business and a third party for cross-context
21 behavioral advertising for the benefit of a business in which no
22 money is exchanged.

23 (2) For purposes of this title, a business does not share personal
24 information when:

25 (A) A consumer uses or directs the business to intentionally
26 disclose personal information or intentionally interact with one or
27 more third parties.

28 (B) The business uses or shares an identifier for a consumer
29 who has opted out of the sharing of the consumer's personal
30 information or limited the use of the consumer's sensitive personal
31 information for the purposes of alerting persons that the consumer
32 has opted out of the sharing of the consumer's personal information
33 or limited the use of the consumer's sensitive personal information.

34 (C) The business transfers to a third party the personal
35 information of a consumer as an asset that is part of a merger,
36 acquisition, bankruptcy, or other transaction in which the third
37 party assumes control of all or part of the business, provided that
38 information is used or shared consistently with this title. If a third
39 party materially alters how it uses or shares the personal
40 information of a consumer in a manner that is materially

inconsistent with the promises made at the time of collection, it shall provide prior notice of the new or changed practice to the consumer. The notice shall be sufficiently prominent and robust to ensure that existing consumers can easily exercise their choices consistently with this title. This subparagraph does not authorize a business to make material, retroactive privacy policy changes or make other changes in their privacy policy in a manner that would violate the Unfair and Deceptive Practices Act (Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code).

(ai) “Third party” means a person who is not any of the following:

(1) The business with whom the consumer intentionally interacts and that collects personal information from the consumer as part of the consumer’s current interaction with the business under this title.

(2) A service provider to the business.

(3) A contractor.

(aj) “Unique identifier” or “unique personal identifier” means a persistent identifier that can be used to recognize a consumer, a family, or a device that is linked to a consumer or family, over time and across different services, including, but not limited to, a device identifier; an Internet Protocol address; cookies, beacons, pixel tags, mobile ad identifiers, or similar technology; customer number, unique pseudonym, or user alias; telephone numbers, or other forms of persistent or probabilistic identifiers that can be used to identify a particular consumer or device that is linked to a consumer or family. For purposes of this subdivision, “family” means a custodial parent or guardian and any children under 18 years of age over which the parent or guardian has custody.

(ak) “Verifiable consumer request” means a request that is made by a consumer, by a consumer on behalf of the consumer’s minor child, by a natural person or a person registered with the Secretary of State, authorized by the consumer to act on the consumer’s behalf, or by a person who has power of attorney or is acting as a conservator for the consumer, and that the business can verify, using commercially reasonable methods, pursuant to regulations adopted by the Attorney General pursuant to paragraph (6) of subdivision (a) of Section 1798.185 to be the consumer about whom the business has collected personal information. A business

1 is not obligated to provide information to the consumer pursuant
2 to Sections 1798.110 and 1798.115, to delete personal information
3 pursuant to Section 1798.105, or to correct inaccurate personal
4 information pursuant to Section 1798.106, if the business cannot
5 verify, pursuant to this subdivision and regulations adopted by the
6 Attorney General pursuant to paragraph (6) of subdivision (a) of
7 Section 1798.185, that the consumer making the request is the
8 consumer about whom the business has collected information or
9 is a person authorized by the consumer to act on such consumer's
10 behalf.

11 SEC. 28. Section 1798.185 of the Civil Code is amended to
12 read:

13 1798.185. Regulations

14 (a) On or before July 1, 2020, the Attorney General shall solicit
15 broad public participation and adopt regulations to further the
16 purposes of this title, including, but not limited to, the following
17 areas:

18 (1) Updating or adding categories of personal information to
19 those enumerated in subdivision (c) of Section 1798.130 and
20 subdivision (v) of Section 1798.140, and updating or adding
21 categories of sensitive personal information to those enumerated
22 in subdivision (ae) of Section 1798.140 in order to address changes
23 in technology, data collection practices, obstacles to
24 implementation, and privacy concerns.

25 (2) Updating as needed the definitions of "deidentified" and
26 "unique identifier" to address changes in technology, data
27 collection, obstacles to implementation, and privacy concerns, and
28 adding, modifying, or deleting categories to the definition of
29 designated methods for submitting requests to facilitate a
30 consumer's ability to obtain information from a business pursuant
31 to Section 1798.130. The authority to update the definition of
32 "deidentified" shall not apply to deidentification standards set forth
33 in Section 164.514 of Title 45 of the Code of Federal Regulations,
34 where such information previously was "protected health
35 information" as defined in Section 160.103 of Title 45 of the Code
36 of Federal Regulations.

37 (3) Establishing any exceptions necessary to comply with state
38 or federal law, including, but not limited to, those relating to trade
39 secrets and intellectual property rights, within one year of passage
40 of this title and as needed thereafter, with the intention that trade

1 secrets should not be disclosed in response to a verifiable consumer
2 request.

3 (4) Establishing rules and procedures for the following:

4 (A) To facilitate and govern the submission of a request by a
5 consumer to opt out of the sale or sharing of personal information
6 pursuant to Section 1798.120 and to limit the use of a consumer's
7 sensitive personal information pursuant to Section 1798.121 to
8 ensure that consumers have the ability to exercise their choices
9 without undue burden and to prevent business from engaging in
10 deceptive or harassing conduct, including in retaliation against
11 consumers for exercising their rights, while allowing businesses
12 to inform consumers of the consequences of their decision to opt
13 out of the sale or sharing of their personal information or to limit
14 the use of their sensitive personal information.

15 (B) To govern business compliance with a consumer's opt-out
16 request.

17 (C) For the development and use of a recognizable and uniform
18 opt-out logo or button by all businesses to promote consumer
19 awareness of the opportunity to opt out of the sale of personal
20 information.

21 (5) Establishing rules, procedures, and any exceptions necessary
22 to ensure that the notices and information that businesses are
23 required to provide pursuant to this title are provided in a manner
24 that may be easily understood by the average consumer, are
25 accessible to consumers with disabilities, and are available in the
26 language primarily used to interact with the consumer, including
27 establishing rules and guidelines regarding financial incentives
28 within one year of passage of this title and as needed thereafter.

29 (6) Establishing rules and procedures to further the purposes of
30 Sections 1798.105, 1798.106, 1798.110, and 1798.115 and to
31 facilitate a consumer's or the consumer's authorized agent's ability
32 to delete personal information, correct inaccurate personal
33 information pursuant to Section 1798.106, or obtain information
34 pursuant to Section 1798.130, with the goal of minimizing the
35 administrative burden on consumers, taking into account available
36 technology, security concerns, and the burden on the business, to
37 govern a business' determination that a request for information
38 received from a consumer is a verifiable consumer request,
39 including treating a request submitted through a password-protected
40 account maintained by the consumer with the business while the

1 consumer is logged into the account as a verifiable consumer
2 request and providing a mechanism for a consumer who does not
3 maintain an account with the business to request information
4 through the business' authentication of the consumer's identity,
5 within one year of passage of this title and as needed thereafter.

6 (7) Establishing how often, and under what circumstances, a
7 consumer may request a correction pursuant to Section 1798.106,
8 including standards governing the following:

9 (A) How a business responds to a request for correction,
10 including exceptions for requests to which a response is impossible
11 or would involve disproportionate effort, and requests for
12 correction of accurate information.

13 (B) How concerns regarding the accuracy of the information
14 may be resolved.

15 (C) The steps a business may take to prevent fraud.

16 (D) If a business rejects a request to correct personal information
17 collected and analyzed concerning a consumer's health, the right
18 of a consumer to provide a written addendum to the business with
19 respect to any item or statement regarding any such personal
20 information that the consumer believes to be incomplete or
21 incorrect. The addendum shall be limited to 250 words per alleged
22 incomplete or incorrect item and shall clearly indicate in writing
23 that the consumer requests the addendum to be made a part of the
24 consumer's record.

25 (8) Establishing the standard to govern a business'
26 determination, pursuant to subparagraph (B) of paragraph (2) of
27 subdivision (a) of Section 1798.130, that providing information
28 beyond the 12-month period in a response to a verifiable consumer
29 request is impossible or would involve a disproportionate effort.

30 (9) Issuing regulations further defining and adding to the
31 business purposes, including other notified purposes, for which
32 businesses, service providers, and contractors may use consumers'
33 personal information consistent with consumers' expectations, and
34 further defining the business purposes for which service providers
35 and contractors may combine consumers' personal information
36 obtained from different sources, except as provided for in paragraph
37 (6) of subdivision (e) of Section 1798.140.

38 (10) Issuing regulations identifying those business purposes,
39 including other notified purposes, for which service providers and
40 contractors may use consumers' personal information received

1 pursuant to a written contract with a business, for the service
2 provider or contractor's own business purposes, with the goal of
3 maximizing consumer privacy.

4 (11) Issuing regulations to further define "intentionally
5 interacts," with the goal of maximizing consumer privacy.

6 (12) Issuing regulations to further define "precise geolocation,"
7 including if the size defined is not sufficient to protect consumer
8 privacy in sparsely populated areas or when the personal
9 information is used for normal operational purposes, including
10 billing.

11 (13) Issuing regulations to define the term "specific pieces of
12 information obtained from the consumer" with the goal of
13 maximizing a consumer's right to access relevant personal
14 information while minimizing the delivery of information to a
15 consumer that would not be useful to the consumer, including
16 system log information and other technical data. For delivery of
17 the most sensitive personal information, the regulations may require
18 a higher standard of authentication provided that the agency shall
19 monitor the impact of the higher standard on the right of consumers
20 to obtain their personal information to ensure that the requirements
21 of verification do not result in the unreasonable denial of verifiable
22 consumer requests.

23 (14) Issuing regulations requiring businesses whose processing
24 of consumers' personal information presents significant risk to
25 consumers' privacy or security, to:

26 (A) Perform a cybersecurity audit on an annual basis, including
27 defining the scope of the audit and establishing a process to ensure
28 that audits are thorough and independent. The factors to be
29 considered in determining when processing may result in
30 significant risk to the security of personal information shall include
31 the size and complexity of the business and the nature and scope
32 of processing activities.

33 (B) Submit to the California Privacy Protection Agency on a
34 regular basis a risk assessment with respect to their processing of
35 personal information, including whether the processing involves
36 sensitive personal information, and identifying and weighing the
37 benefits resulting from the processing to the business, the
38 consumer, other stakeholders, and the public, against the potential
39 risks to the rights of the consumer associated with that processing,
40 with the goal of restricting or prohibiting the processing if the risks

1 to privacy of the consumer outweigh the benefits resulting from
2 processing to the consumer, the business, other stakeholders, and
3 the public. Nothing in this section shall require a business to
4 divulge trade secrets.

5 (15) Issuing regulations governing access and opt-out rights
6 with respect to a business' use of automated decisionmaking
7 technology, including profiling and requiring a business' response
8 to access requests to include meaningful information about the
9 logic involved in those decisionmaking processes, as well as a
10 description of the likely outcome of the process with respect to
11 the consumer.

12 (16) Issuing regulations to further define a "law enforcement
13 agency-approved investigation" for purposes of the exception in
14 subparagraph (B) of paragraph (1) of subdivision (a) of Section
15 1798.145.

16 (17) Issuing regulations to define the scope and process for the
17 exercise of the agency's audit authority, to establish criteria for
18 selection of persons to audit, and to protect consumers' personal
19 information from disclosure to an auditor in the absence of a court
20 order, warrant, or subpoena.

21 (18) (A) Issuing regulations to define the requirements and
22 technical specifications for an opt-out preference signal sent by a
23 platform, technology, or mechanism, to indicate a consumer's
24 intent to opt out of the sale or sharing of the consumer's personal
25 information and to limit the use or disclosure of the consumer's
26 sensitive personal information. The requirements and specifications
27 for the opt-out preference signal should be updated from time to
28 time to reflect the means by which consumers interact with
29 businesses, and should:

30 (i) Ensure that the manufacturer of a platform or browser or
31 device that sends the opt-out preference signal cannot unfairly
32 disadvantage another business.

33 (ii) Ensure that the opt-out preference signal is
34 consumer-friendly, clearly described, and easy to use by an average
35 consumer and does not require that the consumer provide additional
36 information beyond what is necessary.

37 (iii) Clearly represent a consumer's intent and be free of defaults
38 constraining or presupposing that intent.

1 (iv) Ensure that the opt-out preference signal does not conflict
2 with other commonly used privacy settings or tools that consumers
3 may employ.

4 (v) Provide a mechanism for the consumer to selectively consent
5 to a business' sale of the consumer's personal information, or the
6 use or disclosure of the consumer's sensitive personal information,
7 without affecting the consumer's preferences with respect to other
8 businesses or disabling the opt-out preference signal globally.

9 (vi) State that in the case of a page or setting view that the
10 consumer accesses to set the opt-out preference signal, the
11 consumer should see up to three choices, including:

12 (I) Global opt out from sale and sharing of personal information,
13 including a direction to limit the use of sensitive personal
14 information.

15 (II) Choice to "Limit the Use of My Sensitive Personal
16 Information."

17 (III) Choice titled "Do Not Sell/Do Not Share My Personal
18 Information for Cross-Context Behavioral Advertising."

19 (B) Issuing regulations to establish technical specifications for
20 an opt-out preference signal that allows the consumer, or the
21 consumer's parent or guardian, to specify that the consumer is less
22 than 13 years of age or at least 13 years of age and less than 16
23 years of age.

24 (C) Issuing regulations, with the goal of strengthening consumer
25 privacy while considering the legitimate operational interests of
26 businesses, to govern the use or disclosure of a consumer's
27 sensitive personal information, notwithstanding the consumer's
28 direction to limit the use or disclosure of the consumer's sensitive
29 personal information, including:

30 (i) Determining any additional purposes for which a business
31 may use or disclose a consumer's sensitive personal information.

32 (ii) Determining the scope of activities permitted under
33 paragraph (8) of subdivision (e) of Section 1798.140, as authorized
34 by subdivision (a) of Section 1798.121, to ensure that the activities
35 do not involve health-related research.

36 (iii) Ensuring the functionality of the business' operations.

37 (iv) Ensuring that the exemption in subdivision (d) of Section
38 1798.121 for sensitive personal information applies to information
39 that is collected or processed incidentally, or without the purpose
40 of inferring characteristics about a consumer, while ensuring that

1 businesses do not use the exemption for the purpose of evading
2 consumers' rights to limit the use and disclosure of their sensitive
3 personal information under Section 1798.121.

4 (19) Issuing regulations to govern how a business that has
5 elected to comply with subdivision (b) of Section 1798.135
6 responds to the opt-out preference signal and provides consumers
7 with the opportunity subsequently to consent to the sale or sharing
8 of their personal information or the use and disclosure of their
9 sensitive personal information for purposes in addition to those
10 authorized by subdivision (a) of Section 1798.121. The regulations
11 should:

12 (A) Strive to promote competition and consumer choice and be
13 technology neutral.

14 (B) Ensure that the business does not respond to an opt-out
15 preference signal by:

16 (i) Intentionally degrading the functionality of the consumer
17 experience.

18 (ii) Charging the consumer a fee in response to the consumer's
19 opt-out preferences.

20 (iii) Making any products or services not function properly or
21 fully for the consumer, as compared to consumers who do not use
22 the opt-out preference signal.

23 (iv) Attempting to coerce the consumer to opt in to the sale or
24 sharing of the consumer's personal information, or the use or
25 disclosure of the consumer's sensitive personal information, by
26 stating or implying that the use of the opt-out preference signal
27 will adversely affect the consumer as compared to consumers who
28 do not use the opt-out preference signal, including stating or
29 implying that the consumer will not be able to use the business'
30 products or services or that those products or services may not
31 function properly or fully.

32 (v) Displaying any notification or ~~pop-up~~ *popup* in response to
33 the consumer's opt-out preference signal.

34 (C) Ensure that any link to a web page or its supporting content
35 that allows the consumer to consent to opt in:

36 (i) Is not part of a popup, notice, banner, or other intrusive
37 design that obscures any part of the web page the consumer
38 intended to visit from full view or that interferes with or impedes
39 in any way the consumer's experience visiting or browsing the
40 web page or internet website the consumer intended to visit.

1 (ii) Does not require or imply that the consumer must click the
2 link to receive full functionality of any products or services,
3 including the internet website.

4 (iii) Does not make use of any dark patterns.

5 (iv) Applies only to the business with which the consumer
6 intends to interact.

7 (D) Strive to curb coercive or deceptive practices in response
8 to an opt-out preference signal but should not unduly restrict
9 businesses that are trying in good faith to comply with Section
10 1798.135.

11 (20) Review existing Insurance Code provisions and regulations
12 relating to consumer privacy, except those relating to insurance
13 rates or pricing, to determine whether any provisions of the
14 Insurance Code provide greater protection to consumers than the
15 provisions of this title. Upon completing its review, the agency
16 shall adopt a regulation that applies only the more protective
17 provisions of this title to insurance companies. For the purpose of
18 clarity, the Insurance Commissioner shall have jurisdiction over
19 insurance rates and pricing.

20 (21) Harmonizing the regulations governing opt-out
21 mechanisms, notices to consumers, and other operational
22 mechanisms in this title to promote clarity and the functionality
23 of this title for consumers.

24 (b) The Attorney General may adopt additional regulations as
25 necessary to further the purposes of this title.

26 (c) The Attorney General shall not bring an enforcement action
27 under this title until six months after the publication of the final
28 regulations issued pursuant to this section or July 1, 2020,
29 whichever is sooner.

30 (d) Notwithstanding subdivision (a), the timeline for adopting
31 final regulations required by the act adding this subdivision shall
32 be July 1, 2022. Beginning the later of July 1, 2021, or six months
33 after the agency provides notice to the Attorney General that it is
34 prepared to begin rulemaking under this title, the authority assigned
35 to the Attorney General to adopt regulations under this section
36 shall be exercised by the California Privacy Protection Agency.
37 Notwithstanding any other law, civil and administrative
38 enforcement of the provisions of law added or amended by this
39 act shall not commence until July 1, 2023, and shall only apply to
40 violations occurring on or after that date. Enforcement of provisions

1 of law contained in the California Consumer Privacy Act of 2018
2 amended by this act shall remain in effect and shall be enforceable
3 until the same provisions of this act become enforceable.

4 SEC. 29. Section 1950.6 of the Civil Code is amended to read:

5 1950.6. (a) Notwithstanding Section 1950.5, when a landlord
6 or their agent receives a request to rent a residential property from
7 an applicant, the landlord or their agent may charge, pursuant to
8 subdivision (c), that applicant an application screening fee to cover
9 the costs of obtaining information about the applicant. The
10 information requested and obtained by the landlord or their agent
11 may include, but is not limited to, personal reference checks and
12 consumer credit reports produced by consumer credit reporting
13 agencies as defined in Section 1785.3. A landlord or their agent
14 may, but is not required to, accept and rely upon a consumer credit
15 report presented by an applicant.

16 (b) The amount of the application screening fee shall not be
17 greater than the actual out-of-pocket costs of gathering information
18 concerning the applicant, including, but not limited to, the cost of
19 using a tenant screening service or a consumer credit reporting
20 service, and the reasonable value of time spent by the landlord or
21 their agent in obtaining information on the applicant. In no case
22 shall the amount of the application screening fee charged by the
23 landlord or their agent be greater than thirty dollars (\$30) per
24 applicant. The thirty dollar (\$30) application screening fee may
25 be adjusted annually by the landlord or their agent commensurate
26 with an increase in the Consumer Price Index, beginning on
27 January 1, 1998.

28 (c) (1) A landlord or their agent shall not charge an applicant
29 an application screening fee when they know or should have known
30 that no rental unit is available at that time or will be available
31 within a reasonable period of time.

32 (2) A landlord or their agent may charge an applicant an
33 application screening fee only if the landlord or their agent, at the
34 time the application screening fee is collected, offers any of the
35 following:

36 (A) An application screening process that complies with all of
37 the following:

38 (i) Completed applications are considered, as provided for in
39 the landlord's established screening criteria, in the order in which
40 the completed applications were received. The landlord's screening

1 criteria shall be provided to the applicant in writing together with
2 the application form.

3 (ii) The first applicant who meets the landlord's established
4 screening criteria is approved for tenancy.

5 (iii) Applicants are not charged an application screening fee
6 unless or until their application is actually considered.

7 (iv) Clause (iii) shall not be considered violated if a landlord or
8 their agent inadvertently collects an application screening fee from
9 an applicant as the result of multiple concurrent application
10 submissions, provided that the landlord or their agent issues a
11 refund of the application screening fee within ~~7~~ seven days to any
12 applicant whose application is not considered. The landlord may
13 offer, as an alternative to refunding the screening fee, the option,
14 at the applicant's discretion, for the screening fee paid by the
15 applicant to be applied to an application for another rental unit
16 offered by the landlord. A landlord or their agent shall not be
17 required to refund an application screening fee to an applicant
18 whose application is denied, after consideration, because the
19 applicant does not meet the landlord's established screening
20 criteria.

21 (B) An application screening process in which the landlord or
22 their agent returns the entire screening fee to any applicant who
23 is not selected for tenancy, regardless of the reason, within 7 days
24 of selecting an applicant for tenancy or 30 days of when the
25 application was submitted, whichever occurs first.

26 (d) The landlord or their agent shall provide, personally, or by
27 mail, the applicant with a receipt for the fee paid by the applicant,
28 which receipt shall itemize the out-of-pocket expenses and time
29 spent by the landlord or their agent to obtain and process the
30 information about the applicant. The landlord or their agent and
31 the applicant may agree to have the landlord provide a copy of the
32 receipt for the fee paid by the applicant to an email account
33 provided by the applicant.

34 (e) If the landlord or their agent does not perform a personal
35 reference check or does not obtain a consumer credit report, the
36 landlord or their agent shall return any amount of the screening
37 fee that is not used for the purposes authorized by this section to
38 the applicant.

39 (f) If an application screening fee has been paid by the applicant,
40 the landlord or their agent shall provide a copy of the consumer

1 credit report to the applicant who is the subject of that report by
2 personal delivery, mail, or email within ~~7~~ seven days of the landlord
3 or their agent receiving the report.

4 (g) Nothing in this section prevents a landlord from accepting
5 a reusable screening report pursuant to Section 1950.1.

6 (h) As used in this section, “landlord” means an owner of
7 residential rental property.

8 (i) As used in this section, “application screening fee” means
9 any nonrefundable payment of money charged by a landlord or
10 their agent to an applicant, the purpose of which is to purchase a
11 consumer credit report and to validate, review, or otherwise process
12 an application for the rent or lease of residential rental property.

13 (j) As used in this section, “applicant” means any entity or
14 individual who makes a request to a landlord or their agent to rent
15 a residential housing unit, or an entity or individual who agrees to
16 act as a guarantor or cosignor on a rental agreement.

17 (k) The application screening fee shall not be considered an
18 “advance fee” as that term is used in Section 10026 of the Business
19 and Professions Code, and shall not be considered “security” as
20 that term is used in Section 1950.5.

21 (l) This section is not intended to preempt any provisions or
22 regulations that govern the collection of deposits and fees under
23 federal or state housing assistance programs.

24 SEC. 30. Section 1954.09 of the Civil Code is amended to
25 read:

26 1954.09. (a) Notwithstanding paragraph (1) of subdivision (b)
27 of Section 1954.091, shelter program participants shall not have
28 their continued occupancy in a motel, hotel, or shelter program
29 constitute a new tenancy and shall not be considered persons who
30 hire pursuant to Section 1940 for the purposes of Section 1161 of
31 the Code of Civil Procedure, if the shelter program meets all of
32 the following requirements:

33 (1) The shelter program adheres to the core components of
34 Housing First, pursuant to subdivision (b) of Section 8255 of the
35 Welfare and Institutions Code.

36 (2) The shelter program establishes, adopts, and clearly
37 documents rules governing how and for what reasons a shelter
38 program participant’s enrollment may be terminated and the shelter
39 program operator discloses the termination policy to program

participants in writing, in plain language, at the commencement of their occupancy.

(A) Permissible reasons for termination shall include sexual assault, verbally or physically threatening ~~behaviors, which~~ *behaviors that* rise to the level of a “direct threat” to persons or ~~property, property~~ as defined in paragraph (3) of subdivision (b) of Section 12179 of Title 2 of the ~~Code of California~~ *California* Code of Regulations, physical violence to staff, hotel guests, or other program participants, direct observation of participant engaging in illegal activity onsite, or time limits established by the shelter program.

(B) Terminations for reasons not stated in subparagraph (A) and any operational policies negotiated prior to the commencement of the shelter program shall be approved by the shelter program administrator and shared with their shelter program participants in a clearly labeled document.

(C) The shelter program administrator shall endeavor to ensure terminations are performed by the shelter program operator in a trauma-informed manner utilizing a harm-reduction approach, and shall ensure that the termination policies and procedures of the hotel, motel, and shelter program, including the required grievance procedure, comply with all applicable disability laws, including requirements for reasonable accommodation.

(D) The shelter program operator is exempt from providing a 30-day notice pursuant to subparagraph (A) of paragraph (3) if the shelter program participant has self-exited from the program.

(E) If a shelter program participant will exit from the program due to time limits and the participant’s stay is extended for a period of less than 30 days beyond the original termination date, the shelter program administrator or shelter program operator may issue an amended termination notice with an additional period of time equal to the number of days of the program extension.

(3) The shelter program administrator establishes procedures regarding how a shelter program participant will be provided a written termination notice if a termination occurs and the shelter program operator discloses those procedures to shelter program participants in writing at the commencement of their occupancy.

(A) The shelter program operator shall provide the termination notice to the participant at least 30 days prior to the proposed termination or, if the underlying cause for a proposed termination

1 constitutes a “direct threat,” as defined in paragraph (3) of
2 subdivision (b) of Section 12179 of Title 2 of the Code of
3 California Regulations, the shelter program operator may remove
4 the participant from the premises immediately, provided that the
5 operator advises the participant of their right to utilize the grievance
6 process described in paragraph (5).

7 (B) The termination notice shall contain a clear, plain-language
8 statement of the reason for the termination, shall notify the
9 participant of their right to request a reasonable accommodation
10 if they are a qualified person with a disability, and shall notify the
11 participant of their right to utilize the grievance process described
12 in paragraph (5).

13 (C) The established procedures developed regarding participant
14 guideline violations shall include an escalation continuum that
15 incorporates documented warnings and documented shelter
16 program operator staff and participant problem solving methods
17 prior to instituting terminations from the shelter program.

18 (4) The shelter program operator shall provide an exit plan upon
19 termination of a shelter program participant that includes referrals
20 to any available local shelter service for which the participant is
21 eligible and the shelter program operator shall make a good faith,
22 reasonable effort to facilitate an intake for that participant in an
23 available bed or unit.

24 (A) The shelter program operator shall document good faith,
25 reasonable efforts and shall make that documentation available
26 upon request.

27 (B) The shelter program administrator, in cases where the
28 grievance process is utilized, shall determine whether the shelter
29 program operator’s efforts constitute a good faith effort to facilitate
30 a participant into an alternative available shelter site or program.

31 (C) (i) The shelter program administrator shall make good faith
32 efforts to provide reasonable transportation accommodations upon
33 termination of a shelter program participant from a program or
34 upon transfer of a shelter program participant to an alternative
35 available bed or unit.

36 (ii) In exigent circumstances that necessitate the presence of
37 first responders, police, or fire department and render it infeasible
38 to provide a termination letter at that time or coordinate a postexit
39 plan, the shelter program operator shall create a termination letter
40 that satisfies the above-described requirements and make that

1 documentation available to participants within 24 hours of their
2 request.

3 (5) The shelter program administrator shall establish a grievance
4 process that complies with due process and the shelter program
5 operator shall disclose the grievance process to occupants in
6 writing, in plain language, at the commencement of their
7 occupancy.

8 (A) The grievance process shall give shelter program participants
9 a right to due process appeal through the shelter program
10 administrator if the shelter program participant believes they were
11 or are being wrongfully terminated from the program, and shall
12 inform shelter program participants on how to access and initiate
13 the grievance process.

14 (B) (i) Program participants shall be provided the opportunity
15 to initiate the grievance process 30 days prior to their proposed
16 termination date or at any point thereafter.

17 (ii) In cases where participants are subject to immediate removal
18 based on circumstances that present a “direct threat,” as defined
19 in paragraph (3) of subdivision (b) of Section 12179 of Title 2 of
20 the ~~Code of California~~ *California Code of Regulations*, participants
21 shall be provided the opportunity to initiate the grievance process
22 at the time of removal or at any point thereafter.

23 (C) If, following the grievance process, the proposed termination
24 is not carried out, any participant already removed shall be granted
25 the right to resume their participation in the program. If the shelter
26 program operator is unable to place the individual in the original
27 site, the shelter program operator shall facilitate a placement for
28 the individual in an alternative available motel, hotel, or shelter
29 site.

30 (b) Where a shelter program administrator is also the shelter
31 program operator, the shelter program administrator is responsible
32 for all of the duties described in subdivision (a).

33 (c) For properties that are being converted from use as a motel
34 or hotel, or from use as a shelter, interim housing, emergency
35 shelter, or other interim facility to a permanent housing site,
36 paragraph (2) shall not apply to occupants of the site from the date
37 that the site receives a certificate of occupancy as a permanent
38 housing site.

SEC. 31. The heading of Chapter 6 (commencing with Section 2213) of Title 7 of Part 4 of Division 3 of the Civil Code is amended to read:

CHAPTER 6-6. CARRIER OF PASSENGERS ACT OF 2024

SEC. 32. Section 2214 of the Civil Code is amended to read:
2214. For purposes of this chapter, the following definitions apply:

(a) “Carrier of passengers” means a motor carrier, passenger carrier, or charter-party carrier of passengers that operates a motor vehicle, on a commercial or for-hire basis, and engages in the embarkation and disembarkation of passengers.

(b) “Charter-party carrier of passengers” has the same meaning as used in Section ~~5360~~. *5360 of the Public Utilities Code.*

(c) “Disembarkation” means the physical discharge of passengers from a transportation service provided by a carrier of passengers at a geographic location within California.

(d) “Embarkation” means the physical commencement of a transportation service provided by a carrier of passengers.

(e) “Motor vehicle” has the same meaning as used in Section 5359 of the Public Utilities Code.

SEC. 33. Section 2924f of the Civil Code, as amended by Section 3 of Chapter 311 of the Statutes of 2024, is amended to read:

2924f. (a) As used in this section and Sections 2924g and 2924h, “property” means real property or a leasehold estate therein, and “calendar week” means Monday through Saturday, inclusive.

(b) (1) Except as provided in subdivision (c), before any sale of property can be made under the power of sale contained in any deed of trust or mortgage, or any resale resulting from a rescission for a failure of consideration pursuant to subdivision (c) of Section 2924h, notice of the sale thereof shall be given by posting a written notice of the time of sale and of the street address and the specific place at the street address where the sale will be held, and describing the property to be sold, at least 20 days before the date of sale in one public place in the city where the property is to be sold, if the property is to be sold in a city, or, if not, then in one public place in the county seat of the county where the property

1 is to be sold, and publishing a copy once a week for three
2 consecutive calendar weeks.

3 (2) The first publication to be at least 20 days before the date
4 of sale, in a newspaper of general circulation published in the
5 public notice district in which the property or some part thereof is
6 situated, or in case no newspaper of general circulation is published
7 in the public notice district, in a newspaper of general circulation
8 published in the county in which the property or some part thereof
9 is situated, or in case no newspaper of general circulation is
10 published in the public notice district or county, as the case may
11 be, in a newspaper of general circulation published in the county
12 in this state that is contiguous to the county in which the property
13 or some part thereof is situated and has, by comparison with all
14 similarly contiguous counties, the highest population based upon
15 total county population as determined by the most recent federal
16 decennial census published by the Bureau of the Census. For the
17 purposes of this section, publication of notice in a public notice
18 district is governed by Chapter 1.1 (commencing with Section
19 6080) of Division 7 of Title 1 of the Government Code.

20 (3) A copy of the notice of sale shall also be posted in a
21 conspicuous place on the property to be sold at least 20 days before
22 the date of sale, where possible and where not restricted for any
23 reason. If the property is a single-family residence the posting shall
24 be on a door of the residence, but, if not possible or restricted, then
25 the notice shall be posted in a conspicuous place on the property;
26 however, if access is denied because a common entrance to the
27 property is restricted by a guard gate or similar impediment, the
28 property may be posted at that guard gate or similar impediment
29 to any development community.

30 (4) The notice of sale shall conform to the minimum
31 requirements of Section 6043 of the Government Code and be
32 recorded with the county recorder of the county in which the
33 property or some part thereof is situated at least 20 days prior to
34 the date of sale.

35 (5) The notice of sale shall contain the name, street address in
36 this state, which may reflect an agent of the trustee, and either a
37 toll-free telephone number or telephone number in this state of the
38 trustee, and the name of the original trustor, and also shall contain
39 the statement required by paragraph (3) of subdivision (c). In
40 addition to any other description of the property, the notice shall

1 describe the property by giving its street address, if any, or other
2 common designation, if any, and a county assessor's parcel
3 number; but if the property has no street address or other common
4 designation, the notice shall contain a legal description of the
5 property, the name and address of the beneficiary at whose request
6 the sale is to be conducted, and a statement that directions may be
7 obtained pursuant to a written request submitted to the beneficiary
8 within 10 days from the first publication of the notice. Directions
9 shall be deemed reasonably sufficient to locate the property if
10 information as to the location of the property is given by reference
11 to the direction and approximate distance from the nearest
12 crossroads, frontage road, or access road. If a legal description or
13 a county assessor's parcel number and either a street address or
14 another common designation of the property is given, the validity
15 of the notice and the validity of the sale shall not be affected by
16 the fact that the street address, other common designation, name
17 and address of the beneficiary, or the directions obtained therefrom
18 are erroneous or that the street address, other common designation,
19 name and address of the beneficiary, or directions obtained
20 therefrom are omitted.

21 (6) The term "newspaper of general circulation," as used in this
22 section, has the same meaning as defined in Article 1 (commencing
23 with Section 6000) of Chapter 1 of Division 7 of Title 1 of the
24 Government Code.

25 (7) The notice of sale shall contain a statement of the total
26 amount of the unpaid balance of the obligation secured by the
27 property to be sold and reasonably estimated costs, expenses,
28 advances at the time of the initial publication of the notice of sale,
29 and, if republished pursuant to a cancellation of a cash equivalent
30 pursuant to subdivision (d) of Section 2924h, a reference of that
31 fact; provided, that the trustee shall incur no liability for any good
32 faith error in stating the proper amount, including any amount
33 provided in good faith by or on behalf of the beneficiary. An
34 inaccurate statement of this amount shall not affect the validity of
35 any sale to a bona fide purchaser for value, nor shall the failure to
36 post the notice of sale on a door as provided by this subdivision
37 affect the validity of any sale to a bona fide purchaser for value.

38 (8) (A) On and after April 1, 2012, if the deed of trust or
39 mortgage containing a power of sale is secured by real property
40 containing from one to four single-family residences, the notice

1 of sale shall contain substantially the following language, in
2 addition to the language required pursuant to paragraphs (1) to (7),
3 inclusive:

4
5 NOTICE TO POTENTIAL BIDDERS: If you are considering
6 bidding on this property lien, you should understand that there are
7 risks involved in bidding at a trustee auction. You will be bidding
8 on a lien, not on the property itself. Placing the highest bid at a
9 trustee auction does not automatically entitle you to free and clear
10 ownership of the property. You should also be aware that the lien
11 being auctioned off may be a junior lien. If you are the highest
12 bidder at the auction, you are or may be responsible for paying off
13 all liens senior to the lien being auctioned off, before you can
14 receive clear title to the property. You are encouraged to investigate
15 the existence, priority, and size of outstanding liens that may exist
16 on this property by contacting the county recorder's office or a
17 title insurance company, either of which may charge you a fee for
18 this information. If you consult either of these resources, you
19 should be aware that the same lender may hold more than one
20 mortgage or deed of trust on the property.

21
22 NOTICE TO PROPERTY OWNER: The sale date shown on
23 this notice of sale may be postponed one or more times by the
24 mortgagee, beneficiary, trustee, or a court, pursuant to Section
25 2924g of the California Civil Code. The law requires that
26 information about trustee sale postponements be made available
27 to you and to the public, as a courtesy to those not present at the
28 sale. If you wish to learn whether your sale date has been
29 postponed, and, if applicable, the rescheduled time and date for
30 the sale of this property, you may call [telephone number for
31 information regarding the trustee's sale] or visit this internet
32 website [internet website address for information regarding the
33 sale of this property], using the file number assigned to this case
34 [case file number]. Information about postponements that are very
35 short in duration or that occur close in time to the scheduled sale
36 may not immediately be reflected in the telephone information or
37 on the internet website. The best way to verify postponement
38 information is to attend the scheduled sale.

1 NOTICE TO TENANT: You may have a right to purchase this
2 property after the trustee auction pursuant to Section 2924m of the
3 California Civil Code. If you are an “eligible tenant buyer,” you
4 can purchase the property if you match the last and highest bid
5 placed at the trustee auction. If you are an “eligible bidder,” you
6 may be able to purchase the property if you exceed the last and
7 highest bid placed at the trustee auction. There are three steps to
8 exercising this right of purchase. First, 48 hours after the date of
9 the trustee sale, you can call [telephone number for information
10 regarding the trustee’s sale], or visit this internet website [internet
11 website address for information regarding the sale of this property],
12 using the file number assigned to this case [case file number] to
13 find the date on which the trustee’s sale was held, the amount of
14 the last and highest bid, and the address of the trustee. Second,
15 you must send a written notice of intent to place a bid so that the
16 trustee receives it no more than 15 days after the trustee’s sale.
17 Third, you must submit a bid so that the trustee receives it no more
18 than 45 days after the trustee’s sale. If you think you may qualify
19 as an “eligible tenant buyer” or “eligible bidder,” you should
20 consider contacting an attorney or appropriate real estate
21 professional immediately for advice regarding this potential right
22 to purchase.

23
24 (B) A mortgagee, beneficiary, trustee, or authorized agent shall
25 make a good faith effort to provide up-to-date information
26 regarding sale dates and postponements to persons who wish this
27 information. This information shall be made available free of
28 charge. It may be made available via an internet website, a
29 telephone recording that is accessible 24 hours a day, seven days
30 a week, or through any other means that allows 24 hours a day,
31 seven days a week, no-cost access to updated information. A
32 disruption of any of these methods of providing sale date and
33 postponement information to allow for reasonable maintenance or
34 due to a service outage shall not be deemed to be a violation of
35 the good faith standard.

36 (C) Except as provided in subparagraph (B), nothing in the
37 wording of the notices required by subparagraph (A) is intended
38 to modify or create any substantive rights or obligations for any
39 person providing, or specified in, either of the required notices.

Failure to comply with subparagraph (A) or (B) shall not invalidate any sale that would otherwise be valid under this section.

(D) Information provided pursuant to subparagraph (A) does not constitute the public declaration required by subdivision (d) of Section 2924g.

(E) For purposes of a property subject to this paragraph and of satisfying the requirements of Section 2924m, a trustee or an authorized agent shall maintain an internet website and a telephone number to provide information on applicable properties to persons who wish the information. In addition to any other information required by subparagraph (B), a trustee or an authorized agent shall provide information regarding the sale date, amount of the last and highest bid, and the trustee's address, to be accessible using the file number assigned to the case and listed on the NOTICE TO TENANT required by subparagraph (A). This information shall be made available free of charge and shall be available 24 hours a day, seven days a week.

(9) If the sale of the property is to be a unified sale as provided in subparagraph (B) of paragraph (1) of subdivision (a) of Section 9604 of the Commercial Code, the notice of sale shall also contain a description of the personal property or fixtures to be sold. In the case where it is contemplated that all of the personal property or fixtures are to be sold, the description in the notice of the personal property or fixtures shall be sufficient if it is the same as the description of the personal property or fixtures contained in the agreement creating the security interest in or encumbrance on the personal property or fixtures or the filed financing statement relating to the personal property or fixtures. In all other cases, the description in the notice shall be sufficient if it would be a sufficient description of the personal property or fixtures under Section 9108 of the Commercial Code. Inclusion of a reference to or a description of personal property or fixtures in a notice of sale hereunder shall not constitute an election by the secured party to conduct a unified sale pursuant to subparagraph (B) of paragraph (1) of subdivision (a) of Section 9604 of the Commercial Code, shall not obligate the secured party to conduct a unified sale pursuant to subparagraph (B) of paragraph (1) of subdivision (a) of Section 9604 of the Commercial Code, and in no way shall render defective or noncomplying either that notice or a sale pursuant to that notice by reason of the fact that the sale includes

1 none or less than all of the personal property or fixtures referred
2 to or described in the notice. This paragraph shall not otherwise
3 affect the obligations or duties of a secured party under the
4 Commercial Code.

5 (c) (1) This subdivision applies only to deeds of trust or
6 mortgages which contain a power of sale and which are secured
7 by real property containing a single-family, owner-occupied
8 residence, where the obligation secured by the deed of trust or
9 mortgage is contained in a contract for goods or services subject
10 to the provisions of the Unruh Act (Chapter 1 (commencing with
11 Section 1801) of Title 2 of Part 4 of Division 3).

12 (2) Except as otherwise expressly set forth in this subdivision,
13 all other provisions of law relating to the exercise of a power of
14 sale shall govern the exercise of a power of sale contained in a
15 deed of trust or mortgage described in paragraph (1).

16 (3) If any default of the obligation secured by a deed of trust or
17 mortgage described in paragraph (1) has not been cured within 30
18 days after the recordation of the notice of default, the trustee or
19 mortgagee shall mail to the trustor or mortgagor, at their last known
20 address, a copy of the following statement:

21
22 YOU ARE IN DEFAULT UNDER A

23 _____,
24 (Deed of trust or mortgage)

25 DATED _____. UNLESS YOU TAKE ACTION TO PROTECT
26 YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE.
27 IF YOU NEED AN EXPLANATION OF THE NATURE OF THE
28 PROCEEDING AGAINST YOU, YOU SHOULD CONTACT
29 A LAWYER.
30

31 (4) All sales of real property pursuant to a power of sale
32 contained in any deed of trust or mortgage described in paragraph
33 (1) shall be held in the county where the residence is located and
34 shall be made to the person making the highest offer. The trustee
35 may receive offers during the 10-day period immediately prior to
36 the date of sale and if any offer is accepted in writing by both the
37 trustor or mortgagor and the beneficiary or mortgagee prior to the
38 time set for sale, the sale shall be postponed to a date certain and
39 prior to which the property may be conveyed by the trustor to the
40 person making the offer according to its terms. The offer is

1 revocable until accepted. The performance of the offer, following
2 acceptance, according to its terms, by a conveyance of the property
3 to the offeror, shall operate to terminate any further proceeding
4 under the notice of sale and it shall be deemed revoked.

5 (5) In addition to the trustee fee pursuant to Section 2924c, the
6 trustee or mortgagee pursuant to a deed of trust or mortgage subject
7 to this subdivision shall be entitled to charge an additional fee of
8 fifty dollars (\$50).

9 (6) This subdivision applies only to property on which notices
10 of default were filed on or after the effective date of this
11 subdivision.

12 (d) With respect to residential real property containing no more
13 than four dwelling units, a separate document containing a
14 summary of the notice of sale information in English and the
15 languages described in Section 1632 shall be attached to the notice
16 of sale provided to the mortgagor or trustor pursuant to Section
17 2923.3.

18 (e) (1) With respect to residential real property containing no
19 more than four dwelling units that is subject to a power of sale
20 contained in any deed of trust or mortgage, a sale of the property
21 under the power of sale shall not be conducted until the expiration
22 of an additional 45 days following the scheduled date of sale
23 pursuant to subdivision (a) or (c) of Section 2924g if the trustee
24 receives, at least five business days before the scheduled date of
25 sale, from the mortgagor or trustor, by certified mail with the
26 United States Postal Service or by another overnight mail courier
27 service with tracking information that confirms the recipient's
28 signature and the date and time of receipt and delivery, a listing
29 agreement with a California licensed real estate broker to be placed
30 in a publicly available marketing platform for the sale of the
31 property at least five business days before the scheduled date of
32 sale. The provisions of this paragraph shall not be used to postpone
33 the scheduled sale date more than once.

34 (2) If a scheduled date of sale is postponed pursuant to paragraph
35 (1), the trustor's or mortgagor's right to reinstate the account shall
36 be extended, calculated pursuant to subdivision (e) of Section
37 2924c based on the new scheduled date of sale.

38 (3) If a scheduled date of sale has been postponed pursuant to
39 paragraph (1) and the trustee receives, at least five business days
40 before the scheduled date of sale, from the mortgagor or trustor,

1 by certified mail with the United States Postal Service or by another
2 overnight mail courier service with tracking information that
3 confirms the recipient's signature and the date and time of receipt
4 and delivery, a copy of a purchase agreement for the sale of the
5 property at least five business days before the scheduled sale, the
6 trustee shall postpone the scheduled date of sale to a date that is
7 at least 45 days after the date on which the purchase agreement
8 was received by the trustee. The provisions of this paragraph shall
9 not be used to postpone the scheduled sale date more than once.

10 (4) For purposes of this subdivision, "purchase agreement"
11 means a bona fide and fully executed contract for the sale of the
12 property that is subject to a power of sale with a purchase price
13 amount equal to or greater than the amount of the unpaid balance
14 of all obligations of record secured by the property that includes
15 the name of the buyer, the sales price, the agreed closing date, and
16 acceptance by the designated escrow agent.

17 (f) (1) With respect to residential real property containing no
18 more than four dwelling units that is subject to a power of sale
19 contained in a first lien deed of trust or mortgage, the mortgagee,
20 beneficiary, or authorized agent shall provide to the trustee a fair
21 market value of the property at least 10 days prior to the initially
22 scheduled date of sale, and the trustee shall not sell the property
23 at the initially scheduled date of sale for less than 67 percent of
24 that fair market value of the property. The trustee may rely on the
25 fair market value provided pursuant to this paragraph, and shall
26 not have a duty to verify the source or accuracy of the valuation.

27 (2) If the property remains unsold after the initial trustee's sale
28 pursuant to paragraph (1), then the trustee shall postpone the sale
29 for at least seven days, and the property may be sold to the highest
30 bidder.

31 (3) For purposes of this subdivision, "fair market value of the
32 property" means an estimate of the fair market value of the property
33 made within six months of the initially scheduled date of sale and
34 determined by an opinion of a licensed real estate broker, an
35 appraisal from a licensed appraiser, a value from a commercially
36 utilized automated valuation model, or a value from a computerized
37 property valuation system that is used to derive a real property
38 value.

1 (4) A failure to comply with the provisions of paragraph (1)
2 shall not affect the validity of a trustee's sale or a sale to a bona
3 fide purchaser for value.

4 (5) The provisions of this subdivision shall apply to the initial
5 trustee's sale for each notice of sale issued pursuant to subdivision
6 ~~(b) of Section 2924f.~~ (b).

7 (g) This section shall remain in effect only until January 1, 2031,
8 and as of that date is repealed, unless a later enacted statute that
9 is enacted before January 1, 2031, deletes or extends that date.

10 SEC. 34. Section 2924f of the Civil Code, as amended by
11 Section 4 of Chapter 311 of the Statutes of 2024, is amended to
12 read:

13 2924f. (a) As used in this section and Sections 2924g and
14 2924h, "property" means real property or a leasehold estate therein,
15 and "calendar week" means Monday through Saturday, inclusive.

16 (b) (1) Except as provided in subdivision (c), before any sale
17 of property can be made under the power of sale contained in any
18 deed of trust or mortgage, or any resale resulting from a rescission
19 for a failure of consideration pursuant to subdivision (c) of Section
20 2924h, notice of the sale thereof shall be given by posting a written
21 notice of the time of sale and of the street address and the specific
22 place at the street address where the sale will be held, and
23 describing the property to be sold, at least 20 days before the date
24 of sale in one public place in the city where the property is to be
25 sold, if the property is to be sold in a city, or, if not, then in one
26 public place in the county seat of the county where the property
27 is to be sold, and publishing a copy once a week for three
28 consecutive calendar weeks.

29 (2) The first publication to be at least 20 days before the date
30 of sale, in a newspaper of general circulation published in the
31 public notice district in which the property or some part thereof is
32 situated, or in case no newspaper of general circulation is published
33 in the public notice district, in a newspaper of general circulation
34 published in the county in which the property or some part thereof
35 is situated, or in case no newspaper of general circulation is
36 published in the public notice district or county, as the case may
37 be, in a newspaper of general circulation published in the county
38 in this state that is contiguous to the county in which the property
39 or some part thereof is situated and has, by comparison with all
40 similarly contiguous counties, the highest population based upon

1 total county population as determined by the most recent federal
2 decennial census published by the Bureau of the Census. For the
3 purposes of this section, publication of notice in a public notice
4 district is governed by Chapter 1.1 (commencing with Section
5 6080) of Division 7 of Title 1 of the Government Code.

6 (3) A copy of the notice of sale shall also be posted in a
7 conspicuous place on the property to be sold at least 20 days before
8 the date of sale, where possible and where not restricted for any
9 reason. If the property is a single-family residence the posting shall
10 be on a door of the residence, but, if not possible or restricted, then
11 the notice shall be posted in a conspicuous place on the property;
12 however, if access is denied because a common entrance to the
13 property is restricted by a guard gate or similar impediment, the
14 property may be posted at that guard gate or similar impediment
15 to any development community.

16 (4) The notice of sale shall conform to the minimum
17 requirements of Section 6043 of the Government Code and be
18 recorded with the county recorder of the county in which the
19 property or some part thereof is situated at least 20 days prior to
20 the date of sale.

21 (5) The notice of sale shall contain the name, street address in
22 this state, which may reflect an agent of the trustee, and either a
23 toll-free telephone number or telephone number in this state of the
24 trustee, and the name of the original trustor, and also shall contain
25 the statement required by paragraph (3) of subdivision (c). In
26 addition to any other description of the property, the notice shall
27 describe the property by giving its street address, if any, or other
28 common designation, if any, and a county assessor's parcel
29 number; but if the property has no street address or other common
30 designation, the notice shall contain a legal description of the
31 property, the name and address of the beneficiary at whose request
32 the sale is to be conducted, and a statement that directions may be
33 obtained pursuant to a written request submitted to the beneficiary
34 within 10 days from the first publication of the notice. Directions
35 shall be deemed reasonably sufficient to locate the property if
36 information as to the location of the property is given by reference
37 to the direction and approximate distance from the nearest
38 crossroads, frontage road, or access road. If a legal description or
39 a county assessor's parcel number and either a street address or
40 another common designation of the property is given, the validity

1 of the notice and the validity of the sale shall not be affected by
2 the fact that the street address, other common designation, name
3 and address of the beneficiary, or the directions obtained therefrom
4 are erroneous or that the street address, other common designation,
5 name and address of the beneficiary, or directions obtained
6 therefrom are omitted.

7 (6) The term “newspaper of general circulation,” as used in this
8 section, has the same meaning as defined in Article 1 (commencing
9 with Section 6000) of Chapter 1 of Division 7 of Title 1 of the
10 Government Code.

11 (7) The notice of sale shall contain a statement of the total
12 amount of the unpaid balance of the obligation secured by the
13 property to be sold and reasonably estimated costs, expenses,
14 advances at the time of the initial publication of the notice of sale,
15 and, if republished pursuant to a cancellation of a cash equivalent
16 pursuant to subdivision (d) of Section 2924h, a reference of that
17 fact; provided, that the trustee shall incur no liability for any good
18 faith error in stating the proper amount, including any amount
19 provided in good faith by or on behalf of the beneficiary. An
20 inaccurate statement of this amount shall not affect the validity of
21 any sale to a bona fide purchaser for value, nor shall the failure to
22 post the notice of sale on a door as provided by this subdivision
23 affect the validity of any sale to a bona fide purchaser for value.

24 (8) (A) On and after April 1, 2012, if the deed of trust or
25 mortgage containing a power of sale is secured by real property
26 containing from one to four single-family residences, the notice
27 of sale shall contain substantially the following language, in
28 addition to the language required pursuant to paragraphs (1) to (7),
29 inclusive:
30

31 NOTICE TO POTENTIAL BIDDERS: If you are considering
32 bidding on this property lien, you should understand that there are
33 risks involved in bidding at a trustee auction. You will be bidding
34 on a lien, not on the property itself. Placing the highest bid at a
35 trustee auction does not automatically entitle you to free and clear
36 ownership of the property. You should also be aware that the lien
37 being auctioned off may be a junior lien. If you are the highest
38 bidder at the auction, you are or may be responsible for paying off
39 all liens senior to the lien being auctioned off, before you can
40 receive clear title to the property. You are encouraged to investigate

1 the existence, priority, and size of outstanding liens that may exist
2 on this property by contacting the county recorder's office or a
3 title insurance company, either of which may charge you a fee for
4 this information. If you consult either of these resources, you
5 should be aware that the same lender may hold more than one
6 mortgage or deed of trust on the property.

7
8 NOTICE TO PROPERTY OWNER: The sale date shown on
9 this notice of sale may be postponed one or more times by the
10 mortgagee, beneficiary, trustee, or a court, pursuant to Section
11 2924g of the California Civil Code. The law requires that
12 information about trustee sale postponements be made available
13 to you and to the public, as a courtesy to those not present at the
14 sale. If you wish to learn whether your sale date has been
15 postponed, and, if applicable, the rescheduled time and date for
16 the sale of this property, you may call [telephone number for
17 information regarding the trustee's sale] or visit this internet
18 website [internet website address for information regarding the
19 sale of this property], using the file number assigned to this case
20 [case file number]. Information about postponements that are very
21 short in duration or that occur close in time to the scheduled sale
22 may not immediately be reflected in the telephone information or
23 on the internet website. The best way to verify postponement
24 information is to attend the scheduled sale.

25
26 (B) A mortgagee, beneficiary, trustee, or authorized agent shall
27 make a good faith effort to provide up-to-date information
28 regarding sale dates and postponements to persons who wish this
29 information. This information shall be made available free of
30 charge. It may be made available via an internet website, a
31 telephone recording that is accessible 24 hours a day, seven days
32 a week, or through any other means that allows 24 hours a day,
33 seven days a week, no-cost access to updated information. A
34 disruption of any of these methods of providing sale date and
35 postponement information to allow for reasonable maintenance or
36 due to a service outage shall not be deemed to be a violation of
37 the good faith standard.

38 (C) Except as provided in subparagraph (B), nothing in the
39 wording of the notices required by subparagraph (A) is intended
40 to modify or create any substantive rights or obligations for any

1 person providing, or specified in, either of the required notices.
2 Failure to comply with subparagraph (A) or (B) shall not invalidate
3 any sale that would otherwise be valid under this section.

4 (D) Information provided pursuant to subparagraph (A) does
5 not constitute the public declaration required by subdivision (d)
6 of Section 2924g.

7 (9) If the sale of the property is to be a unified sale as provided
8 in subparagraph (B) of paragraph (1) of subdivision (a) of Section
9 9604 of the Commercial Code, the notice of sale shall also contain
10 a description of the personal property or fixtures to be sold. In the
11 case where it is contemplated that all of the personal property or
12 fixtures are to be sold, the description in the notice of the personal
13 property or fixtures shall be sufficient if it is the same as the
14 description of the personal property or fixtures contained in the
15 agreement creating the security interest in or encumbrance on the
16 personal property or fixtures or the filed financing statement
17 relating to the personal property or fixtures. In all other cases, the
18 description in the notice shall be sufficient if it would be a
19 sufficient description of the personal property or fixtures under
20 Section 9108 of the Commercial Code. Inclusion of a reference to
21 or a description of personal property or fixtures in a notice of sale
22 hereunder shall not constitute an election by the secured party to
23 conduct a unified sale pursuant to subparagraph (B) of paragraph
24 (1) of subdivision (a) of Section 9604 of the Commercial Code,
25 shall not obligate the secured party to conduct a unified sale
26 pursuant to subparagraph (B) of paragraph (1) of subdivision (a)
27 of Section 9604 of the Commercial Code, and in no way shall
28 render defective or noncomplying either that notice or a sale
29 pursuant to that notice by reason of the fact that the sale includes
30 none or less than all of the personal property or fixtures referred
31 to or described in the notice. This paragraph shall not otherwise
32 affect the obligations or duties of a secured party under the
33 Commercial Code.

34 (c) (1) This subdivision applies only to deeds of trust or
35 mortgages which contain a power of sale and which are secured
36 by real property containing a single-family, owner-occupied
37 residence, where the obligation secured by the deed of trust or
38 mortgage is contained in a contract for goods or services subject
39 to the provisions of the Unruh Act (Chapter 1 (commencing with
40 Section 1801) of Title 2 of Part 4 of Division 3).

(2) Except as otherwise expressly set forth in this subdivision, all other provisions of law relating to the exercise of a power of sale shall govern the exercise of a power of sale contained in a deed of trust or mortgage described in paragraph (1).

(3) If any default of the obligation secured by a deed of trust or mortgage described in paragraph (1) has not been cured within 30 days after the recordation of the notice of default, the trustee or mortgagee shall mail to the trustor or mortgagor, at their last known address, a copy of the following statement:

YOU ARE IN DEFAULT UNDER A

_____,
(Deed of trust or mortgage)
DATED _____. UNLESS YOU TAKE ACTION TO PROTECT
YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE.
IF YOU NEED AN EXPLANATION OF THE NATURE OF THE
PROCEEDING AGAINST YOU, YOU SHOULD CONTACT
A LAWYER.

(4) All sales of real property pursuant to a power of sale contained in any deed of trust or mortgage described in paragraph (1) shall be held in the county where the residence is located and shall be made to the person making the highest offer. The trustee may receive offers during the 10-day period immediately prior to the date of sale and if any offer is accepted in writing by both the trustor or mortgagor and the beneficiary or mortgagee prior to the time set for sale, the sale shall be postponed to a date certain and prior to which the property may be conveyed by the trustor to the person making the offer according to its terms. The offer is revocable until accepted. The performance of the offer, following acceptance, according to its terms, by a conveyance of the property to the offeror, shall operate to terminate any further proceeding under the notice of sale and it shall be deemed revoked.

(5) In addition to the trustee fee pursuant to Section 2924c, the trustee or mortgagee pursuant to a deed of trust or mortgage subject to this subdivision shall be entitled to charge an additional fee of fifty dollars (\$50).

(6) This subdivision applies only to property on which notices of default were filed on or after the effective date of this subdivision.

1 (d) With respect to residential real property containing no more
2 than four dwelling units, a separate document containing a
3 summary of the notice of sale information in English and the
4 languages described in Section 1632 shall be attached to the notice
5 of sale provided to the mortgagor or trustor pursuant to Section
6 2923.3.

7 (e) (1) With respect to residential real property containing no
8 more than four dwelling units that is subject to a power of sale
9 contained in any deed of trust or mortgage, a sale of the property
10 under the power of sale shall not be conducted until the expiration
11 of an additional 45 days following the scheduled date of sale
12 pursuant to subdivision (a) or (c) of Section 2924g if the trustee
13 receives, at least five business days before the scheduled date of
14 sale, from the mortgagor or trustor, by certified mail with the
15 United States Postal Service or by another overnight mail courier
16 service with tracking information that confirms the recipient's
17 signature and the date and time of receipt and delivery, a listing
18 agreement with a California licensed real estate broker to be placed
19 in a publicly available marketing platform for the sale of the
20 property at least five business days before the scheduled date of
21 sale. The provisions of this paragraph shall not be used to postpone
22 the scheduled sale date more than once.

23 (2) If a scheduled date of sale is postponed pursuant to paragraph
24 (1), the trustor's or mortgagor's right to reinstate the account shall
25 be extended, calculated pursuant to subdivision (e) of Section
26 2924c based on the new scheduled date of sale.

27 (3) If a scheduled date of sale has been postponed pursuant to
28 paragraph (1) and the trustee receives, at least five business days
29 before the scheduled date of sale, from the mortgagor or trustor,
30 by certified mail with the United States Postal Service or by another
31 overnight mail courier service with tracking information that
32 confirms the recipient's signature and the date and time of receipt
33 and delivery, a copy of a purchase agreement for the sale of the
34 property at least five business days before the scheduled sale, the
35 trustee shall postpone the scheduled date of sale to a date that is
36 at least 45 days after the date on which the purchase agreement
37 was received by the trustee. The provisions of this paragraph shall
38 not be used to postpone the scheduled sale date more than once.

39 (4) For purposes of this subdivision, "purchase agreement"
40 means a bona fide and fully executed contract for the sale of the

1 property that is subject to a power of sale with a purchase price
2 amount equal to or greater than the amount of the unpaid balance
3 of all obligations of record secured by the property that includes
4 the name of the buyer, the sales price, the agreed closing date, and
5 acceptance by the designated escrow agent.

6 (f) (1) With respect to residential real property containing no
7 more than four dwelling units that is subject to a power of sale
8 contained in a first lien deed of trust or mortgage, the mortgagee,
9 beneficiary, or authorized agent shall provide to the trustee a fair
10 market value of the property at least 10 days prior to the initially
11 scheduled date of sale, and the trustee shall not sell the property
12 at the initially scheduled date of sale for less than 67 percent of
13 that fair market value of the property. The trustee may rely on the
14 fair market value provided pursuant to this paragraph, and shall
15 not have a duty to verify the source or accuracy of the valuation.

16 (2) If the property remains unsold after the initial trustee's sale
17 pursuant to paragraph (1), then the trustee shall postpone the sale
18 for at least seven days, and the property may be sold to the highest
19 bidder.

20 (3) For purposes of this subdivision, "fair market value of the
21 property" means an estimate of the fair market value of the property
22 made within six months of the initially scheduled date of sale and
23 determined by an opinion of a licensed real estate broker, an
24 appraisal from a licensed appraiser, a value from a commercially
25 utilized automated valuation model, or a value from a computerized
26 property valuation system that is used to derive a real property
27 value.

28 (4) A failure to comply with the provisions of paragraph (1)
29 shall not affect the validity of a trustee's sale or a sale to a bona
30 fide purchaser for value.

31 (5) The provisions of this subdivision shall apply to the initial
32 trustee's sale for each notice of sale issued pursuant to subdivision
33 ~~(b) of Section 2924f.~~ (b).

34 (g) This section shall be operative January 1, 2031.

35 SEC. 35. Section 3111 of the Civil Code is amended to read:

36 3111. On or before January 1, 2026, and before each time
37 thereafter that a generative artificial intelligence system or service,
38 or a substantial modification to a generative artificial intelligence
39 system or service, released on or after January 1, 2022, is made
40 publicly available to Californians for use, regardless of whether

1 the terms of that use include compensation, the developer of the
2 system or service shall post on the developer's internet website
3 documentation regarding the data used by the developer to train
4 the generative artificial intelligence system or service, including,
5 but not be limited to, all of the following:

6 (a) A high-level summary of the datasets used in the
7 development of the generative artificial intelligence system or
8 service, including, but not limited to:

9 (1) The sources or owners of the datasets.

10 (2) A description of how the datasets further the intended
11 purpose of the artificial intelligence system or service.

12 (3) The number of data points included in the datasets, which
13 may be in general ranges, and with estimated figures for dynamic
14 datasets.

15 (4) A description of the types of data points within the datasets.
16 For purposes of this paragraph, the following definitions apply:

17 (A) As applied to datasets that include labels, "types of data
18 points" means the types of labels used.

19 (B) As applied to datasets without labeling, "types of data
20 points" refers to the general characteristics.

21 (5) Whether the datasets include any data protected by copyright,
22 trademark, or patent, or whether the datasets are entirely in the
23 public domain.

24 (6) Whether the datasets were purchased or licensed by the
25 developer.

26 (7) Whether the datasets include personal information, as defined
27 in subdivision (v) of Section 1798.140.

28 (8) Whether the datasets include aggregate consumer
29 information, as defined in subdivision (b) of Section 1798.140.

30 (9) Whether there was any cleaning, processing, or other
31 modification to the datasets by the developer, including the
32 intended purpose of those efforts in relation to the artificial
33 intelligence system or service.

34 (10) The time period during which the data in the datasets were
35 collected, including a notice if the data collection is ongoing.

36 (11) The dates the datasets were first used during the
37 development of the artificial intelligence system or service.

38 (12) Whether the generative artificial intelligence system or
39 service used or continuously uses synthetic data generation in its
40 development. A developer may include a description of the

1 functional need or desired purpose of the synthetic data in relation
2 to the intended purpose of the system or service.

3 (b) A developer shall not be required to post documentation
4 regarding the data used to train a generative artificial intelligence
5 system or service for any of the following:

6 (1) A generative artificial intelligence system or service whose
7 sole purpose is to help ensure security and integrity. For purposes
8 of this paragraph, “security and integrity” has the same meaning
9 as defined in subdivision (ac) of Section 1798.140, except as
10 applied to any developer or user and not limited to businesses, as
11 defined in subdivision (d) of that section.

12 (2) A generative artificial intelligence system or service whose
13 sole purpose is the operation of aircraft in the national airspace.

14 (3) A generative artificial intelligence system or service
15 developed for national security, military, or defense purposes that
16 is made available only to a federal entity.

17 SEC. 36. Section 3480 of the Civil Code is amended to read:

18 ~~{3480.}~~

19 ~~3480. Section Thirty-four Hundred and Eighty.—~~A public
20 nuisance is one which affects at the same time an entire community
21 or neighborhood, or any considerable number of persons, although
22 the extent of the annoyance or damage inflicted upon individuals
23 may be unequal.

24 SEC. 37. Section 5115 of the Civil Code is amended to read:

25 5115. (a) An association shall provide general notice of the
26 procedure and deadline for submitting a nomination at least 30
27 days before any deadline for submitting a nomination. Individual
28 notice shall be delivered pursuant to Section 4040 if individual
29 notice is requested by a member. This subdivision shall only apply
30 to elections of directors and to recall elections.

31 (b) For elections of directors and for recall elections, an
32 association shall provide general notice of all of the following at
33 least 30 days before the ballots are distributed:

34 (1) The date and time by which, and the physical address where,
35 ballots are to be returned by mail or handed to the inspector or
36 inspectors of elections.

37 (2) If the association allows for voting in an election by
38 electronic secret ballot as provided for in Section 5105, the date
39 and time by which electronic secret ballots are to be transmitted
40 to the internet-based voting system and preliminary instructions

1 on how to vote by electronic secret ballot upon commencement
2 of the voting period.

3 (3) The date, time, and location of the meeting at which a
4 quorum will be determined, if the association's governing
5 documents require a quorum, and at which ballots will be counted.

6 (4) The list of all candidates' names that will appear on the
7 ballot.

8 (5) Individual notice of the above paragraphs shall be delivered
9 pursuant to Section 4040 if individual notice is requested by a
10 member.

11 (6) (A) If the association's governing documents require a
12 quorum for an election of directors, a statement that the association
13 may call a reconvened meeting to be held at least 20 days after a
14 scheduled election if the required quorum is not reached, at which
15 time the quorum of the membership to elect directors will be 20
16 percent of the association's members, voting in person, by proxy,
17 or by secret ballot.

18 (B) This paragraph shall not apply if the governing documents
19 of the association provide for a quorum lower than 20 percent.

20 (c) Ballots and two preaddressed envelopes with instructions
21 on how to return ballots shall be mailed by first-class mail or
22 delivered by the association to every member not less than 30 days
23 prior to the deadline for voting, unless an association conducts an
24 election by electronic secret ballot as provided for in Section 5105,
25 in which case only members who will vote by written secret ballot
26 pursuant to Section 5105 shall be mailed or delivered the ballots
27 and envelopes. In order to preserve confidentiality, a voter may
28 not be identified by name, address, or lot, parcel, or unit number
29 on the ballot. The association shall use as a model those procedures
30 used by California counties for ensuring confidentiality of vote by
31 mail ballots, including both of the following:

32 (1) The ballot itself is not signed by the voter, but is inserted
33 into an envelope that is sealed. This envelope is inserted into a
34 second envelope that is sealed. In the upper left-hand corner of the
35 second envelope, the voter shall sign the voter's name, indicate
36 the voter's name, and indicate the address or separate interest
37 identifier that entitles the voter to vote.

38 (2) The second envelope is addressed to the inspector or
39 inspectors of elections, who will be tallying the votes. The envelope
40 may be mailed or delivered by hand to a location specified by the

1 inspector or inspectors of elections. The member may request a
2 receipt for delivery.

3 (d) (1) A quorum shall be required only if so stated in the
4 governing documents or other provisions of law. If a quorum is
5 required by the governing documents, each ballot received by the
6 inspector or inspectors of elections shall be treated as a member
7 present at a meeting for purposes of establishing a quorum.

8 (2) For an election of directors of an association, and in the
9 absence of meeting a quorum as required by the association's
10 governing documents or Section 7512 of the Corporations Code,
11 unless a lower quorum for a reconvened meeting is authorized by
12 the association's governing documents, the association may adjourn
13 the meeting to a date at least 20 days after the adjourned meeting,
14 at which time the quorum required for purposes of a reconvened
15 meeting to elect directors shall be 20 percent of the association's
16 members, voting in person, by proxy, or by secret ballot.

17 (3) No less than 15 days prior to the date of the reconvened
18 meeting described in paragraph (2), the association shall provide
19 general notice of the reconvened meeting, which shall include:

20 (A) The date, time, and location of the meeting.

21 (B) The list of all candidates.

22 (C) Unless the association's governing documents provide for
23 a lower quorum, a statement that 20 percent of the association's
24 members, voting in person, by proxy, or secret ballot will satisfy
25 the quorum requirements for the election of directors at that
26 reconvened meeting and that the ballots will be counted if a quorum
27 is reached, if the association's governing documents require a
28 quorum.

29 (e) An association shall allow for cumulative voting using the
30 secret ballot procedures provided in this section, if cumulative
31 voting is provided for in the governing documents.

32 (f) Notwithstanding any contrary provision in the governing
33 documents, except for the meeting to count the votes required in
34 subdivision (a) of Section 5120, an election may be conducted
35 entirely by mail, electronic secret ballot, or a combination of mail
36 and electronic secret ballot, pursuant to Section 5105.

37 (g) (1) Except as provided in paragraph (2), in an election to
38 approve an amendment of the governing documents, the text of
39 the proposed amendment shall be delivered to the members with
40 the ballot.

(2) Notwithstanding paragraph (1), if an association conducts an election to approve an amendment of governing documents by electronic secret ballot, the association may deliver, by electronic means, the text of the proposed amendment to those members who vote by electronic secret ballot, pursuant to Section 5105. The association shall also deliver a written copy of the text of the proposed amendment to those members upon request and without charge. If a member votes by written secret ballot, pursuant to Section 5105, the association shall deliver a written copy of the text of the proposed amendment to the member with the ballot.

SEC. 38. Section 8 of the Corporations Code is amended to read:

8. Writing includes any form of recorded message capable of comprehension by ordinary visual means; and when used to describe communications between a corporation, partnership, or limited liability company and its shareholders, members, partners, directors, or managers, writing shall include electronic transmissions by and to a corporation (Sections 20 and 21), electronic transmissions by and to a partnership (Section 16101), and electronic transmissions by and to a limited liability company ~~(paragraphs (1) and (2) of subdivision (c) of Section 17001)~~. *(Section 17701.02)*. Whenever any notice, report, statement, or record is required or authorized by this code, it shall be made in writing in the English language.

Wherever any notice or other communication is required by this code to be mailed by registered mail by or to any person or corporation, the mailing of such notice or other communication by certified mail shall be deemed to be a sufficient compliance with the requirements of law.

SEC. 39. Section 5510 of the Corporations Code is amended to read:

5510. (a) Meetings of members may be held at a place within or without this state as may be stated in or fixed in accordance with the bylaws. If no other place is stated or so fixed, meetings of members shall be held at the principal office of the corporation. Subject to any limitations in the articles or the bylaws of the corporation, if authorized by the board of directors in its sole discretion, and subject to those guidelines and procedures as the board of directors may adopt, members not physically present in person (or, if proxies are allowed, by proxy) at a meeting of

1 members may, by electronic transmission by and to the corporation
2 (Sections 20 and 21), electronic video screen communication,
3 conference telephone, or other means of remote communication,
4 participate in a meeting of members, be deemed present in person
5 (or, if proxies are allowed, by proxy), and vote at a meeting of
6 members, subject to subdivision (f).

7 (b) A regular meeting of members shall be held on a date, time,
8 and with the frequency stated in or fixed in accordance with the
9 bylaws, but in any event in each year in which directors are to be
10 elected at that meeting for the purpose of conducting such election,
11 and to transact any other proper business which may be brought
12 before the meeting.

13 (c) If a corporation with members is required by subdivision
14 (b) to hold a regular meeting and fails to hold the regular meeting
15 for a period of 60 days after the date designated therefor or, if no
16 date has been designated, for a period of 15 months after the
17 formation of the corporation, or after its last regular meeting, or
18 if the corporation fails to hold a written ballot for a period of 60
19 days after the date designated therefor, then the superior court of
20 the proper county may summarily order the meeting to be held or
21 the ballot to be conducted upon the application of a member or the
22 Attorney General, after notice to the corporation giving it an
23 opportunity to be heard.

24 (d) The votes represented, either in person (or, if proxies are
25 allowed, by proxy), at a meeting called or by written ballot ordered
26 pursuant to subdivision (c), and entitled to be cast on the business
27 to be transacted shall constitute a quorum, notwithstanding any
28 provision of the articles or bylaws or in this part to the contrary.
29 The court may issue such orders as may be ~~appropriate~~ *appropriate*,
30 including, without limitation, orders designating the time and place
31 of the meeting, the record date for determination of members
32 entitled to vote, and the form of notice of the meeting.

33 (e) Special meetings of members for any lawful purpose may
34 be called by the board, the chairperson of the board, the president,
35 or such other persons, if any, as are specified in the bylaws. In
36 addition, special meetings of members for any lawful purpose may
37 be called by 5 percent or more of the members.

38 (f) A meeting of the members may be conducted, in whole or
39 in part, by electronic transmission by and to the corporation,
40 electronic video screen communication, conference telephone, or

1 other means of remote communication if the corporation
2 implements reasonable measures: (1) to provide members and
3 proxyholders, if proxies are allowed, a reasonable opportunity to
4 participate in the meeting and to vote on matters submitted to the
5 members, including an opportunity to read or hear the proceedings
6 of the meeting concurrently with those proceedings, (2) if any
7 member or proxyholder, if proxies are allowed, votes or takes other
8 action at the meeting by means of electronic transmission to the
9 corporation, electronic video screen communication, conference
10 telephone, or other means of remote communication, to maintain
11 a record of that vote or action in its books and records, and (3) to
12 verify that each person who has voted remotely is a member or
13 proxyholder, if proxies are allowed. A corporation shall not conduct
14 a meeting of members solely by electronic transmission by and to
15 the corporation, electronic video screen communication, conference
16 telephone, or other means of remote communication unless one
17 or more of the following conditions apply: (A) all of the members
18 consent; (B) the board determines it is necessary or appropriate
19 because of an emergency, as defined in paragraph (5) of subdivision
20 (n) of Section 5140; or (C) notwithstanding the absence of consent
21 from all members pursuant to (A) or subdivision (b) of Section
22 20, the meeting includes a live audiovisual feed for the duration
23 of the meeting. A corporation holding a meeting pursuant to (C)
24 may offer, in addition to remote audiovisual feed, an audio-only
25 means by which a member or proxyholder may participate provided
26 that the choice between participating via audiovisual or via
27 audio-only means is made by the member or proxyholder and the
28 corporation does not impose any barriers to either mode of
29 participation. A de minimis disruption of an audio or audiovisual
30 feed does not require a corporation to end a meeting under, or
31 render the corporation out of compliance with, this subdivision.

32 SEC. 40. Section 7510 of the Corporations Code is amended
33 to read:

34 7510. (a) Meetings of members may be held at a place within
35 or without this state as may be stated in or fixed in accordance
36 with the bylaws. If no other place is stated or so fixed, meetings
37 of members shall be held at the principal office of the corporation.
38 Subject to any limitations in the articles or bylaws of the
39 corporation, if authorized by the board of directors in its sole
40 discretion, and subject to those guidelines and procedures as the

1 board of directors may adopt, members not physically present in
2 person (or, if proxies are allowed, by proxy) at a meeting of
3 members may, by electronic transmission by and to the corporation
4 (Sections 20 and 21), electronic video screen communication,
5 conference telephone, or other means of remote communication,
6 participate in a meeting of members, be deemed present in person
7 (or, if proxies are allowed, by proxy), and vote at a meeting of
8 members, subject to subdivision (f).

9 (b) A regular meeting of members shall be held on a date and
10 time, and with the frequency stated in or fixed in accordance with
11 the bylaws, but in any event in each year in which directors are to
12 be elected at that meeting for the purpose of conducting such
13 election, and to transact any other proper business which may be
14 brought before the meeting.

15 (c) If a corporation with members is required by subdivision
16 (b) to hold a regular meeting and fails to hold the regular meeting
17 for a period of 60 days after the date designated therefor or, if no
18 date has been designated, for a period of 15 months after the
19 formation of the corporation or after its last regular meeting, or if
20 the corporation fails to hold a written ballot for a period of 60 days
21 after the date designated therefor, then the superior court of the
22 proper county may summarily order the meeting to be held or the
23 ballot to be conducted upon the application of a member or the
24 Attorney General, after notice to the corporation giving it an
25 opportunity to be heard.

26 (d) The votes represented, either in person (or, if proxies are
27 allowed, by proxy), at a meeting called or by written ballot ordered
28 pursuant to subdivision (c), and entitled to be cast on the business
29 to be transacted shall constitute a quorum, notwithstanding any
30 provision of the articles or bylaws or in this part to the contrary.
31 The court may issue such orders as may be ~~appropriate~~ *appropriate*,
32 including, without limitation, orders designating the time and place
33 of the meeting, the record date for determination of members
34 entitled to vote, and the form of notice of the meeting.

35 (e) Special meetings of members for any lawful purpose may
36 be called by the board, the chairperson of the board, the president,
37 or such other persons, if any, as are specified in the bylaws. In
38 addition, special meetings of members for any lawful purpose may
39 be called by 5 percent or more of the members.

(f) A meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the corporation, electronic video screen communication, conference telephone, or other means of remote communication if the corporation implements reasonable measures: (1) to provide members and proxyholders, if proxies are allowed, a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting concurrently with those proceedings, (2) if any member or proxyholder, if proxies are allowed, votes or takes other action at the meeting by means of electronic transmission to the corporation, electronic video screen communication, conference telephone, or other means of remote communication, to maintain a record of that vote or action in its books and records, and (3) to verify that each person who has voted remotely is a member or proxyholder, if proxies are allowed. A corporation shall not conduct a meeting of members solely by electronic transmission by and to the corporation, electronic video screen communication, conference telephone, or other means of remote communication unless one or more of the following conditions apply: (A) all of the members consent; (B) the board determines it is necessary or appropriate because of an emergency, as defined in paragraph (5) of subdivision (m) of Section 7140; or (C) notwithstanding the absence of consent from all members pursuant to (A) or subdivision (b) of Section 20, the meeting includes a live audiovisual feed for the duration of the meeting. A corporation holding a meeting pursuant to (C) may offer, in addition to remote audiovisual feed, an audio-only means by which a member or proxyholder may participate provided that the choice between participating via audiovisual or via audio-only means is made by the member or proxyholder and the corporation does not impose any barriers to either mode of participation. A de minimis disruption of an audio or audiovisual feed does not require a corporation to end a meeting under, or render the corporation out of compliance with, this subdivision.

SEC. 41. Section 12460 of the Corporations Code is amended to read:

12460. (a) Meetings of members may be held at a place within or without this state that is stated in or fixed in accordance with the bylaws. If no other place is so stated or fixed, meetings of members shall be held at the principal office of the corporation.

1 Subject to any limitations in the articles or bylaws of the
2 corporation, if authorized by the board of directors in its sole
3 discretion, and subject to those guidelines and procedures as the
4 board of directors may adopt, members not physically present in
5 person at a meeting of members may, by electronic transmission
6 by and to the corporation (Sections 20 and 21), electronic video
7 screen communication, conference telephone, or other means of
8 remote communication, participate in a meeting of members, be
9 deemed present in person, and vote at a meeting of members,
10 subject to subdivision (f).

11 (b) Except as provided in Section 12460.5, a regular meeting
12 of members shall be held annually. In any year in which directors
13 are elected, the election shall be held at the regular meeting unless
14 the directors are chosen in some other manner authorized by law.
15 Any other proper business may be transacted at the meeting.

16 (c) If a corporation fails to hold the regular meeting for a period
17 of 60 days after the date designated therefor or, if no date has been
18 designated, for a period of 15 months after the formation of the
19 corporation or after its last regular meeting, or if the corporation
20 fails to hold a written ballot for a period of 60 days after the date
21 designated therefor, then the superior court of the proper county
22 may summarily order the meeting to be held or the ballot to be
23 conducted upon the application of a member, after notice to the
24 corporation giving it an opportunity to be heard.

25 (d) The votes represented at a meeting called or by written ballot
26 ordered pursuant to subdivision (c) and entitled to be cast on the
27 business to be transacted shall constitute a quorum, notwithstanding
28 any provision of the articles or bylaws or provision in this part to
29 the contrary. The court may issue such orders as may be ~~appropriate~~
30 *appropriate*, including, without limitation, orders designating the
31 time and place of the meeting, the record date for determination
32 of members entitled to vote, and the form of notice of the meeting.

33 (e) Special meetings of members for any lawful purpose may
34 be called by the board, the chairperson of the board, the president,
35 or other persons, if any, as are specified in the bylaws. In addition,
36 special meetings of members for any lawful purpose may be called
37 by 5 percent or more of the members, however, in a worker
38 cooperative with more than four worker-members, a special
39 meeting may only be called by the greater of three worker-members
40 or 5 percent of the worker-members. In a worker cooperative with

1 fewer than four worker-members, special meetings may be called
2 by one worker-member.

3 (f) A meeting of the members may be conducted, in whole or
4 in part, by electronic transmission by and to the corporation, by
5 electronic video screen communication, conference telephone, or
6 other means of remote communication if the corporation
7 implements reasonable measures: (1) to provide members a
8 reasonable opportunity to participate in the meeting and to vote
9 on matters submitted to the members, including an opportunity to
10 read or hear the proceedings of the meeting concurrently with those
11 proceedings, (2) if any member votes or takes other action at the
12 meeting by means of electronic transmission to the corporation,
13 electronic video screen communication, conference telephone, or
14 other means of remote communication, to maintain a record of
15 that vote or action in its books and records, and (3) to verify that
16 each person who has voted remotely is a member. A corporation
17 shall not conduct a meeting of members solely by electronic
18 transmission by and to the corporation, electronic video screen
19 communication, conference telephone, or other means of remote
20 communication unless one or more of the following conditions
21 apply: (A) all of the members consent; (B) the board determines
22 it is necessary or appropriate because of an emergency, as defined
23 in paragraph (5) of subdivision (m) of Section 12320; or (C)
24 notwithstanding the absence of consent from all members pursuant
25 to (A) or subdivision (b) of Section 20, the meeting includes a live
26 audiovisual feed for the duration of the meeting. A corporation
27 holding a meeting pursuant to (C) may offer, in addition to remote
28 audiovisual feed, an audio-only means by which a member may
29 participate provided that the choice between participating via
30 audiovisual or via audio-only means is made by the member and
31 the corporation does not impose any barriers to either mode of
32 participation. A de minimis disruption of an audio or audiovisual
33 feed does not require a corporation to end a meeting under, or
34 render the corporation out of compliance with, this subdivision.

35 SEC. 42. Section 8222 of the Education Code is amended to
36 read:

37 8222. (a) Notwithstanding any other provision of this chapter
38 to the contrary, the department shall do all of the following:

39 (1) Provide prospective California state preschool program
40 contractors an equitable opportunity to establish ~~a trained~~

1 ~~workforce~~ *trained workforces* and administrative systems, and
2 technical assistance on how to meet the requirements of Title 5 of
3 the California Code of Regulations, including applicants that meet
4 either of the following:

5 (A) The applicant has not received a California state preschool
6 program contract within the last five years.

7 (B) The applicant has not previously received a California state
8 preschool program contract.

9 (2) Develop early learning resources, including, but not limited
10 to, early learning resources regarding all of the following:

11 (A) The importance of early learning to improve school
12 readiness for kindergarten and pupil outcomes in elementary and
13 secondary schools.

14 (B) Best practices of existing successful early learning programs.

15 (C) Information on statutes and regulations pertaining to early
16 learning programs.

17 (D) Instructions for paper and electronic applications for
18 administrative and funding purposes relating to operating an early
19 learning program, including requests for applications.

20 (3) Develop and communicate guidance to inform prospective
21 and existing universal preschools, as defined in Section 8320,
22 about current flexibilities available to serve children in
23 mixed-income settings, such as through combining public funding
24 and private tuition.

25 (4) Develop and implement a proactive one-time three-year
26 outreach, capacity building, training, and technical assistance plan
27 that shall target prospective and new contractors, and which shall
28 include, but not be limited to, a plan for application technical
29 assistance for prospective first-time California state preschool
30 program contractors. The plan shall include both web-based and
31 in-person opportunities for training and technical assistance.

32 (5) Disseminate information regarding training and technical
33 assistance events, trainings, and resources through multiple
34 communication channels, including, but not limited to, letters,
35 departmental LISTSERVs, and social media.

36 (6) (A) Create, for purposes of more effective outreach and
37 communication and to provide more services and educational
38 opportunities to three- and four-year-old children, a separate
39 webpage on its internet website that shall include, but not be limited
40 to, all of the following:

1 (i) Detailed information on starting, funding, and operating a
2 California state preschool program.

3 (ii) Existing resources from the department pertaining to
4 technical assistance for early learning programs, including past
5 and upcoming webinars and events.

6 (iii) The early learning resources described in paragraph (2).

7 (iv) Dates and times of upcoming trainings and technical
8 assistance events conducted pursuant to paragraph (4).

9 (v) Online electronic applications.

10 (B) The department shall complete the webpage described in
11 subparagraph (A), and make it publicly accessible, on or before
12 January 1, 2026. The department shall annually update the
13 webpage, including, but not limited to, updating the webpage to
14 reflect any new or revised statutes or regulations.

15 (C) The department may modify the California state preschool
16 program request for application requirements to simplify and
17 streamline the application process for prospective California state
18 preschool program contractors.

19 (b) This section shall only become operative upon appropriation
20 by the Legislature for its purposes.

21 SEC. 43. Section 8242 of the Education Code is amended to
22 read:

23 8242. (a) The department, in collaboration with the State
24 Department of Social Services, shall implement a reimbursement
25 system plan that establishes reasonable standards and assigned
26 reimbursement rates, which vary with the length of the program
27 year and the hours of service.

28 (1) Parent fees shall be used to pay reasonable and necessary
29 costs for providing additional services.

30 (2) The department may establish any regulations deemed
31 advisable concerning conditions of service and hours of enrollment
32 for children in the programs.

33 (b) (1) (A) Commencing July 1, 2021, the standard
34 reimbursement rate shall be twelve thousand nine hundred
35 sixty-eight dollars (\$12,968).

36 (B) Commencing July 1, 2021, the standard reimbursement rate
37 for part-day California state preschool programs shall be five
38 thousand six hundred twenty-one dollars (\$5,621).

39 (2) Commencing in the 2022–23 fiscal year, the standard
40 reimbursement rates described in paragraph (1) shall be increased

1 by the cost-of-living adjustment granted by the Legislature annually
2 pursuant to Section 42238.15.

3 (c) (1) Commencing January 1, 2022, contractors who, as of
4 December 31, 2021, received the standard reimbursement rate
5 established in this section shall be reimbursed at the greater of the
6 following:

7 (A) The 75th percentile of the 2018 regional market rate survey.

8 (B) The contract per-child reimbursement amount as of
9 December 31, 2021, as increased by the cost-of-living adjustment
10 pursuant to paragraph (2) of subdivision (b).

11 (2) Commencing July 1, 2022, subject to available funding, the
12 department may issue temporary rate increases to contractors that
13 exceed the rates specified in paragraph (1) and the reimbursement
14 rate supplements described in Section 51 of Chapter 571 of the
15 Statutes of 2022.

16 (3) In accordance with federal requirements for Child Care
17 Stabilization Grants appropriated pursuant to the federal American
18 Rescue Plan Act of 2021 (Public Law 117-2), contractors shall
19 provide information via a one-time application or survey in advance
20 of receiving American Rescue Plan Act funds. The department
21 shall specify the timeline and format in which this information
22 shall be submitted, and the information shall include, but not be
23 limited to, all of the following:

24 (A) Address, including ZIP Code.

25 (B) Race and ethnicity.

26 (C) Gender.

27 (D) Whether the provider is open and available to provide
28 childcare services or closed due to the COVID-19 public health
29 emergency.

30 (E) What types of federal relief funds have been received from
31 the state.

32 (F) Use of federal relief funds received.

33 (G) Documentation that the provider met certifications as
34 required by federal law.

35 (4) Rate increases shall be subject to federal usage limitations
36 and federal and state program eligibility requirements.

37 (d) (1) Notwithstanding subdivisions (b) and (c), for the
38 2023–24 fiscal year and the 2024–25 fiscal year, the cost-of-living
39 adjustment required pursuant to subdivisions (b) and (c) shall
40 instead be zero.

1 (2) It is the intent of the Legislature that any adjustments in the
2 2023–24 fiscal year and the 2024–25 fiscal years related to
3 reimbursement for programs funded pursuant to this section will
4 be subject to a ratified agreement, and subject to future legislation
5 providing for appropriations related to the ~~budget bill~~. *Budget Bill*.

6 SEC. 44. Section 10864 of the Education Code is amended to
7 read:

8 10864. (a) The data system shall be governed by a governing
9 board composed of the following 21 members:

10 (1) The Superintendent of Public Instruction or the
11 Superintendent’s designee.

12 (2) The Chancellor of the California Community Colleges or
13 the chancellor’s designee.

14 (3) The Chancellor of the California State University or the
15 chancellor’s designee.

16 (4) The President of the University of California or the
17 president’s designee.

18 (5) The President of the Association of Independent California
19 Colleges and Universities or the president’s designee.

20 (6) The Chief of the Bureau for Private Postsecondary Education
21 or the chief’s designee.

22 (7) The Executive Director of the Student Aid Commission or
23 the executive director’s designee.

24 (8) The Executive Director of the Commission on Teacher
25 Credentialing or the executive director’s designee.

26 (9) The Secretary of California Health and Human Services or
27 the secretary’s designee.

28 (10) The Secretary of Labor and Workforce Development or
29 the secretary’s designee.

30 (11) Four public members, to be appointed by the Governor, as
31 follows:

32 (A) Two elementary and secondary education practitioners to
33 serve as a representative of elementary and secondary educators,
34 counselors, and administrators.

35 (B) Two members of the public who meet the requirements of
36 paragraph (1) of subdivision (c).

37 (12) Four members of the public, to be appointed by the
38 Legislature, as follows:

39 (A) Two members of the public to be appointed by the Speaker
40 of the Assembly.

1 (B) Two members of the public to be appointed by the President
2 ~~Pro~~ *pro* Tempore of the Senate.

3 (13) One Senator appointed by the President ~~Pro~~ *pro* Tempore
4 of the Senate, or the Senator's designee.

5 (14) One Assembly Member appointed by the Speaker of the
6 Assembly or the Assembly Member's designee.

7 (15) The Chief Operations Officer of California School
8 Information Services.

9 (b) A designee serving at the pleasure of a governing board
10 described in paragraphs (1) to (10), inclusive, of subdivision (a)
11 shall be qualified and authorized to make decisions on behalf of
12 the appointed member.

13 (c) All of the following shall apply to the public member
14 appointments made pursuant to paragraphs (11) and (12) of
15 subdivision (a):

16 (1) It is the intent of the Legislature that, in appointing members,
17 the appointing authority shall make every effort to ensure the
18 membership of the governing board is reflective of the cultural,
19 racial, geographical, economic, and social diversity of California,
20 taking into consideration factors including, but not limited to,
21 diversity in data user experience, diversity in expertise with
22 educational data, diversity in professional experience, and
23 representation from different geographical and socioeconomic
24 backgrounds.

25 (2) The public members shall represent the public beneficiaries
26 of the data system, including, but not limited to, practitioners,
27 families, students, adult learners and workers, community
28 organizations, research organizations, or advocates.

29 (3) A public member shall serve a term of no more than three
30 years, and shall not serve more than two consecutive terms or more
31 than six years.

32 (4) The public members shall have staggered terms.

33 (5) For the first appointment of public members to the governing
34 board only, to create staggered terms, the terms of those members
35 shall be as follows:

36 (A) The terms of the public members appointed pursuant to
37 subparagraph (A) of paragraph (11) of subdivision (a) shall be for
38 three years.

1 (B) The terms of the public members appointed pursuant to
2 subparagraph (B) of paragraph (11) of subdivision (a) shall be for
3 one year.

4 (C) The terms of the public members appointed pursuant to
5 paragraph (12) of subdivision (a) shall be for two years.

6 (d) Notwithstanding subdivisions (b) and (c), the governing
7 board may expand membership on the governing board to include
8 new data contributors and ex officio governing board members.

9 (e) (1) Institutions and persons represented on the governing
10 board pursuant to paragraphs (1) to (4), inclusive, and paragraphs
11 (6) to (10), inclusive, of subdivision (a) shall be data providers.

12 (2) Institutions and persons on the governing board described
13 in paragraphs (5) and (11) to (15), inclusive, of subdivision (a) are
14 not data providers.

15 (f) The governing board shall be subject to the Bagley-Keene
16 Open Meeting Act (Article 9 (commencing with Section 11120)
17 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
18 Code).

19 SEC. 45. Section 17586 of the Education Code is amended to
20 read:

21 17586. (a) A school district, county office of education, or
22 charter school serving pupils in kindergarten or any of grades 1 to
23 12, inclusive, that undertakes an addition, alteration, reconstruction,
24 rehabilitation, or retrofit of a school building, shall install interior
25 locks on each door of any room with an occupancy of five or more
26 persons in that school building.

27 (b) The requirement in subdivision (a) does not apply to any of
28 the following:

29 (1) Doors that are locked from the outside at all times, doors
30 with locks that lock from the inside, and pupil restrooms.

31 (2) The maintenance of a school facility for individual projects
32 or tasks under twenty thousand dollars (\$20,000).

33 (3) Projects applying for funding pursuant to Chapter 12.5
34 (commencing with Section 17070.10) of Part 10 of Division 4 for
35 a school modernization project, before January 1, 2025, and that
36 were initially submitted to the Division of the State Architect for
37 approval before January 1, 2025.

38 (c) The locks required by subdivision (a) shall conform to the
39 specifications and requirements set forth in Title 24 of the
40 California Code of Regulations.

(d) For purposes of this section, “addition,” “alteration,” “reconstruction,” “rehabilitation,” “retrofit,” “school building,” and “maintenance” have the same meaning as specified in Section 4-314 of Part 1 of Title 24 of the California Code of Regulations.

(e) The implementation of this section is contingent upon an appropriation for its purposes in the annual Budget Act or another statute.

SEC. 46. Section 33328.5 of the Education Code is amended to read:

33328.5. (a) For purposes of this section, the following definitions apply:

(1) “Artificial intelligence” means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer, from the input it receives, how to generate outputs that can influence physical or virtual environments.

(2) “Educator” means a certificated or classified employee of a local educational agency or charter school.

(3) “Local educational agency” means a school district or county office of education.

(b) The Superintendent shall convene a working group for all of the following purposes:

(1) Developing guidance on the safe and effective use of artificial intelligence in ways that benefit, and do not harm, pupils and educators.

(2) Developing a model policy, reflecting available research, for local educational agencies and charter schools regarding the safe and effective use of artificial intelligence in ways that benefit, and do not negatively impact, educational quality, pupil critical thinking and writing skills, creativity, and the essential work of educators.

(3) Identifying other ways in which the state can support educators in developing and sharing effective practices involving artificial intelligence that minimize risk and maximize benefits to pupils and educators.

(c) (1) The working group shall include all of the following:

(A) Current, credentialed public school teachers serving in elementary and secondary teaching positions.

(B) Classified public school staff.

(C) Schoolsite administrators.

1 (D) School district or county office of education administrators.

2 (E) University and community college faculty, including
3 academics with expertise in artificial intelligence and its uses in
4 education.

5 (F) Representatives of private sector business or industry, with
6 expertise in artificial intelligence and its uses in education.

7 (G) Pupils enrolled in public school.

8 (2) At least one-half of the ~~workgroup~~ *working group* shall be
9 composed of current, credentialed public school teachers serving
10 in elementary and secondary teaching positions with knowledge
11 of the use of artificial intelligence in education.

12 (d) The working group shall do all of the following:

13 (1) (A) Assess the current and future state of artificial
14 intelligence use in education, including both of the following:

15 (i) The current state of artificial intelligence used by local
16 educational agencies and charter schools, including all of the
17 following:

18 (I) Technologies most commonly in use.

19 (II) The typical cost of those technologies.

20 (III) The ownership structure of those technologies.

21 (IV) The ownership structure of pupil- and employee-created
22 materials.

23 (V) The licensing agreements for those technologies.

24 (VI) The ability to access source code for those technologies.

25 (VII) The degree to which educators were involved in the
26 decision to use artificial intelligence.

27 (VIII) Artificial intelligence as a topic of instruction in
28 developing class content.

29 (ii) Anticipated and potential developments in artificial
30 intelligence technology in education.

31 (B) (i) Conduct at least three public meetings to incorporate
32 feedback from pupils, families, and relevant stakeholders into the
33 assessment required by subparagraph (A).

34 (ii) Public meetings held pursuant to clause (i) may be held by
35 teleconference, pursuant to the procedures required by Section
36 11123 of the Government Code, for the benefit of the public and
37 the working group.

38 (2) (A) Detail current uses of artificial intelligence in education
39 settings including through the identification of all of the following:

1 (i) Examples of human-centered artificial intelligence that aid,
2 further, and improve teaching and learning, including in ways that
3 do not exacerbate existing inequities, and the work of educators.

4 (ii) Examples of human replacement artificial intelligence that
5 could negatively impact pupil development, jeopardize pupil data
6 security, or risk the jobs of educators.

7 (iii) Examples of strategies to ensure that there are opportunities
8 for stakeholders to offer meaningful feedback before any given
9 form of artificial intelligence is introduced to pupils or educators.

10 (B) In performing the work required by this subdivision, the
11 working group shall solicit input from educators and pupils on
12 their experience using the technologies identified in subparagraph
13 (A).

14 (3) On or before January 1, 2026, develop guidance for local
15 educational agencies and charter schools on the safe use of artificial
16 intelligence in education that addresses all of the following:

17 (A) Academic integrity and plagiarism.

18 (B) Acceptable and unacceptable uses of artificial intelligence
19 for pupils and educators.

20 (C) Pupil and educator data privacy and data security.

21 (D) Parent and guardian access to information that pupils enter
22 into artificial intelligence systems.

23 (E) Procurement of software that ensures the safety and privacy
24 of pupils and educators, and the protection of their data.

25 (4) On or before July 1, 2026, develop a model policy for local
26 educational agencies and charter schools regarding the safe and
27 effective use of artificial intelligence in ways that benefit, and do
28 not negatively impact, pupils and educators. This policy shall
29 include all of the following topics:

30 (A) Academic integrity and plagiarism.

31 (B) Acceptable and unacceptable uses of artificial intelligence
32 for pupils and educators.

33 (C) Pupil and educator data privacy and data security.

34 (D) Parent and guardian access to pupil information.

35 (E) Procurement of software that ensures the safety and privacy
36 of pupils and educators and their data.

37 (F) Effective use of artificial intelligence to support, and avoid
38 risk to, teaching and learning.

39 (G) Effective practices to support, and avoid risk to, educators
40 and pupils.

1 (H) Strategies to ensure that artificial intelligence does not
2 exacerbate existing inequities in the education system.

3 (I) Professional development strategies for educators on the use
4 of artificial intelligence.

5 (5) Identify other ways in which the state can support educators
6 in developing and sharing effective practices that minimize risk
7 and maximize benefits to pupils and educators, including, but not
8 limited to, establishing communities of practice on the use of
9 artificial intelligence in education.

10 (6) On or before January 1, 2027, submit a report to the
11 appropriate policy and fiscal committees of the Legislature, in
12 compliance with Section 9795 of the Government Code, presenting
13 the assessment required by paragraph (1) and any findings or
14 recommendations related to the assessment.

15 (e) The department shall post on its internet website the guidance
16 developed pursuant to paragraph (3) of subdivision (d) and the
17 model policy for local educational agencies and charter schools
18 developed pursuant to paragraph (4) of subdivision (d).

19 (f) The working group shall be subject to the Bagley-Keene
20 Open Meeting Act (Article 9 (commencing with Section 11120)
21 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
22 Code).

23 (g) The working group shall be dissolved upon submission of
24 the report required by paragraph (6) of subdivision (d) to the
25 Legislature.

26 (h) This section shall remain in effect only until January 1, 2031,
27 and as of that date is repealed.

28 SEC. 47. Section 33355 of the Education Code is amended to
29 read:

30 33355. (a) (1) On or before January 1, 2026, the department,
31 in consultation with relevant stakeholders and experts, shall
32 compile, and post on the department's internet website,
33 standardized guidelines specifying temperature thresholds or index
34 ratings that trigger modifications to pupil physical activities during
35 extreme weather conditions. The standardized guidelines shall
36 consider relevant factors, including, but not limited to, pupil ages,
37 harmful duration of exposure to extreme weather conditions,
38 overall pupil safety, and available mitigation measures.

39 (2) The department, in consultation with relevant stakeholders
40 and experts, may use existing resources or frameworks, or both,

1 about temperature thresholds or index ratings that trigger
2 modifications to pupil physical activities during extreme weather
3 conditions to meet the requirements of paragraph (1), including,
4 but not limited to, the State Department of Public Health's *Health*
5 *Guidance for Schools* on Sports and Strenuous Activities During
6 Extreme Heat, the National Weather Service's HeatRisk forecast
7 tool, and the guidelines established by the California Interscholastic
8 Federation pursuant to Section 35179.8.

9 (b) (1) On or before July 1, 2026, each local educational agency
10 shall develop, adopt, and implement weather protocols for extreme
11 weather conditions.

12 (2) The weather protocols shall incorporate the standardized
13 guidelines compiled by the department pursuant to subdivision (a)
14 and shall detail the specific measures to be taken during extreme
15 weather conditions, including, but not limited to, all of the
16 following:

17 (A) Clear criteria for determining when weather conditions are
18 considered extreme weather conditions and warrant modification
19 or cessation of outdoor physical activities.

20 (B) Procedures for monitoring weather forecasts and alerts to
21 anticipate extreme weather conditions.

22 (C) Protocols for communicating with staff, pupils, and parents
23 or guardians regarding changes to outdoor activities due to extreme
24 weather conditions.

25 (D) Designation of indoor alternative activities that can be safely
26 conducted during extreme weather conditions.

27 (E) Training for staff members on recognizing signs of
28 weather-related distress in pupils and appropriate response
29 measures.

30 (F) Coordination with relevant local agencies and experts to
31 ensure timely access to weather-related information and resources.

32 (3) The weather protocols shall be annually reviewed, evaluated,
33 and, if necessary, updated to incorporate best practices and address
34 any emerging concerns or challenges, and to reflect changes in
35 weather patterns, advances in safety practices, and feedback from
36 stakeholders.

37 (c) Commencing January 1, 2026, the department shall provide
38 technical assistance to local educational agencies in the
39 implementation of their weather protocols.

1 (d) Interscholastic athletic programs administered by the
2 California Interscholastic Federation, including their associated
3 practices and games, shall comply with the guidelines established
4 pursuant to Section 35179.8.

5 (e) For purposes of this section, the following definitions apply:

6 (1) “Extreme weather conditions” means occurrences of
7 unusually severe weather conditions, including, but not limited to,
8 periods of extreme heat, excessive precipitation, and floods, that
9 may pose significant harm to pupils.

10 (2) “Local educational agency” means a school district, county
11 office of education, or charter school.

12 (3) “Physical activity” means physical education classes, sports,
13 and athletic practices and games sponsored by a local educational
14 agency, except for those relating to an interscholastic athletic
15 program administered by the California Interscholastic Federation.

16 (f) The implementation of this section is subject to an
17 appropriation being made for purposes of this section in the annual
18 Budget Act or another statute.

19 SEC. 48. Section 42238.026 of the Education Code is amended
20 to read:

21 42238.026. (a) On or before January 1, 2026, the Legislative
22 Analyst’s Office shall submit a report to the Legislature, in
23 compliance with Section 9795 of the Government Code, on the
24 effects of changing the pupil count methodology of the local control
25 funding formula from average daily attendance to pupil enrollment.
26 The report, at a minimum, shall analyze all of the following, to
27 the extent data is available:

28 (1) The legislative history of the change from funding excused
29 absences to funding based on average daily attendance pursuant
30 to Senate Bill 727 (~~Rosenthal~~), ~~Chapter 855 of the Statutes of 1997,~~
31 *(Chapter 855 of the Statutes of 1997)*, including legislative intent
32 and any indications of inaccurate or inappropriate attendance
33 reporting of excused absences.

34 (2) The impact on attendance of the change from funding
35 excused absences to funding based on average daily attendance
36 pursuant to Senate Bill 727 (~~Rosenthal~~), ~~Chapter 855 of the Statutes~~
37 ~~of 1997,~~ *(Chapter 855 of the Statutes of 1997)*, including statewide
38 attendance, and the equity impact of this change, including
39 attendance by pupil subgroup, and attendance at local educational

1 agencies with high percentages of pupils who are English learners,
2 low-income pupils, and foster youth.

3 (3) The programmatic changes made by local educational
4 agencies to increase attendance after the switch to funding based
5 on average daily attendance pursuant to Senate Bill 727
6 (Rosenthal), Chapter 855 of the Statutes of 1997. (*Chapter 855 of*
7 *the Statutes of 1997*).

8 (4) The methods used by other states to count pupils for
9 education funding purposes and the ways in which other states
10 create incentives for local educational agencies to encourage pupil
11 attendance.

12 (5) A review of research regarding both of the following:

13 (A) Evidence-based approaches to improving pupil attendance.

14 (B) The extent to which a state's method of funding affects
15 pupil attendance rates.

16 (6) The fiscal, programmatic, and administrative impacts of
17 changing the pupil count methodology of the local control funding
18 formula from average daily attendance to pupil enrollment,
19 including the effects on the state and local educational agencies.

20 (7) The potential impacts on pupil attendance of changing the
21 pupil count methodology of the local control funding formula from
22 average daily attendance to pupil enrollment, including the effects
23 on the state and local educational agencies, including by pupil
24 grade and pupil subgroups as described in Section 52052.

25 (8) How a change to enrollment-based funding would affect
26 local educational agencies of varying sizes, locations, and pupil
27 demographics.

28 (9) Alternative methods of changing the local control funding
29 formula that would have a similar effect on local educational
30 agencies serving a higher percentage of English learners,
31 low-income pupils, and foster youth.

32 (10) Phase-in approaches to implement the cost of an
33 enrollment-based funding model over several years that do not
34 reduce the funding received by any local educational agency.

35 (11) If the pupil count methodology for the local control funding
36 formula is changed, whether the state should continue using
37 average daily attendance for the Proposition 98 funding calculation
38 and other education programs, such as lottery funding.

39 (12) The impacts on Proposition 98 and the minimum funding
40 guarantee set forth in Sections 8 and 8.5 of Article XVI of the

1 California Constitution and its implementing statutes, and the
2 ability of the local control funding formula with a pupil count
3 methodology based on pupil enrollment to fund existing and
4 ongoing public education obligations.

5 (b) The report required by subdivision (a) shall include input
6 from relevant stakeholders, as determined by the Legislative
7 Analyst's Office.

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

10 SEC. 49. Section 44260.1 of the Education Code is amended
11 to read:

12 44260.1. The minimum requirements for the five-year clear
13 designated subjects career technical education teaching credential
14 shall be all of the following:

15 (a) A valid three-year preliminary designated subjects career
16 technical education teaching credential.

17 (b) Two years of successful teaching, or the equivalent, as
18 authorized by the preliminary designated subjects career technical
19 education teaching credential.

20 (c) Completion of a program of personalized preparation as
21 approved by the commission. It is the intent of the Legislature that
22 the program of personalized preparation be consistent with whether
23 the credentialholder performs full- or part-time service.

24 (d) The study of health education, as specified in *clause (i) of*
25 *subparagraph (B) of paragraph (3) of subdivision (b) of Section*
26 *44259.*

27 (e) Completion of two semester units or passage of an
28 examination on the principles and provisions of the United States
29 Constitution, as specified in Section 44335.

30 (f) The study of computer-based technology, including the uses
31 of technology in educational settings.

32 (g) Commencing July 1, 2025, certification in cardiopulmonary
33 resuscitation (CPR) that meets the standards established by the
34 American Heart Association or the American Red Cross unless
35 the applicant has already demonstrated their certification in CPR
36 pursuant to subdivision (d) of Section 44260.

37 (h) Notwithstanding subdivision (b), the holder of a credential
38 described in this section shall satisfy the minimum experience
39 requirements established by the local educational agency for each
40 course the credentialholder is assigned to teach.

1 SEC. 50. Section 44320.5 of the Education Code is amended
2 to read:

3 44320.5. For the 2024–25 fiscal year only, the commission
4 shall submit to the Department of Finance a plan for using existing
5 funds available from the Teacher Credentials Fund to support the
6 operations of the workgroup pursuant to Section 44320.4. Upon
7 the approval of the plan by the Department of Finance, an amount
8 not to exceed seven hundred twenty-nine thousand dollars
9 ~~(\$729,0000)~~ (\$729,000) shall be made available from the Teacher
10 Credentials Fund to the commission for the operations of the
11 workgroup convened pursuant to Section 44320.4.

12 SEC. 51. Section 44395 of the Education Code is amended to
13 read:

14 44395. (a) (1) The National Board for Professional Teaching
15 Standards Certification Incentive Program is hereby established
16 to award grants to school districts for the purpose of providing
17 awards to teachers who are employed by school districts or charter
18 schools, are assigned to teach in California public schools, and
19 have attained or will attain certification from the National Board
20 for Professional Teaching Standards. Awards shall be granted to
21 the extent that funds have been appropriated for this purpose in
22 the annual Budget Act.

23 (2) (A) Commencing July 1, 2021, any teacher who has attained
24 certification from the National Board for Professional Teaching
25 Standards is eligible to receive an award of up to twenty-five
26 thousand dollars (\$25,000) if the teacher agrees to teach at a
27 high-priority school for at least five years. Teaching service before
28 July 1, 2021, may not be counted towards satisfaction of this
29 five-year commitment.

30 (B) Awards granted pursuant to this paragraph shall be disbursed
31 in annual payments of five thousand dollars (\$5,000) over a
32 five-year period. The annual payment shall be made upon
33 completion of the school year, and upon approval of a
34 district-certified application pursuant to the guidelines of
35 subdivision (c) of Section 44396.

36 (3) (A) Commencing July 1, 2021, any teacher who initiates
37 the process of pursuing a certification from the National Board for
38 Professional Teaching Standards when teaching at a high-priority
39 school is eligible to receive an award of two thousand five hundred
40 dollars (\$2,500).

1 (B) Awards granted pursuant to this paragraph shall be disbursed
2 from the department to the National Board for Professional
3 Teaching Standards. Any unused funds shall be applied to future
4 candidates.

5 (C) A teacher who receives an award pursuant to this paragraph
6 may still apply to receive funds under paragraph (2) after
7 completion of a certification from the National Board for
8 Professional Teaching Standards to the extent funds are available.

9 (4) (A) (i) Commencing July 1, 2023, any teacher who initiates
10 the process of maintenance of certification from the National Board
11 for Professional Teaching Standards when teaching at a
12 high-priority school is eligible to receive an award of four hundred
13 ninety-five dollars (\$495).

14 (ii) Awards granted pursuant to this paragraph shall be disbursed
15 from the department to the National Board for Professional
16 Teaching Standards. Any unused funds shall be applied to future
17 candidates.

18 (iii) A teacher who receives an award pursuant to this paragraph
19 may still apply to receive funds under paragraph (2).

20 (B) This paragraph may be implemented using funds
21 appropriated pursuant to Section 137 of Chapter 44 of the Statutes
22 of 2021.

23 (b) The department shall administer the awards authorized by
24 subdivision (a), and shall develop, in consultation with the
25 ~~Commission on Teacher Credentialing~~, *commission*, certification
26 and award information, criteria, procedures, and applications, all
27 of which shall be submitted to the state board for approval.
28 Amendments requested by the state board to that information,
29 criteria, procedures, and applications shall be made before the
30 dissemination of the material and the granting of any award under
31 this article.

32 (c) The department shall distribute the materials described in
33 subdivision (b) to school districts. Each school district is strongly
34 encouraged to ensure that teachers employed by the *school* district
35 or by charter schools affiliated with the *school* district are informed
36 about the program and can acquire the necessary application and
37 information materials.

38 (d) School districts are encouraged to provide for adequate
39 release time and support for a teacher to complete the certification
40 process. As a condition to providing that release time and support,

1 a school district may require that a teacher serve in a mentor teacher
2 capacity.

3 (e) For purposes of this article, the following definitions apply:

4 (1) "School district" means school district, county board of
5 education, county superintendent of schools, a state operated
6 program, including a special school, a regional occupational center
7 or program operated by a joint powers authority or a county office
8 of education, or an education program providing instruction in
9 transitional kindergarten, kindergarten, or any of grades 1 to 12,
10 inclusive, that is offered by a state agency, including the
11 Department of Youth and Community Restoration and the State
12 Department of Developmental Services.

13 (2) "High-priority school" means a school with 55 percent or
14 more of its pupils being unduplicated pupils, as defined in
15 subdivision (b) of Section 42238.02. This designation shall be
16 determined by the department.

17 SEC. 52. Section 45202 of the Education Code is amended to
18 read:

19 45202. (a) A classified employee of a school district, county
20 superintendent of schools, state special school, or community
21 college district who has been employed for a period of one calendar
22 year or more whose employment is terminated for reasons other
23 than action initiated by the employer for cause shall have the total
24 amount of earned leave of absence for illness or injury that the
25 employee accumulated with that first employing school district,
26 community college district, county superintendent of schools, or
27 state special school pursuant to Section 45191 or 88191 transferred
28 to the subsequent employing school district, county superintendent
29 of schools, *community college district*, or state special school. This
30 transfer shall be in the same manner as provided for certificated
31 employees. The subsequent employing entity shall honor a transfer
32 request made at any time during the classified employee's
33 employment with that employing entity.

34 (b) In a case where an employee was terminated as a result of
35 action initiated by the employer for cause, the transfer may be
36 made if agreed to by the governing board or body of the subsequent
37 employing entity.

38 (c) All or any part of the previous service, not separated by a
39 break in service greater than one year as of the last day of paid
40 service, may, if agreed to by the subsequent employing entity, be

1 construed to have been served with the subsequent employing
2 entity for seniority purposes, except that the previous service may
3 not be counted, for seniority purposes, when position or personnel
4 reduction is ordered, for any reason, by the governing board or
5 body of the subsequent employing entity.

6 (d) The school district, community college district, county
7 superintendent of schools, or state special school shall not adopt
8 a policy or rule, written or unwritten, which requires all classified
9 employees, or any individual classification, or group of
10 classifications of employees transferring to that school district,
11 community college district, county superintendent of schools, or
12 state special school to waive any part or all benefits that they may
13 be entitled to have transferred pursuant to this section.

14 (e) The former employing school district, county office of
15 education, state special school, or community college district shall
16 provide all of the following information when responding to a
17 request for the transfer of accumulated leave of absence for illness
18 or injury from the subsequent employing entity:

19 (1) Name and identification number for the employee requesting
20 the transfer.

21 (2) Contact information for that former employer.

22 (3) The time period of the service, including start date and end
23 date, for the employee requesting the transfer.

24 (4) The total amount of leave of absence, including any fraction
25 thereof, for illness or injury to be transferred based on the former
26 employer's workday.

27 (5) Contact information for the subsequent employing entity.

28 (6) Signature of the person completing and verifying the
29 accuracy of the information provided pursuant to this subdivision,
30 including that person's name, title, and contact information.

31 (f) This section shall apply to school districts that have adopted
32 the merit system in the same manner and effect as if it were a part
33 of Article 6 (commencing with Section 45240) of this chapter.

34 SEC. 53. Section 46392 of the Education Code is amended to
35 read:

36 46392. (a) If the average daily attendance of a school district,
37 county office of education, or charter school during a fiscal year
38 has been materially decreased during a fiscal year because of any
39 of the following, the fact shall be established to the satisfaction of
40 the Superintendent by affidavits of the members of the governing

1 board or body of the school district, county office of education, or
2 charter school and the county superintendent of schools:

3 (1) Fire.

4 (2) Flood.

5 (3) Impassable roads.

6 (4) Epidemic.

7 (5) Earthquake.

8 (6) The imminence of a major safety hazard as determined by
9 the local law enforcement agency.

10 (7) A strike involving transportation services to pupils provided
11 by a nonschool entity.

12 (8) An order provided for in Section 41422.

13 (9) Snowstorm.

14 (b) (1) In the event a state of emergency is declared by the
15 Governor in a county, a decrease in average daily attendance in
16 the county below the approximate total average daily attendance
17 that would have been credited to a school district, county office
18 of education, or charter school had the state of emergency not
19 occurred shall be deemed material. The Superintendent shall
20 determine the length of the period during which average daily
21 attendance has been reduced by the state of emergency.

22 (2) The period determined by the Superintendent shall not extend
23 into the next fiscal year following the declaration of the state of
24 emergency by the Governor, except upon a showing by a school
25 district, county office of education, or charter school, to the
26 satisfaction of the Superintendent, that extending the period into
27 the next fiscal year is essential to alleviate continued reductions
28 in average daily attendance attributable to the state of emergency.

29 (3) Notwithstanding any other law, the Superintendent shall
30 extend through the 2018–19 fiscal year the period during which it
31 is essential to alleviate continued reductions in average daily
32 attendance attributable to a state of emergency declared by the
33 Governor in October 2017, for a school district where no less than
34 5 percent of the residences within the school district or school
35 district facilities were destroyed by the qualifying emergency.

36 (c) (1) The average daily attendance of the school district,
37 county office of education, or charter school for the fiscal year
38 shall be estimated by the Superintendent in a manner that credits
39 to the school district, county office of education, or charter school
40 for determining the apportionments to be made to the school

district, county office of education, or charter school from the State School Fund approximately the total average daily attendance that would have been credited to the school district, county office of education, or charter school had the emergency not occurred or had the order not been issued.

(2) (A) From September 1, 2021, to June 30, 2022, inclusive, with the exception of a material loss of attendance for pupils who are individuals with exceptional needs, as that term is defined in Section 56026, whose individualized education program developed pursuant to Article 3 (commencing with Section 56340) of Chapter 4 of Part 30 does not specifically provide for participation in independent study or pupils who are enrolled in community day schools pursuant to Article 3 (commencing with Section 48660) of Chapter 4 of Part 27, a school district, county office of education, or charter school shall not receive average daily attendance credit pursuant to this section for pupils that have been quarantined and are unable to attend in-person instruction due to exposure to, or infection with, COVID-19 pursuant to local or state public health guidance.

(B) Notwithstanding subparagraph (A), from September 1, 2021, to June 30, 2022, inclusive, a school district, county office of education, or charter school may receive average daily attendance credit pursuant to this section for school closures related to impacts from COVID-19 or material loss of attendance due to COVID-19 related staffing shortages if the following conditions are established to the satisfaction of the Superintendent by affidavits of the members of the governing board or body of the school district, county office of education, or charter school and the county superintendent of schools:

(i) The school district, county office of education, or charter school is unable to provide ~~in-person~~ *in-person* instruction to pupils due to staffing shortages as a result of staff quarantine due to exposure to, or infection with, COVID-19 pursuant to local or state public health guidance.

(ii) For certificated staff shortages, the school district, county office of education, or charter school has exhausted all options for obtaining staff coverage, including using all certificated staff and substitute teacher options, and has consulted with their county office of education and the Superintendent in determining that staffing needs cannot be met through any option.

(iii) For classified staff shortages, the school district, county office of education, or charter school has exhausted all options for obtaining staff coverage, including using all staff options, and has consulted with their county office of education and the Superintendent in determining that staffing needs cannot be met through any option.

(d) Notwithstanding any other law, for a school district or charter school physically located within a school district, where no less than 5 percent of the residences within the school district, or the school district's facilities, were destroyed as a result of a state of emergency that was declared by the Governor in November 2018, all of the following shall apply:

(1) (A) In the 2020–21 fiscal year, for school districts, the Superintendent shall calculate the difference between the school district's certified second principal apportionment local control funding formula entitlement pursuant to Section 42238.02 in the 2020–21 fiscal year and the 2019–20 fiscal year and, if there is a difference, allocate the amount of that difference to the school district.

(B) In the 2021–22 fiscal year, for school districts, the Superintendent shall allocate an amount equal to 25 percent of the difference calculated in subparagraph (A) to the school district.

(C) In the 2022–23 fiscal year, for school districts, the Superintendent shall allocate an amount equal to 12.5 percent of the difference calculated in subparagraph (A) to the school district.

(2) (A) In the 2019–20 and 2020–21 fiscal years, for charter schools, the Superintendent shall calculate the difference between the charter school's certified second principal apportionment local control funding formula entitlement pursuant to 42238.02 in the current year and each respective prior year and, if there is a difference, allocate the amount of that difference to the charter school.

(B) In the 2021–22 fiscal year, for charter schools that operate a minimum of 175 school days and report at least 75 percent of the total second period average daily attendance for the 2019–20 fiscal year, as described in Section 41601, the Superintendent shall allocate 25 percent of the difference calculated in subparagraph (A) to the charter school.

(3) For a county office of education funded pursuant to paragraph (1) of subdivision (g) of Section 2575 that has within

1 the boundaries of the county school districts or charter schools
2 affected pursuant to this subdivision and that has in the schools
3 operated by the county office of education at least a 10-percent
4 decrease in average daily attendance in the current fiscal year, in
5 the 2019–20 and 2020–21 fiscal years, the Superintendent shall
6 calculate the difference between the county office of education’s
7 alternative education grant entitlement certified at the annual
8 principal apportionment pursuant to Section 2574 in the current
9 fiscal year and each respective prior fiscal year and, if there is a
10 difference, allocate the amount of that difference to the county
11 office of education.

12 (4) A school district may transfer funds received pursuant to
13 paragraph (1) to the county office of education for the portion of
14 the funds that represents pupils served by the county office of
15 education who are funded through the school district’s local control
16 funding formula apportionment pursuant to Section 2576.

17 (5) In each fiscal year, the allocations pursuant to this
18 subdivision shall be made to school districts and charter schools
19 by the Superintendent as soon as practicable after the second
20 principal apportionment and to county offices of education as soon
21 as practicable after the annual principal apportionment. The
22 allocations made shall be final. The Superintendent may provide
23 a preliminary allocation of up to 50 percent no sooner than the
24 first principal apportionment.

25 (6) (A) The amounts described in this subdivision shall be
26 continuously appropriated from the General Fund to the
27 Superintendent for these purposes.

28 (B) For purposes of making the computations required by
29 Section 8 of Article XVI of the California Constitution, the
30 appropriation made by this subdivision shall be deemed to be
31 “General Fund revenues appropriated for school districts,” as
32 defined in subdivision (c) of Section 41202, for the fiscal year in
33 which they are appropriated, and included within the “total
34 allocations to school districts and community college districts from
35 General Fund proceeds of taxes appropriated pursuant to Article
36 XIII B,” as defined in subdivision (e) of Section 41202.

37 (e) Notwithstanding any other law, for a school district or charter
38 school physically located within a school district, where no less
39 than 5 percent of the residences within the school district, or the
40 school district’s facilities, were destroyed as a result of a state of

1 emergency that was declared by the Governor in September 2020,
2 all of the following shall apply:

3 (1) For the 2021–22 fiscal year, for school districts, the
4 Superintendent shall calculate the difference between the school
5 district’s certified annual principal apportionment local control
6 funding formula revenues pursuant to Section 42238.02 in the
7 2021–22 fiscal year and the 2019–20 fiscal year, including local
8 revenue, pursuant to subdivision (j) of Section 42238.02, and any
9 additional funds received pursuant to subdivision (e) of Section
10 42238.03 in excess of the entitlement calculated pursuant to ~~Section~~
11 ~~Sections~~ 42238.02 and 42238.03 and, if there is a difference,
12 allocate the amount of that difference to the school district.

13 (2) For the 2021–22 fiscal year, for charter schools that operate
14 a minimum of 175 school days and report at least 75 percent of
15 the total second period average daily attendance for the 2019–20
16 fiscal year, as described in Section 41601, the Superintendent shall
17 calculate the difference between the charter school’s certified
18 second principal apportionment local control funding formula
19 revenues pursuant to Section 42238.02 in the 2021–22 fiscal year
20 and the 2019–20 fiscal year, and, if there is a difference, allocate
21 the amount of that difference to the charter school.

22 (3) School districts and charter schools shall notify the
23 Superintendent of their eligibility pursuant to this subdivision by
24 November 1, 2021, in the manner prescribed by the Superintendent.

25 (4) Preliminary allocations made pursuant to paragraph (1) shall
26 be made to school districts by the Superintendent through the
27 principal apportionment beginning with the 2021–22 fiscal year
28 first principal apportionment certification and shall be made final
29 as of the annual principal apportionment.

30 (5) Allocations pursuant to paragraph (2) shall be made to
31 charter schools by the Superintendent as soon as practicable after
32 the second principal apportionment and shall be made final as of
33 the annual principal apportionment. The Superintendent may
34 provide a preliminary allocation of up to 50 percent no sooner than
35 the first principal apportionment.

36 (f) Notwithstanding any other law, for a school district where
37 a school eligible for funding pursuant to Article 4 (commencing
38 with Section 42280) of Chapter 7 of Part 24 of Division 3 was
39 destroyed as a result of a state of emergency that was declared by
40 the Governor in August 2021, the following shall apply:

1 (1) The school district may continue to report the amount of
2 attendance generated by pupils enrolled in another school of the
3 school district that would have otherwise attended the destroyed
4 school, and the number of full-time teachers employed by the
5 school district that would have otherwise provided instructional
6 services at the school, as if the school were operational in the
7 2021–22, 2022–23, and 2023–24 fiscal years.

8 (2) The school shall be considered a necessary small school for
9 the purpose of Section 42282 in the 2022–23 and 2023–24 fiscal
10 years.

11 (g) This section applies to any average daily attendance that
12 occurs during any part of a school year.

13 SEC. 54. Section 47604.2 of the Education Code is amended
14 to read:

15 47604.2. (a) For purposes of this section, “entity managing a
16 charter school” has the same meaning as described in subdivision
17 (a) of Section 47604.1.

18 (b) (1) There may be submitted to the governing body of a
19 charter school attended by high school pupils, or to the governing
20 body of an entity managing multiple charter schools including a
21 charter school attended by high school pupils, a pupil petition
22 requesting the governing body of the charter school or the
23 governing body of the entity managing multiple charter schools,
24 as appropriate, to appoint one or more pupil members to the
25 appropriate governing body pursuant to this section.

26 (2) The petition shall contain the signatures of either (A) not
27 less than 500 pupils regularly enrolled in the high school of the
28 charter school, or (B) not less than 10 percent of the number of
29 pupils regularly enrolled in the high school of the charter school.
30 If a charter school attended by high school pupils is operated by
31 an entity managing a charter school or managing multiple charter
32 schools, then the petition shall contain the signatures of either (A)
33 not less than 500 pupils regularly enrolled in any of the high
34 schools operated by the entity managing a charter school or
35 multiple charter schools, or (B) not less than 10 percent of the
36 number of pupils regularly enrolled in high schools operated by
37 the entity managing a charter school or multiple charter schools.
38 Each fiscal year, and within 60 days of receipt of a petition for
39 pupil representation, or at its next regularly scheduled meeting if
40 no meeting is held within those 60 days, the governing body of

1 the charter school or of the entity managing multiple charter
2 schools shall order the inclusion within the membership of that
3 governing body, in addition to the number of regular members
4 otherwise prescribed, of at least one pupil member. The governing
5 body of the charter school or of the entity managing multiple
6 charter schools may order the inclusion of more than one pupil
7 member.

8 (3) Upon receipt of a petition for pupil representation, the
9 governing body of a charter school or of an entity managing
10 multiple charter schools shall, commencing July 1, 2023, and each
11 year thereafter, order the inclusion within the membership of that
12 governing body, in addition to the number of regular members
13 otherwise prescribed, of at least one pupil member. The governing
14 body of a charter school or of an entity managing multiple charter
15 schools may order the inclusion of more than one pupil member.
16 The governing body of a charter school or of an entity managing
17 multiple charter schools may appoint a pupil to serve as an alternate
18 pupil member who would fulfill all duties and have the same rights
19 as a pupil member if that governing body determines the pupil
20 member is not fulfilling their duties. If the governing body of a
21 charter school or of an entity managing multiple charter schools
22 appoints an alternate pupil member, that governing body shall
23 suspend the prior pupil member's rights and privileges related to
24 service on that governing body.

25 (4) (A) A pupil member of the governing body of a charter
26 school or of an entity managing multiple charter schools shall have
27 preferential voting rights.

28 (B) Preferential voting, as used in this section, means a formal
29 expression of opinion that is recorded in the minutes and cast
30 before the official vote of the governing body of the charter school
31 or of an entity managing multiple charter schools. A preferential
32 vote shall not serve in determining the final numerical outcome
33 of a vote. No preferential vote shall be solicited on matters subject
34 to closed session discussion.

35 (5) The governing body of a charter school or of an entity
36 managing multiple charter schools may adopt a resolution
37 authorizing the pupil member or members to make motions that
38 may be acted upon by that governing body, except on matters
39 dealing with employer-employee relations pursuant to Chapter

1 10.7 (commencing with Section 3540) of Division 4 of Title 1 of
2 the Government Code.

3 (6) (A) Each pupil member shall have the right to attend each
4 and all meetings of the governing body of a charter school or of
5 an entity managing multiple charter schools, except closed sessions.

6 (B) (i) Each pupil member shall be appointed to subcommittees
7 of the governing body in the same manner as other governing body
8 regular members.

9 (ii) Each pupil member shall be made aware of the time
10 commitment required to participate in subcommittee meetings and
11 work, and may decline an appointment to a subcommittee.

12 (iii) Subcommittee meetings may be scheduled in accordance
13 with the ~~availability~~ *availability* of all members of the governing
14 body, including each pupil member.

15 (7) Any pupil selected to serve as a member of the governing
16 body of a charter school or of an entity managing multiple charter
17 schools shall be enrolled in high school within the charter school,
18 may be less than 18 years of age, and shall be chosen by the pupils
19 enrolled in high school within the charter school in accordance
20 with policies and procedures prescribed by that governing body.
21 The term of a pupil member shall be one year, commencing on
22 July 1 of each year, except that the term of a pupil member may
23 be adjusted only in cases where a vacancy occurs or to provide
24 more pupils with an opportunity to serve on the governing body.

25 (8) (A) A pupil member shall be entitled to the mileage
26 allowance to the same extent as regular governing body members,
27 and may receive compensation, as specified pursuant to
28 subparagraph (B).

29 (B) The governing body of a charter school or of an entity
30 managing multiple charter schools may award a pupil member
31 either or both of the following:

32 ~~(1)~~

33 (i) Elective course credit based on the number of equivalent
34 daily instructional minutes for the pupil member's services
35 provided.

36 ~~(2)~~

37 (ii) Monthly financial compensation as determined by the
38 governing body.

39 (9) (A) A pupil member shall be seated with the regular
40 members of the governing body of a charter school or of an entity

1 managing multiple charter schools, and shall be recognized as a
2 full member of that governing body at the meetings, including
3 receiving all open meeting materials presented to the governing
4 body regular members at the same time the materials are presented
5 to the other governing body regular members, being invited to
6 staff briefings of governing body regular members, or being
7 provided a separate staff briefing within the same timeframe as
8 the staff briefing of other governing body regular members, being
9 invited to attend other functions of that governing body, such as
10 forums, meetings with pupils and parents, and other general
11 assemblies, and participating in the questioning of witnesses and
12 the discussion of issues.

13 (B) A pupil member shall also receive all materials received by
14 other governing body regular members between open meetings,
15 except for materials that pertain to closed session items.

16 (C) (i) The governing body of a charter school or of an entity
17 managing multiple charter schools may authorize the pupil member
18 or members to make restorative justice recommendations that may
19 be considered by the governing body in closed session expulsion
20 hearings. If the governing body authorizes pupil recommendations
21 in expulsion hearings, then notwithstanding subparagraph (B), the
22 governing body shall disclose limited case information that pertains
23 to closed session items to the pupil member or members to allow
24 the pupil member or members to make those recommendations.

25 (ii) Disclosure of case information to the pupil member or
26 members pursuant to clause (i) shall be conditioned on the
27 voluntary, written consent of the pupil who is subject to the
28 expulsion hearing and the pupil's parent or guardian, and shall be
29 consistent with federal and state privacy laws, including, but not
30 limited to, the federal Family Educational Rights and Privacy Act
31 of 2001 (20 U.S.C. Sec. 1232g) and any implementing federal
32 regulations.

33 (10) A pupil member shall not be included in determining the
34 vote required to carry any measure before the governing body of
35 a charter school or of an entity managing multiple charter schools.

36 (11) The pupil member shall not be liable for any acts of the
37 governing body of a charter school or of an entity managing
38 multiple charter schools.

39 (12) A majority vote of all voting governing body regular
40 members shall be required to approve a motion to eliminate the

pupil member position from the governing body of a charter school or of an entity managing multiple charter schools. The motion shall be listed as a public agenda item for a meeting of the governing body before the motion being voted upon.

(c) A pupil member of the governing body of a charter school or of an entity managing multiple charter schools shall not be considered a member of a legislative body or a local agency for purposes of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) or the Bagley-Keene Open Meeting Act, *Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code)*.

(d) The governing body of a charter school or of an entity managing multiple charter schools that orders the inclusion of a pupil member within its governing body membership pursuant to paragraph (2) of subdivision (b) shall do both of the following:

(1) (A) Notify the chartering authority of the charter school within 30 days of either of the following:

(i) The inclusion of the pupil member.

(ii) Any subsequent change in the pupil membership.

(B) The notification shall be in writing, include the name of the pupil member, the duration of the term of the pupil, and a copy of the approved pupil petition described in subdivision (b).

(2) Include at the next charter renewal with the chartering authority, the inclusion of the pupil member as a change to the governing body of the charter school or of an entity managing multiple charter schools.

(e) As used in this section, the following definitions apply:

(1) “Pupil member” means a pupil member appointed pursuant to subdivision (b).

(2) “Regular member” means a governing body member nominated or appointed to the governing body of the charter school or of an entity managing multiple charter schools, consistent with Section 47605 or 47605.6, as applicable.

(f) This section shall prevail over any contrary provision in the Nonprofit Public Benefit Corporation Law (Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code), or between this section and a nonprofit public benefit corporation’s articles of incorporation or bylaws, relating to pupil members on the governing body of the charter school or of an

1 entity managing multiple charter schools. Nothing in this section
2 otherwise alters, amends, or impairs the rights, duties, and
3 obligations of a nonprofit public benefit corporation relating to
4 the operation of a charter school.

5 (g) The requirements of this section shall not be waived by the
6 state board pursuant to Section 33050 or any other law.

7 SEC. 55. Section 48306 of the Education Code is amended to
8 read:

9 48306. (a) A school district of choice shall give first priority
10 for attendance to siblings of children already in attendance in that
11 *school* district.

12 (b) A school district of choice shall give second priority for
13 attendance to pupils eligible for free or reduced-price meals, and
14 pupils who are foster youth or homeless children or youth.

15 (c) A school district of choice shall give third priority for
16 attendance to children of military personnel.

17 SEC. 56. Section 51225.7 of the Education Code is amended
18 to read:

19 51225.7. (a) For purposes of this section, the following
20 definitions apply:

21 (1) “Local educational agency” means a school district, county
22 office of education, or charter school.

23 (2) “Opt-out form” means a form developed by the Student Aid
24 Commission that permits parents, legal guardians, a legally
25 emancipated pupil, a pupil who is 18 years of age or older, or a
26 local educational agency on a pupil’s behalf to not fill out a Free
27 Application for Federal Student Aid or California Dream Act
28 Application for any reason.

29 (3) “Outreach program” means a nonprofit entity that is exempt
30 from taxation pursuant to Section 501(c)(3) of the United States
31 Internal Revenue Code or a public entity with experience in either
32 or both of the following:

33 (A) Assisting pupils with financial aid application completion.

34 (B) Serving pupils who are eligible to submit a California Dream
35 Act Application.

36 (4) “Pupil” means a pupil in grade 12 attending a high school
37 maintained by a local educational agency.

38 (5) “Transcript-informed pupil accounts” means accounts
39 available to grade 9 to 12, ~~inclusive~~ *inclusive*, pupils that use data
40 provided to the California College Guidance Initiative by local

educational agencies, in accordance with data specified in the California High School Transcript and Student Record Portability Standard, as acknowledged by the Office of Cradle-to-Career Data.

(6) “Universal basic pupil accounts” means accounts available on the CaliforniaColleges.edu platform for grade 6 to 12, inclusive, pupils that use data provided to the California College Guidance Initiative by the department that are not inclusive of courses and grades.

(b) Commencing with the 2022–23 school year, except as provided in subdivisions (c) and (d), the governing body of a local educational agency shall confirm that a pupil complies with at least one of the following:

(1) The pupil completes and submits to the United States Department of Education a Free Application for Federal Student Aid.

(2) If the pupil is exempt from paying nonresident tuition pursuant to Section 68130.5, the pupil completes and submits to the Student Aid Commission a form established pursuant to Section 69508.5 for purposes of the California Dream Act.

(c) The parent or legal guardian of the pupil, or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, may opt out of the requirements of this section by filling out and submitting an opt-out form, as defined in subdivision (a), to the local educational agency. The Student Aid Commission shall make the opt-out form available to all local educational agencies pursuant to subdivision (h).

(d) (1) If the local educational agency determines that a pupil is unable to complete a requirement of this section, the local educational agency shall exempt the pupil or, if applicable, the pupil’s parent or legal guardian from completing and submitting a Free Application for Federal Student Aid, a form established pursuant to Section 69508.5 for purposes of the California Dream Act, or an opt-out form pursuant to subdivision (c).

(2) (A) A local educational agency, before exempting the pupil or the pupil’s parent or legal guardian pursuant to paragraph (1), shall comply with both of the following:

(i) Provide the information described in subparagraph (B) to the pupil through a meeting between a school counselor and the pupil or, if no school counselor is employed at the school, between

1 the pupil and other school staff, through written material, or by
2 other means of communication.

3 (ii) Provide, to the pupil's parent or legal guardian or the pupil
4 if the pupil is a legally emancipated minor or 18 years of age or
5 older, the information described in subparagraph (B) and
6 notification of the date by which the pupil will be opted out by the
7 local educational agency if no action is taken. This notice shall be
8 provided with sufficient time for the parent or legal guardian or
9 the pupil if the pupil is a legally emancipated minor or 18 years
10 of age or older, to act before the local educational agency opts out
11 the pupil.

12 (B) The information to be provided, as required in subparagraph
13 (A), shall be all of the following:

14 (i) The purposes and benefits of the Free Application for Federal
15 Student Aid or a form established pursuant to Section 69508.5,
16 which include consideration for financial aid.

17 (ii) The consequences of not completing and submitting a Free
18 Application for Federal Student Aid or a form established pursuant
19 to Section 69508.5.

20 (iii) The option to complete a Free Application for Federal
21 Student Aid or a form established pursuant to Section 69508.5
22 after an opt-out form has been submitted.

23 (3) If the local educational agency exempts the pupil from
24 having to complete the requirements of this section, the local
25 educational agency shall complete and submit the opt-out form,
26 as defined in subdivision (a), on the pupil's behalf and notify the
27 pupil's parent or legal guardian of the pupil's exemption.

28 (e) The governing board or body of the local educational agency
29 shall ensure both of the following:

30 (1) The local educational agency directs each high school pupil
31 and, if applicable, the pupil's parent or legal guardian to any
32 support and assistance services necessary to comply with the
33 requirement described in subdivision (b) that may be available
34 through outreach programs, including, but not limited to, those
35 programs operated by the Student Aid Commission, postsecondary
36 immigration resource centers, college readiness organizations,
37 community-based organizations, and legal resource organizations.

38 (2) Information shared by parents, legal guardians, and pupils
39 under this section is handled in compliance with the federal Family
40 Educational Rights and Privacy Act of 2001 (20 U.S.C. Sec. 1232g)

1 and applicable state laws, including Chapters 493 and 495 of the
2 Statutes of 2017, regardless of any person's immigration status or
3 other personal information, in order to protect all pupil and parent
4 data to the fullest extent possible so that schools and all personal
5 data remain safe.

6 (f) It is the intent of the Legislature that high school pupils have
7 the support and assistance services to help pupils successfully
8 complete and submit a Free Application for Federal Student Aid
9 and the form established pursuant to Section 69508.5 for purposes
10 of the California Dream Act.

11 (g) On or before September 1, 2022, and each year thereafter,
12 the Student Aid Commission and the department shall facilitate
13 the completion of the Free Application for Federal Student Aid
14 and the form established pursuant to Section 69508.5 for purposes
15 of the California Dream Act in the following manner:

16 (1) The department shall share the current school year's roster
17 of pupils with the Student Aid Commission.

18 (2) The Student Aid Commission shall match the data described
19 in paragraph (1) with a pupil's application status based on the data
20 possessed by the Student Aid Commission related to submission
21 of the Free Application for Federal Student Aid and the form
22 established pursuant to Section 69508.5 for purposes of the
23 California Dream Act.

24 (3) The Student Aid Commission shall provide, to the extent
25 permissible pursuant to state and federal law, the California College
26 Guidance Initiative, described in Section 10861, with the data
27 necessary, as determined by the California College Guidance
28 Initiative, in consultation with the department, to inform the
29 educator reports available through the CaliforniaColleges.edu
30 platform to improve educator access to the information needed to
31 determine whether each individual pupil has successfully
32 completed and submitted their Free Application for Federal Student
33 Aid or California Dream Act application.

34 (4) Upon participation of a local educational agency in the
35 California College Guidance Initiative's implementation of
36 transcript-informed accounts for pupils in grades 9 to 12, inclusive,
37 on the CaliforniaColleges.edu platform, and to the extent
38 permissible pursuant to state and federal law, the California College
39 Guidance Initiative shall provide pupil grade point average
40 information necessary, for each participating pupil in the local

1 educational agency, to ensure that each pupil successfully
2 completes and submits their Free Application for Federal Student
3 Aid or California Dream Act application, to the Student Aid
4 Commission in accordance with the privacy requirements of the
5 federal Family Educational Rights and Privacy Act of 2001 (20
6 U.S.C. Sec. 1232g).

7 (h) The Student Aid Commission shall, on or before July 1,
8 2022, adopt regulations that include, but are not limited to, model
9 opt-out forms and acceptable use policies for the purpose of
10 providing guidance on the requirements relating to state law in
11 paragraph (2) of subdivision (e). The Student Aid Commission
12 shall post and make available any model opt-out forms and policies
13 established pursuant to this subdivision on its internet website.

14 (i) A pupil who does not fulfill the requirements of this section
15 shall not be penalized or punished and this section shall not affect
16 a pupil's ability to graduate.

17 SEC. 57. Section 51225.32 of the Education Code, as added
18 by Section 4 of Chapter 37 of the Statutes of 2024, is amended
19 and renumbered to read:

20 ~~51225.32:~~

21 51226.8. (a) The Instructional Quality Commission shall
22 develop and recommend to the state board, for consideration and
23 adoption by the state board, a curriculum guide and resources for
24 a separate, stand-alone one-semester course in personal finance,
25 that is not combined with any other course. On or before May 31,
26 2026, the state board shall adopt a curriculum guide and resources
27 for a separate, stand-alone one-semester course in personal finance
28 based on the Instructional Quality Commission's recommendation.
29 The curriculum guide and resources shall include all of, and only,
30 the personal finance content specified in paragraphs (1) to (13),
31 inclusive, of subdivision (a) of Section 51284.5.

32 (b) In the event that the state board has not adopted a curriculum
33 guide and resources for a separate, stand-alone one-semester course
34 in personal finance as of May 31, 2026, local educational agencies,
35 including charter schools, shall locally develop the curriculum and
36 resources to offer a separate, stand-alone one-semester course in
37 personal finance meeting the requirements of clause (v) of
38 subparagraph (H) of paragraph (1) of subdivision (a) of Section
39 51225.3 for approval by the governing board or body of the local
40 educational agency, in order to meet the requirement to offer the

1 separate, stand-alone one-semester course in personal finance as
2 of the 2027–28 school year described in clause (iv) of subparagraph
3 (H) of paragraph (1) of subdivision (a) of Section 51225.3.

4 (c) The sum of three hundred thousand dollars (\$300,000) is
5 hereby appropriated from the General Fund to the Instructional
6 Quality Commission for purposes of carrying out the duties
7 required under subdivision (a).

8 SEC. 58. Section 51255 of the Education Code is amended to
9 read:

10 51255. (a) The department shall establish a nonmonetary
11 California Purple Star School Designation Program pursuant to
12 this article in order to achieve both of the following goals:

13 (1) Reduce the burden on military-connected pupils and their
14 families by articulating the most critical transition supports for
15 military-connected pupils and their families.

16 (2) Publicly recognize and designate schools that meet certain
17 requirements and signal which schools are the most committed
18 and best equipped to meet military-connected pupils and their
19 families' unique needs.

20 (b) (1) The department shall develop an application process
21 that provides annual opportunities for schoolsites to earn the Purple
22 Star School designation by demonstrating compliance with the
23 application criteria adopted pursuant to paragraph (2).

24 (2) The department shall adopt application criteria for schoolsites
25 seeking the Purple Star School designation. The department shall
26 consider including, as part of the application criteria, a requirement
27 that a schoolsite do all of *the* following:

28 (A) Demonstrate an active status designation, as identified by
29 the department on the department's internet website.

30 (B) Designate a staff member to serve as a point of contact, who
31 shall act as a liaison between military families and the schoolsite,
32 easing military-connected pupils' enrollment and acclimation
33 period, and assist with pupils' graduation requirements.

34 (C) Provide professional development opportunities to train
35 staff on the unique considerations for, and needs of,
36 military-connected pupils.

37 (D) Develop a dedicated webpage on the schoolsite's internet
38 website with easily accessible information and resources for
39 military-connected families.

1 (E) Provide a transition program to welcome and socially
2 acclimate incoming military-connected pupils. This transition
3 program may be pupil led.

4 (F) Provide programming and events to include, celebrate, and
5 honor service members and military-connected pupils and families,
6 including community members.

7 (c) (1) Once a schoolsite is awarded a Purple Star School
8 designation, it shall display its active status designation, as
9 identified by the department, on the schoolsite's internet website.

10 (2) A Purple Star School designation shall be valid for three
11 years, after which a schoolsite seeking to renew its designation
12 shall reapply pursuant to subdivision (b).

13 (3) The department may request additional information to verify
14 if a schoolsite that has earned a Purple Star School designation
15 continues to adhere to the Purple Star School designation criteria
16 adopted pursuant to paragraph (2) of subdivision (b).

17 (4) (A) Notwithstanding paragraphs (1) and (2), if the
18 department finds that a schoolsite that has earned a Purple Star
19 School designation ceases to comply with the criteria adopted
20 pursuant to paragraph (2) of subdivision (b) during the three-year
21 designation period, the schoolsite shall lose the designation.

22 (B) A schoolsite that loses the designation pursuant to
23 subparagraph (A) may reapply pursuant to subdivision (b).

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

25 (1) "Military-connected pupil" means a schoolage child who is
26 either of the following:

27 (A) A dependent of a current or former member of any of the
28 following:

29 (i) The United States military, serving in the United States Air
30 Force, United States Army, United States Coast Guard, United
31 States Marine Corps, United States Navy, or United States Space
32 Force on active duty.

33 (ii) The California National Guard.

34 (iii) A reserve force of the United States military.

35 (B) Was a dependent of a member of a military or reserve force
36 described in subparagraph (A) who was killed in the line of duty.

37 (2) "Schoolsite" means a publicly funded school serving pupils
38 in kindergarten or any of grades 1 to 12, inclusive.

39 SEC. 59. Section 66023.4 of the Education Code is amended
40 to read:

66023.4. (a) As used in this section:

(1) “Basic needs services and resources” includes, but is not limited to, housing, food, clothing, feminine hygiene, diapers, technology, childcare, and mental health services and resources.

(2) “Coordinator” means a basic needs coordinator established pursuant to this section.

(b) Each campus of the California State University shall, and each campus of the University of California is requested to, do all of the following:

(1) On or before July 1, 2025, establish the position of the Basic Needs Coordinator, and designate a staff person as the Basic Needs Coordinator to serve as the single point of contact for students experiencing basic needs insecurity related to basic needs services and resources. The coordinator shall act as a broker in identifying, supporting, and linking students to on- and off-campus housing, food, mental health, and other basic needs services and resources. To ensure the effectiveness and impact of this position, the coordinator shall be a dedicated position solely focused on addressing the basic needs of students and meet qualifications such as experience providing services to high-need and diverse populations. The coordinator shall oversee and coordinate with other staff tasked with addressing students’ basic needs, shall inform students of on- and off-campus basic needs services and resources and how to access them, and shall develop on- and off-campus partnerships to provide basic needs services and resources to their students.

(2) (A) On or before July 1, 2025, establish a Basic Needs Center, which means a central location on campus where basic needs services, resources, and staff are made available to students. The Basic Needs Center is intended to be a one-stop, single location and point of contact for students to more easily access and gain awareness of basic needs services and resources. The campus shall make a reasonable effort to locate all on-campus basic needs services and resources at the Basic Needs Center. If the campus cannot reasonably locate all basic needs services or resources at the Basic Needs Center, the campus shall provide students with the location and contact information, including name, telephone number, and email address, for all basic needs services and resources not located in the Basic Needs Center. The coordinator shall be housed in the Basic Needs Center.

1 (B) Each Basic Needs Center shall do all of the following:

2 (i) Help ensure that students have the information they need to
3 enroll in CalFresh, the California Earned Income Tax Credit
4 (CalEITC), the Young Child Tax Credit (YCTC), the California
5 Special Supplemental ~~Food~~ *Nutrition* Program for Women, Infants,
6 and Children (WIC), and other relevant government benefits
7 programs. This clause does not require campus Basic Needs
8 Centers to provide tax advising or preparation services.

9 (ii) Coordinate with their campus financial aid department or
10 financial aid office. This clause does not require nor encourage
11 the Basic Needs Center to be combined or colocated with the
12 financial aid department or financial aid office.

13 (iii) Connect students to the financial aid department or financial
14 aid office as appropriate to ensure that students are receiving all
15 available financial aid.

16 (iv) Coordinate with their local homelessness response system
17 to refer students to community resources available to address
18 homelessness in addition to services and resources provided by
19 the campus.

20 (C) Basic Needs Centers may provide support to students who
21 can be reasonably expected to enroll in the upcoming term and to
22 provide support to students during summer and winter breaks who
23 were previously enrolled or are enrolled for the upcoming fall or
24 spring term.

25 (D) Campuses shall endeavor, to the extent feasible, to use a
26 portion of any funds made available for basic needs support for
27 providing funds directly to students to address urgent needs. To
28 the extent that a Basic Needs Center is already in place, that center
29 may be used to satisfy the requirements of this section. If the
30 existing Basic Needs Center fulfills only part of the requirements
31 of this section, basic needs services and resources shall be expanded
32 as needed to satisfy all the requirements of this section.

33 (3) (A) On or before February 1, 2025, develop a document
34 that shall be provided to students at the Basic Needs Center, once
35 established pursuant to paragraph (2), in either electronic format
36 or paper form, and that shall be made available to students online,
37 that clearly lists on- and off-campus basic needs services and
38 resources that includes, but is not limited to, all of the following:

39 (i) The description of the service or resource.

40 (ii) The location of where the service or resource is provided.

1 (iii) The point of contact for the service or resource, including
2 a name, telephone number, and email address.

3 (iv) Any eligibility restrictions on accessing the service or
4 resource.

5 (v) The United States Department of Agriculture’s Food and
6 Nutrition Service’s “SNAP Retail Locator” internet website link,
7 which contains a map with locations that are authorized retail food
8 stores under the federal Supplemental Nutrition Assistance Program
9 and accept the use of electronic benefits transfer cards issued
10 pursuant to Chapter 3 (commencing with Section 10065) of Part
11 1 of Division 9 of the Welfare and Institutions Code.

12 (B) Provide the document to students as a part of campus
13 orientations in either electronic format or paper form.

14 (C) Provide to faculty the online link to the electronic format
15 of the document, the location of the Basic Needs Center, once
16 established pursuant to paragraph (2), and the contact information
17 for the coordinator, once designated pursuant to paragraph (1),
18 and encourage faculty to include the online link to the electronic
19 format of the document, the location of the Basic Needs Center,
20 and the contact information for the coordinator in their syllabi.

21 (D) To ensure that the document remains useful to students, the
22 document shall be reviewed, updated, and made available online
23 on both the internet website of the campus via the student basic
24 needs tab and the internet website-based student account associated
25 with a student’s attendance at the institution, as specified in
26 paragraph (6), no later than the first day of every fall semester or
27 fall quarter.

28 (4) On or before February 1, 2025, streamline the application
29 and intake process for on-campus basic needs services and
30 resources to minimize duplication and eliminate barriers to access.
31 If an application is required, develop and use a single application
32 for students to receive on-campus basic needs services and
33 resources.

34 (5) On or before February 1, 2025, develop and implement a
35 plan to identify and provide outreach to students, including
36 nontraditional students, who have basic needs insecurity related
37 to housing, food, and mental health. Once the coordinator is
38 designated pursuant to paragraph (1) and the Basic Needs Center
39 is established pursuant to paragraph (2), the outreach shall include
40 information about the coordinator and the Basic Needs Center.

(6) On or before February 1, 2025, provide a student basic needs tab that is clearly visible and easily accessible from a drop-down menu on the home page of the campus' internet website and include the information described in paragraph (3) conspicuously on both the internet website of the campus via the student basic needs tab and the internet website-based student account associated with a student's attendance at the institution. Once the coordinator is designated pursuant to paragraph (1) and the Basic Needs Center is established pursuant to paragraph (2), information about the coordinator and Basic Needs Center shall also be included on both the internet website of the campus via the student basic needs tab and the internet website-based student account associated with a student's attendance at the institution.

(c) (1) Each campus of the California State University shall report to the office of the Chancellor of the California State University, and each campus of the University of California is requested to report to the office of the President of the University of California, information that shall include, but not be limited to, all of the following:

(A) The description and number of basic needs services and resources, broken down by category.

(B) The number of students served by the basic needs services and resources.

(C) Any existing and available data regarding the socioeconomic and demographic backgrounds of these students.

(D) Challenges and best practices in the implementation of the basic needs services and resources.

(E) Whether students who used the basic needs services and resources remained enrolled or graduated from that campus.

(F) The number of students who first started receiving CalFresh benefits in the previous year and the total number of students in the previous year who received CalFresh benefits, as provided by the State Department of Social Services.

(G) Whether the campus has a data sharing agreement with the relevant county operating the CalFresh program for the purpose of identifying new, continuing, and returning students who are potentially eligible for CalFresh benefits, or efforts underway to enact such an agreement.

1 (2) The data and information reported under this subdivision
2 shall be disaggregated by each basic needs service and resource,
3 where applicable.

4 (3) Campuses are encouraged to collaborate with the State
5 Department of Social Services to obtain the data identified in
6 paragraph (1), as applicable.

7 (d) (1) The office of the Chancellor of the California State
8 University shall, and the office of the President of the University
9 of California is requested to, develop and submit to the Governor
10 and the Legislature, on or before March 1 of each year from 2026
11 to 2030, inclusive, a report based on the data and information
12 reported by campuses pursuant to paragraphs (1) and (2) of
13 subdivision (c) and information on the use of funds made available
14 from the Budget Act of 2022 to implement this section.

15 (2) A legislative report that includes the information required
16 to be reported in this subdivision and submitted in any of the years
17 2026 to 2030, inclusive, shall fulfill the reporting requirement
18 pursuant to this subdivision to reduce duplicative efforts.

19 (e) This section does not preclude the California State University
20 and the University of California from having additional basic needs
21 staff who assist the Basic Needs Coordinator in completing the
22 requirements of subdivision (b).

23 SEC. 60. Section 66023.5 of the Education Code is amended
24 to read:

25 66023.5. (a) As used in this section:

26 (1) “Basic needs services and resources” includes, but is not
27 limited to, housing, food, clothing, feminine hygiene, diapers,
28 technology, childcare, and mental health services and resources.

29 (2) “Coordinator” means a basic needs coordinator established
30 pursuant to this section.

31 (b) Each campus of the California Community Colleges shall
32 do all of the following:

33 (1) No later than July 1, 2022, establish the position of the Basic
34 Needs Coordinator, and designate a staff person as the Basic Needs
35 Coordinator to serve as the single point of contact for students
36 experiencing basic needs insecurity related to basic needs services
37 and resources. The coordinator shall act as a broker in identifying,
38 supporting, and linking students to on- and off-campus housing,
39 food, mental health, and other basic needs services and resources.
40 To ensure the effectiveness and impact of this position, the

1 coordinator shall be a dedicated position solely focused on
2 addressing the basic needs of students and meet qualifications such
3 as experience providing services to high-need and diverse
4 populations. The coordinator shall oversee and coordinate with
5 other staff tasked with addressing students' basic needs, shall
6 inform students of on- and off-campus basic needs services and
7 resources and how to access them, and shall develop on- and
8 off-campus partnerships to provide basic needs services and
9 resources to their students.

10 (2) (A) No later than July 1, 2022, establish a Basic Needs
11 Center, which means a central location on campus where basic
12 needs services, resources, and staff are made available to students.
13 The Basic Needs Center is intended to be a one-stop, single location
14 and point of contact for students to more easily access and gain
15 awareness of basic needs services and resources. The campus shall
16 make a reasonable effort to locate all on-campus basic needs
17 services and resources at the Basic Needs Center. If the campus
18 cannot reasonably locate all basic needs services or resources at
19 the Basic Needs Center, the campus shall provide students with
20 the location and contact information, including name, telephone
21 number, and email address, for all basic needs services and
22 resources not located in the Basic Needs Center. The coordinator
23 shall be housed in the Basic Needs Center.

24 (B) Each Basic Needs Center shall help ensure that students
25 have the information they need to enroll in CalFresh, the California
26 Earned Income Tax Credit (CalEITC), the Young Child Tax Credit
27 (YCTC), the California Special Supplemental ~~Food~~ *Nutrition*
28 Program for Women, Infants, and Children (WIC), and other
29 relevant government benefits programs. Each Basic Needs Center
30 shall coordinate with their campus financial aid department or
31 financial aid office. This section does not require nor encourage
32 the Basic Needs Center to be combined or colocated with the
33 financial aid department or financial aid office. The funding made
34 available by the Budget Act of 2021 to implement this section, or
35 any subsequent Budget Act or statute to implement this section,
36 shall not be used to combine or colocate the Basic Needs Center
37 with the financial aid department or financial aid office and shall
38 not be used for the administration of student financial aid programs,
39 including staffing. Each Basic Needs Center shall connect students
40 to the financial aid department or financial aid office as appropriate

1 to ensure that students are receiving all available financial aid.
 2 Each Basic Needs Center shall coordinate with their local
 3 homelessness response system to refer students to community
 4 resources available to address homelessness in addition to services
 5 and resources provided by the campus. Basic Needs Centers may
 6 provide support to students who can be reasonably expected to
 7 enroll in the upcoming term and to provide support to students
 8 during summer and winter breaks who were previously enrolled
 9 or are enrolled for the upcoming fall or spring term.

10 (C) Campuses shall endeavor, to the extent feasible, to use a
 11 portion of any funds made available for basic needs support for
 12 providing funds directly to students to address urgent needs. To
 13 the extent that a Basic Needs Center is already in place, that center
 14 may be used to satisfy the requirements of this section. If the
 15 existing Basic Needs Center fulfills only part of the requirements
 16 of this section, basic needs services and resources shall be expanded
 17 as needed to satisfy all the requirements of this section.

18 (3) (A) No later than February 1, 2022, develop a document
 19 that shall be provided to students at the Basic Needs Center, once
 20 established pursuant to paragraph (2), in either electronic format
 21 or paper form, and that shall be made available to students online,
 22 that clearly lists on- and off-campus basic needs services and
 23 resources that includes, but is not limited to, all of the following:

- 24 (i) The description of the service or resource.
- 25 (ii) The location of where the service or resource is provided.
- 26 (iii) The point of contact for the service or resource, including
 27 a name, telephone number, and email address.
- 28 (iv) Any eligibility restrictions on accessing the service or
 29 resource.

30 (B) On or before September 1, 2025, update the document
 31 developed pursuant to subparagraph (A) to include in the list of
 32 on- and off-campus basic needs services and resources the United
 33 States Department of Agriculture's Food and Nutrition Service's
 34 "SNAP Retail Locator" internet website link, which contains a
 35 map with locations that are authorized retail food stores under the
 36 federal Supplemental Nutrition Assistance Program and accept
 37 the use of electronic benefits transfer cards issued pursuant to
 38 Chapter 3 (commencing with Section 10065) of Part 1 of Division
 39 9 of the Welfare and Institutions Code.

1 (C) Provide the document to students as a part of campus
2 orientations in either electronic format or paper form.

3 (D) Provide to faculty the online link to the electronic format
4 of the document, the location of the Basic Needs Center, once
5 established pursuant to paragraph (2), and the contact information
6 for the coordinator, once designated pursuant to paragraph (1),
7 and encourage faculty to include the online link to the electronic
8 format of the document, the location of the Basic Needs Center,
9 and the contact information for the coordinator in their syllabi.

10 (E) To ensure that the document remains useful to students, the
11 document shall be reviewed, updated, and made available online
12 on both the internet website of the campus via the student basic
13 needs tab and the internet website-based student account associated
14 with a student's attendance at the institution, as specified in
15 paragraph (6), no later than the first day of every fall and spring
16 semester or no later than the first day of every fall and spring
17 quarter.

18 (4) No later than February 1, 2022, streamline the application
19 and intake process for on-campus basic needs services and
20 resources to minimize duplication and eliminate barriers to access.
21 If an application is required, develop and use a single application
22 for students to receive on-campus basic needs services and
23 resources.

24 (5) No later than February 1, 2022, develop and implement a
25 plan to identify and provide outreach to students, including
26 nontraditional students, who have basic needs insecurity related
27 to housing, food, and mental health. Once the coordinator is
28 designated pursuant to paragraph (1) and the Basic Needs Center
29 is established pursuant to paragraph (2), the outreach shall include
30 information about the coordinator and the Basic Needs Center.

31 (6) No later than February 1, 2022, provide a student basic needs
32 tab that is clearly visible and easily accessible from a drop-down
33 menu on the home page of the campus' internet website and include
34 the information described in paragraph (3) conspicuously on both
35 the internet website of the campus via the student basic needs tab
36 and the internet website-based student account associated with a
37 student's attendance at the institution. Once the coordinator is
38 designated pursuant to paragraph (1) and the Basic Needs Center
39 is established pursuant to paragraph (2), information about the
40 coordinator and Basic Needs Center shall also be included on both

1 the internet website of the campus via the student basic needs tab
2 and the internet website-based student account associated with a
3 student's attendance at the institution.

4 (c) (1) Each campus of the California Community Colleges
5 shall report to the office of the Chancellor of the California
6 Community Colleges information that shall include, but not be
7 limited to, all of the following:

8 (A) The description and number of basic needs services and
9 resources, broken down by category.

10 (B) The number of students served by the basic needs services
11 and resources.

12 (C) Any existing and available data regarding the socioeconomic
13 and demographic backgrounds of these students.

14 (D) Challenges and best practices in the implementation of the
15 basic needs services and resources.

16 (E) Whether students who used the basic needs services and
17 resources remained enrolled or graduated from that campus.

18 (F) The number of students who first started receiving CalFresh
19 benefits in the previous year and the total number of students in
20 the previous year who received CalFresh benefits, as provided by
21 the State Department of Social Services.

22 (G) Whether the campus has a data sharing agreement with the
23 relevant county operating the CalFresh program for the purpose
24 of identifying new, continuing, and returning students who are
25 potentially eligible for CalFresh benefits, or efforts underway to
26 enact such an agreement.

27 (2) The data and information reported under this subdivision
28 shall be disaggregated by each basic needs service and resource,
29 where applicable.

30 (3) Campuses are encouraged to collaborate with the State
31 Department of Social Services to obtain the data identified in
32 paragraph (1), as applicable.

33 (d) (1) The office of the Chancellor of the California
34 Community Colleges shall develop and submit to the Governor
35 and the Legislature every year beginning on or before May 1, 2023,
36 a report based on the data and information reported by campuses
37 pursuant to paragraphs (1) and (2) of subdivision (c) and
38 information on the use of funds made available from the Budget
39 Act of 2022 to implement this section.

(2) A legislative report that includes the information required to be reported in this subdivision and submitted in any of the years required by paragraph (1) shall fulfill the reporting requirement pursuant to this subdivision to reduce duplicative efforts.

SEC. 61. Section 66076.2 of the Education Code is amended to read:

66076.2. (a) The Designation of California Black-Serving Institutions is hereby established to recognize colleges and universities that excel at providing academic resources to Black and African American students enrolled in degree or certificate programs offered by colleges and universities. This designation shall only be awarded to qualifying applicants by a two-thirds vote of approval by the governing ~~board~~; *board members who are present for the vote*.

(b) An initial designation awarded pursuant to this article shall be valid for five academic years. Thereafter, a recipient may submit an application for renewal. A renewal designation awarded pursuant to this article shall be valid for five years.

(c) An applicant is eligible for designation pursuant to this article if the applicant meets all of the following requirements:

(1) Has at least 10 percent of the college's or university's enrolled student population identifying as Black and African American students, or has at least 1,500 Black and African American students enrolled at the college or university.

(2) Submits an initial or renewal application, as applicable, to the managing entity on or before the *applicable* application deadline established by the managing entity pursuant to Section 66076.3.

(3) Meets either of the following, as applicable:

(A) Submits an initial application that complies with subdivision (d).

(B) Submits a renewal application that complies with subdivision (e).

(4) Posts the initial or renewal application submitted pursuant to subparagraph (A) or (B) of paragraph (3), as applicable, on the applicant's internet website.

(d) An initial application shall include, but not be limited to, all of the following:

(1) A certification, in writing, by the chief administrative officer of the college or university, of the applicant's commitment to

1 address Black and African American student success that is
2 consistent with the applicant's mission.

3 (2) Academic goals for the applicant to achieve within the
4 five-year period in which the initial designation awarded pursuant
5 to this article shall be valid. The goals described in this paragraph
6 shall improve retention, time-to-degree or time-to-certificate
7 completion, and graduation rates of Black and African American
8 students based on the data submitted by the applicant pursuant to
9 paragraph (5) or (6), as applicable, within the five-year period in
10 which the initial designation shall be valid.

11 (3) Academic equity goals for the applicant to achieve within
12 the five-year period in which the initial designation awarded
13 pursuant to this article shall be valid. The goals described in this
14 paragraph shall reduce the academic equity gaps in the retention,
15 time-to-degree or time-to-certificate completion, and graduation
16 rates between the applicant's Black and African American students
17 and the overall student population based on data submitted by the
18 applicant pursuant to paragraph (5) or (6), as applicable.

19 (4) A strategic plan for the five-year period in which the initial
20 designation awarded pursuant to this article shall be ~~valid~~; *valid*
21 on how the applicant intends to meet the academic goals and
22 academic equity goals submitted pursuant to paragraphs (2) and
23 (3). The strategic plan shall include, but not be limited to, all of
24 the following:

25 (A) A mission statement that addresses the applicant's
26 commitment to serve Black and African American students.

27 (B) Outreach services to Black and African American students
28 to encourage them to enroll at the college or university.

29 (C) Academic and basic needs support services to assist in the
30 academic success of Black and African American students. Support
31 services described in this subparagraph may include campus
32 affinity centers and corequisite coursework or concurrent support
33 activities.

34 (D) An outline of the planned allocation of resources during the
35 five-year period in which the initial designation awarded pursuant
36 to this article shall be valid, to ensure that the strategic plan
37 described in this paragraph can be implemented.

38 (E) An outline of how the applicant will use existing resources
39 to provide culturally-relevant professional development to the
40 applicant's faculty and staff.

1 (5) A four-year college or university applicant shall submit, in
2 its application, graduation rates for the previous three academic
3 years for all students, and for Black and African American students,
4 within the normal time and up to 150 percent of the normal time
5 to degree completion, yield, retention, and graduation rate.

6 (6) A community college applicant shall submit, in its
7 application, all of the following for the previous three academic
8 years:

9 (A) The number of degree and certificate programs completed
10 by all students, and by Black and African American students.

11 (B) The number of all students, and of Black and African
12 American students, who completed degree and certificate programs
13 within normal time and up to 300 percent of normal time to degree
14 completion, yield, retention, and graduation rate.

15 (C) The student transfer rates for all students, and for Black and
16 African American students, to four-year colleges and universities.

17 (7) A description of campus resources to promote a campus of
18 equity and inclusion for Black and African American students.

19 (e) A renewal application shall include, but not be limited to,
20 all of the following:

21 (1) Either of the following, as applicable:

22 (A) An applicant seeking renewal upon expiration of an initial
23 designation awarded pursuant to this article shall resubmit the
24 application it submitted to receive that initial designation.

25 (B) An applicant seeking renewal upon expiration of a renewal
26 designation awarded pursuant this article shall resubmit the
27 application it submitted to receive that previous renewal
28 designation.

29 (2) Demonstration of the applicant's progress to achieve the
30 academic goals and academic equity goals provided in the
31 application submitted pursuant to paragraph (1).

32 (3) Demonstration of the applicant's progress to implement the
33 strategic plan provided in the application submitted pursuant to
34 paragraph (1).

35 (4) Any changes made by the applicant to either of the following
36 items provided in the application submitted pursuant to paragraph
37 (1):

38 (A) The mission statement in the strategic plan that addresses
39 the applicant's commitment to serve Black and African American
40 students.

1 (B) The description of campus resources to promote a campus
2 of equity and inclusion for Black and African American students.

3 (5) A certification, in writing, by the chief administrative officer
4 of the college or university, of the applicant's continual
5 commitment to address Black and African American student
6 success that is consistent with the applicant's mission.

7 (6) Academic goals for the applicant to achieve within the
8 five-year period in which the renewal designation shall be valid.
9 The goals described in this paragraph shall improve retention,
10 time-to-degree or time-to-certificate completion, and graduation
11 rates of Black and African American students based on the data
12 submitted by the applicant pursuant to paragraph (9) or (10), as
13 applicable, within the five-year period in which the renewal
14 designation shall be valid.

15 (7) Academic equity goals for the applicant to achieve within
16 the five-year period in which the renewal designation shall be
17 valid. The goals described in this paragraph shall reduce the
18 academic equity gaps in the retention, time-to-degree or
19 time-to-certificate completion, and graduation rates between the
20 applicant's Black and African American students and the overall
21 student population based on data submitted by the applicant
22 pursuant to paragraph (9) or (10), as applicable.

23 (8) A strategic plan for the five-year period in which the renewal
24 designation shall be ~~valid~~, *valid* on how the applicant intends to
25 meet the academic goals and academic equity goals submitted
26 pursuant to paragraphs (6) and (7). The strategic plan shall include,
27 but not be limited to, all of the following:

28 (A) Outreach services to Black and African American students
29 to encourage them to enroll at the college or university.

30 (B) Academic and basic needs support services to assist in the
31 academic success of Black and African American students. Support
32 services described in this subparagraph may include campus
33 affinity centers and corequisite coursework or concurrent support
34 activities.

35 (C) An outline of the planned allocation of resources for the
36 five-year period in which the renewal designation shall be valid,
37 to ensure that the strategic plan described in this paragraph can be
38 implemented.

(D) An outline of how the applicant will use existing resources to provide culturally-relevant professional development to the applicant's faculty and staff.

(9) A four-year college or university applicant shall submit, in its application, graduation rates for the previous five academic years for all students, and for Black and African American students, within the normal time and up to 150 percent of normal time to degree completion, yield, retention, and graduation rate.

(10) A community college campus shall submit, in its application, all of the following for the previous five academic years:

(A) The number of degree and certificate programs completed by all students, and by Black and African American students.

(B) The number of all students, and of Black and African American students, who completed degree and certificate programs within normal time and up to 300 percent of normal time to degree completion yield, retention, and graduation rate.

(C) The student transfer rates for all students, and for Black and African American students, to four-year colleges and universities.

(f) (1) If an applicant's renewal application is denied by the governing board, the applicant may only submit an application to receive an initial designation pursuant to this article.

(2) Notwithstanding paragraph (1), an applicant described in paragraph (1) may submit an application for a renewal designation following the award of a subsequent initial designation by the governing board pursuant to this article.

(g) An applicant is encouraged to inform and consult with the academic senate of the college or university on the applicant's initial and renewal applications prepared pursuant to this article.

SEC. 62. Section 66270.7 of the Education Code is amended to read:

66270.7. (a) As used in this section, ~~“Hostile section”~~ *“hostile environment”* means unwelcomed conduct based on a person's actual or perceived race, color, ethnicity, national origin, religion, or disability status, that based on the totality of circumstances, is subjectively and objectively offensive, and is so severe or pervasive that it limits or denies a person's ability to participate in or benefit from ~~an institution's~~ *a campus's* education program or activity.

(b) The Trustees of the California State University and the Regents of the University of California have the primary

1 responsibility to prevent and address conduct that either creates a
2 hostile environment for students on campus, or results in
3 differential treatment of students on campus based on a student's
4 actual or perceived race, color, ethnicity, national origin, religion,
5 or disability status.

6 (c) The Trustees of the California State University shall do all
7 of the following:

8 (1) Adopt rules and procedures in the student codes of conduct
9 to provide all of the following elements:

10 (A) Prohibit violent, harassing, intimidating, or discriminatory
11 conduct that creates a hostile environment on campus.

12 (B) Prohibit conduct that limits or denies a person's ability to
13 participate in or benefit from the free exchange of ideas or the
14 educational mission of the California State University.

15 (C) Establish reasonable content-neutral time, place, and manner
16 restrictions, and, if applicable, any advance permitting requirements
17 for protests on campus.

18 (2) Adopt rules and procedures to take reasonable steps to
19 respond to each incident described in subparagraphs (A) and (B)
20 of paragraph (1) that creates a hostile environment on campus.

21 (3) Require each campus to publish on the campus's internet
22 website the time, place, and manner restrictions, and any advance
23 permitting requirements for protests on campus.

24 (4) Develop mandatory training programs to educate students
25 on all of the following:

26 (A) What constitutes violent, harassing, intimidating, or
27 discriminatory conduct that creates a hostile environment on
28 campus, and the procedures for investigating violations of the
29 student code of conduct.

30 (B) When and where protests and gatherings may be held,
31 including the difference between public fora, limited public fora,
32 nonpublic fora, and private property, consistent with the First
33 Amendment to the United States Constitution and Section 2 of
34 Article I of the California Constitution.

35 (C) How to exchange views in an atmosphere of mutual respect
36 and civility.

37 (5) Require, as a condition of enrollment at a California State
38 University campus, each student attending the campus to
39 acknowledge the campus's student code of conduct.

(d) The Trustees of the California State University and each California State University campus shall ensure that any policy adopted or enforced pursuant to this section, as applicable, is consistent with the First Amendment to the United States Constitution, Section 2 of Article I of the California Constitution, and Title VI of the federal Civil Rights Act of 1964 (42 U.S.C. Sec. 2000d et seq.).

(e) (1) On or before January 2, 2025, and annually thereafter, the Trustees of the California State University shall submit a report to the Legislature on the implementation and administration of this section. This report shall include information on student code of conduct violations relating to incidents described in subparagraphs (A) and (B) of paragraph (1) of subdivision (c).

(2) A report submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(f) The University of California is requested to comply with this section.

(g) This section is intended to be interpreted consistent with the First Amendment to the United States Constitution and Section 2 of Article I of the California Constitution.

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

SEC. 63. Section 66280.5 of the Education Code is amended to read:

66280.5. (a) Notwithstanding any other law, in order to be in compliance with Section 66270, the University of California shall do both of the following on or before July 1, 2026:

(1) Designate a systemwide Office of Civil Rights for the purpose of ensuring campus programs and activities are free from sex discrimination. The office shall be led by the systemwide civil rights officer designated pursuant to paragraph (2), who shall report on a periodic basis to the President of the University of California and the Regents of the University of California about the status of the implementation of the systemwide nondiscrimination policies pursuant to this section. The systemwide civil rights officer shall be responsible for coordinating the system's implementation of

1 and compliance with the systemwide nondiscrimination policies
2 established pursuant to this section.

3 (2) Establish the position of, and designate a staff person as, the
4 systemwide civil rights officer to monitor the system's compliance
5 with Section 66292.2. The systemwide civil rights officer shall
6 have the experience, training, and expertise necessary to coordinate
7 and carry out the requirements of the systemwide Office of Civil
8 Rights pursuant to this ~~section~~ *section*, and to, if necessary, recruit,
9 hire, and train personnel to carry out the requirements of this
10 section.

11 (b) The systemwide Office of Civil Rights established pursuant
12 to paragraph (1) of subdivision (a) shall do all of the following:

13 (1) Identify and maintain a single, systemwide nondiscrimination
14 policy for the entire system. The policy shall incorporate state and
15 federal law pertaining to the prevention of sex discrimination,
16 including, but not limited to, Title IX of the Education
17 Amendments of 1972 (20 U.S.C. Sec. 1681, et seq.) and Sections
18 66281.4, 66281.5, 66281.8, 67385, 67385.7, and 67386.

19 (2) In accordance with the policy identified and maintained
20 pursuant to paragraph (1), develop and implement a grievance
21 procedure for prompt and equitable processing, adjudication, and
22 resolution of all complaints of sex discrimination filed by students,
23 faculty, or staff in which the respondent is any of the following:

24 (A) A campus chancellor.

25 (B) A campus Title IX coordinator.

26 (C) An employee of the office of the President of the University
27 of California.

28 (D) A member of the Regents of the University of California.

29 (E) The President of the University of California.

30 (3) Oversee the adjudication of any complaints described in
31 paragraph (2) in accordance with the systemwide nondiscrimination
32 policy identified and maintained pursuant to paragraph (1).

33 (4) Oversee the annual training for personnel in Title IX offices
34 on a campus of the University of California.

35 (5) Establish and serve as a resource for the implementation of
36 best practices guidance for the prevention of sex discrimination
37 and the adjudication of complaints of sex discrimination as required
38 by the systemwide nondiscrimination policy identified and
39 maintained pursuant to paragraph (1).

(6) (A) Conduct a compliance review, at least once every five years, of each campus of the University of California to determine whether they are complying with the systemwide nondiscrimination policy identified and maintained pursuant to paragraph (1) and the best practices established pursuant to paragraph (5).

(B) The compliance reviews conducted pursuant to subparagraph (A) shall be presented during a public session of the Regents of the University of California in the year the review is completed and shall be made public on the internet website of the regents and on the campus internet website.

(7) Establish a range of disciplinary sanctions for respondents who are students, faculty, or staff of the system and who are found to have violated the system's nondiscrimination policy.

(8) Annually assess whether the systemwide Office of Civil Rights requires additional staffing or resources to comply with this section, and, if required, make a request for the additional staffing or resources in compliance with the policies established by the system for making budgetary requests.

(c) Notwithstanding Section 67400, this section shall apply to the University of California.

SEC. 64. Section 66308 of the Education Code is amended to read:

66308. (a) Beginning January 1, 2026, a former, current, or prospective student, against whom hazing is directed and who has suffered injury as a result, may commence a civil action for damages. In addition to bringing an action against any participants in the hazing or the organization pursuant to subdivision (e) of Section 245.6 of the Penal Code, an action may be brought against any educational institution for the hazing practice of the organization involving one or more students if all of the following apply:

(1) The educational institution had direct involvement in the hazing practice of the organization, or knew or should have known of the hazing practice and failed to take reasonable steps to prevent the hazing practice of the organization.

(2) At the time of the alleged hazing incident, the organization involved in the hazing is affiliated with the educational institution.

(3) The alleged hazing incident occurred on or after January 1, 2026.

1 (b) For purposes of paragraph (1) of subdivision (a), there shall
2 be a rebuttable presumption that an educational institution took
3 reasonable steps to prevent the hazing practice of the organization
4 if the educational institution has all of the following:

5 (1) (A) Rules and regulations governing student behavior that
6 include a prohibition on hazing, anonymous reporting of hazing
7 incidents, and disciplinary actions for the violation of the hazing
8 prohibition.

9 (B) Procedures by which all students are informed of the rules
10 and regulations, with applicable penalties, and any revisions to the
11 rules and regulations.

12 (2) (A) Rules and regulations governing employee behavior
13 that include a prohibition on hazing and disciplinary actions for
14 the violation of the hazing prohibition.

15 (B) Procedures by which all employees are informed of the rules
16 and regulations, with applicable penalties, and any revisions to the
17 rules and regulations.

18 (3) (A) A comprehensive prevention and outreach program
19 addressing hazing. The comprehensive prevention program shall
20 include components on identifying hazing, hazing prevention, and
21 bystander intervention strategies. An outreach program shall be
22 provided to inform students of the educational institution's policy
23 on the prohibition ~~of~~ on hazing, and, at a minimum, include a
24 process for contacting and informing the student body, athletic
25 programs, and affiliated student organizations about the educational
26 institution's overall prohibition on hazing policy. For purposes of
27 this paragraph, "comprehensive prevention and outreach program"
28 includes, but is not limited to, providing information to students
29 about all of the following:

30 (i) Hazing awareness, prevention, and the educational
31 institution's policy on the prohibition ~~of~~ on hazing.

32 (ii) Campus policies and resources relating to hazing, including
33 how to report hazing to the appropriate campus personnel, which
34 includes anonymous reporting.

35 (iii) A focus on prevention and bystander intervention training
36 as it relates to hazing.

37 (B) The comprehensive prevention and outreach program to
38 address hazing shall be part of every incoming student's orientation
39 and shall be offered annually to the following ~~campus-affiliated~~
40 *campus-affiliated* organizations:

1 (i) Athletic teams.

2 (ii) Affiliated sororities and fraternities.

3 (c) Notwithstanding the provisions of this section, nothing in
4 this section affects existing rights, obligations, and remedies under
5 Section 245.6 of the Penal Code.

6 (d) The duties and obligations imposed by this chapter are
7 cumulative with any other duties or obligations imposed under
8 *any* other law and shall not be construed to relieve any party from
9 any duties or obligations imposed under *any* other law, and do not
10 limit any rights or remedies under existing law.

11 SEC. 65. Section 66749.81 of the Education Code is amended
12 to read:

13 66749.81. (a) For purposes of this section, the following
14 definitions apply:

15 (1) “ADT” means associate degree for transfer.

16 (2) “Four-year postsecondary educational institution” means a
17 campus of the University of California or *the* California State
18 University or an independent institution of higher education defined
19 in subdivision (b) of Section 66010.

20 (3) “STEM” means science, technology, engineering, and
21 mathematics.

22 (4) “TMC” means transfer model curriculum, or transfer model
23 curricula, as appropriate.

24 (b) (1) The 60-unit lower division maximum requirement shall
25 be retained for an ADT, with the exception of paragraph ~~(2)~~: (2).

26 (2) For STEM major pathways identified as high-unit STEM
27 pathways by the Associate Degree for Transfer Intersegmental
28 Implementation Committee established pursuant to Section
29 66749.8, ADT pathways may be established that contain up to,
30 but no more than, 66 units of lower division coursework, and
31 require the submission of clear evidence and rationale for the one
32 to six additional units of lower division coursework proposed
33 during the TMC approval process. This clear evidence and rationale
34 shall include both of the following:

35 (A) An explanation of which proposed additional units do not
36 fit within the 60-unit lower division maximum requirement for
37 ADT pathways.

38 (B) An explanation of the need for one to six additional units
39 to be added to the lower division coursework to earn an ADT that
40 fall within the academic major preparation for the TMC.

1 (3) The clear evidence and rationale described in paragraph (2)
2 shall first be reviewed by the Intersegmental Curriculum Council,
3 and then reviewed by the office of the Chancellor of the California
4 Community Colleges.

5 (4) The clear evidence and rationale described in paragraph (2)
6 shall be posted publicly on the internet website of the office of the
7 Chancellor of the California Community Colleges.

8 (c) (1) On or before January 1, 2025, TMC drafts shall be
9 submitted to the office of the Chancellor of the California
10 Community Colleges for the high-unit STEM pathways of biology,
11 chemistry, computer science, engineering, environmental science,
12 mathematics, and physics for the purposes of meeting admissions
13 eligibility to both the California State University and the University
14 of California segments, and other four-year institutions that choose
15 to participate in the ADT, such as members of the Association of
16 Independent California Colleges and Universities and Historically
17 Black Colleges and Universities currently engaged with the office
18 of the Chancellor of the California Community Colleges. Where
19 a single TMC to both the University of California and the
20 California State University is not possible, clear evidence and
21 rationale explaining why separate TMCs are needed shall be
22 required and submitted to the office of the Chancellor of the
23 California Community Colleges, the office of the Chancellor of
24 the California State University, and the office of the President of
25 the University of California. This clear evidence and rationale shall
26 include, but is not limited to, all of the following:

27 (A) The additional courses and units that determine a single
28 TMC is not possible.

29 (B) The programs and campuses of the California State
30 University and the University of California that determine a single
31 TMC is not possible.

32 (C) Data on transfer student enrollment, retention, progression,
33 and success outcomes where available within each system that
34 demonstrate the need for separate TMCs.

35 (2) The clear evidence and rationale described in paragraph (1)
36 shall be posted publicly on the internet website of the office of the
37 Chancellor of the California Community Colleges.

38 (d) (1) Within 18 months of the creation of California
39 Community Colleges Chancellor's Office templates for a new
40 TMC, or the approval of revisions to an existing TMC, community

1 colleges shall create an ADT for each TMC adopted in every major
2 and area of emphasis offered by the community college pursuant
3 to subdivision (c).

4 (2) Within 12 months of the approval of a TMC pursuant to
5 paragraph (1), each California State University campus shall
6 determine similarity of the TMC to a baccalaureate degree in a
7 similar major to the TMC. University of California and Association
8 of Independent California Colleges and Universities campuses are
9 encouraged to identify those TMCs that fulfill major preparation
10 requirements for guaranteed transfer admission with an ADT.

11 (3) For the purposes of determining similarity pursuant to
12 paragraph (2), after a TMC is created or revised for a major, each
13 California State University campus shall determine if there is a
14 baccalaureate degree in a similar major to the TMC. This
15 determination of similarity shall ensure that students who earn the
16 ADT, that is created under the parameters of that TMC, are
17 guaranteed admission in that similar major at one of the California
18 State University campuses offering that major and shall be required
19 to complete no more than 60 units after transfer to earn the
20 baccalaureate degree that is deemed similar to the major of the
21 ADT if the student stays on that ADT pathway.

22 (e) Transparency concerning the membership and composition
23 of the faculty discipline review groups and other intersegmental
24 curriculum groups is required as follows:

25 (1) For each faculty discipline review group, the Academic
26 Senate for California Community Colleges shall regularly report
27 to the office of the Chancellor of the California Community
28 Colleges, and the Academic Senate of the California State
29 University shall regularly report to the office of the Chancellor of
30 the California State University, all of the following:

31 (A) The total number of faculty members serving on each faculty
32 discipline review group, including all of the following:

33 (i) The number of faculty members who work as instructional
34 faculty for a California ~~Community College~~ *community college*.

35 (ii) The number of faculty members who work as instructional
36 faculty for a California State University campus.

37 (iii) The number of faculty members who work as instructional
38 faculty for a University of California campus.

1 (iv) The number of faculty members who work as instructional
2 faculty for an independent institution of higher education, as
3 defined in subdivision (b) of Section 66010.

4 (B) The names of each faculty member serving on a faculty
5 discipline review group.

6 (C) The postsecondary educational institution where each faculty
7 member serving on a faculty discipline review group works as an
8 instructional faculty member.

9 (D) The academic disciplines in which each faculty member
10 serving on a faculty discipline review group provides classroom
11 instruction at a postsecondary educational institution.

12 (2) The office of the Chancellor of the California Community
13 Colleges and the office of the Chancellor of the California State
14 University shall regularly update their internet websites to reflect
15 the membership and composition of the segment's faculty members
16 serving on faculty discipline review groups pursuant to paragraph
17 (1).

18 SEC. 66. Section 69996.9 of the Education Code is amended
19 to read:

20 69996.9. (a) (1) For the 2021–22 fiscal year, through the
21 program, all of the following shall occur:

22 (A) Each pupil enrolled in grades 1 to 12, inclusive, on the State
23 Department of Education's official census day in the 2021–22
24 fiscal year who meets the requirements to be considered an
25 unduplicated pupil for purposes of paragraph (2) of subdivision
26 (b) of Section 2574 or paragraph (1) of subdivision (b) of Section
27 42238.02 and who is enrolled at a school district, public charter
28 school, state special school, or other local educational agency,
29 shall have a KIDS Account established on the pupil's behalf, unless
30 the pupil's KIDS Account has already been established pursuant
31 to Section 69996.3, and shall receive an enhanced deposit into the
32 pupil's KIDS Account in the amount of five hundred dollars
33 (\$500).

34 (B) In addition to the amount allocated pursuant to subparagraph
35 (A), the KIDS Account of each eligible pupil who is also a foster
36 youth, as defined under subdivision (b) of Section 42238.01, shall
37 receive an enhanced deposit of an additional five hundred dollars
38 (\$500).

39 (C) In addition to the amount allocated pursuant to
40 subparagraphs (A) and (B), the KIDS Account of each eligible

1 pupil who is also a homeless pupil meeting the definition of
2 “homeless children and youths” in subsection (2) of Section 725
3 of the federal McKinney-Vento Homeless Assistance Act (42
4 U.S.C. Sec. 11434a(2)) shall receive an enhanced deposit of an
5 additional five hundred dollars (\$500).

6 (2) Commencing with the 2022–23 fiscal year, through the
7 program, all of the following shall occur:

8 (A) Each pupil who meets all of the following conditions shall
9 have a KIDS Account opened on their behalf, unless their account
10 has already been established pursuant to Section 69996.3, and shall
11 receive an enhanced deposit into their KIDS Account in the amount
12 of five hundred dollars (\$500):

13 (i) The pupil is enrolled in first grade on the State Department
14 of Education’s official census day in the applicable fiscal year.

15 (ii) The pupil meets the requirements to be considered an
16 unduplicated pupil for purposes of paragraph (2) of subdivision
17 (b) of Section 2574 or paragraph (1) of subdivision (b) of Section
18 42238.02.

19 (iii) The pupil is enrolled at a school district, public charter
20 school, state special school, or other local educational agency.

21 (B) In addition to the amount allocated pursuant to subparagraph
22 (A), the KIDS Account of each pupil who meets the requirements
23 of subparagraph (A) and is also a foster youth, as defined under
24 subdivision (b) of Section 42238.01, shall receive an enhanced
25 deposit of an additional five hundred dollars (\$500).

26 (C) In addition to the amount allocated pursuant to
27 subparagraphs (A) and (B), the KIDS Account of each pupil who
28 meets the requirements of subparagraph (A) and is also a homeless
29 pupil under the definition of “homeless children and youths” in
30 subsection (2) of Section 725 of the federal McKinney-Vento
31 Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)) shall receive
32 an enhanced deposit of an additional five hundred dollars (\$500).

33 (D) For pupils for whom a KIDS Account has already been
34 established pursuant to Section 69996.3 and who are also eligible
35 for an enhanced deposit pursuant to this paragraph, the enhanced
36 deposit shall be deposited in the KIDS Account in which funding
37 for that pupil is currently held.

38 (3) (A) Commencing with the 2025–26 fiscal year, and subject
39 to an appropriation by the Legislature, through the program, both
40 of the following shall occur:

1 (i) (I) Each pupil who is a foster youth, as defined under
2 subdivision (b) of Section 42238.01, and is enrolled in any of
3 grades 1 to 12, inclusive, at a school district, public charter school,
4 state special school, or other local educational agency, shall have
5 a KIDS Account opened on their behalf, unless their account has
6 already been established pursuant to Section 69996.3, and shall
7 receive an enhanced deposit of an additional five hundred dollars
8 (\$500).

9 (II) Each foster youth pupil described in subclause (I) who did
10 not previously receive a deposit pursuant to either subparagraph
11 (A) of paragraph ~~(1) of subdivision (a)~~, (1), or subparagraph (A)
12 of paragraph ~~(2) of subdivision (a)~~, (2), shall further receive an
13 enhanced deposit of five hundred dollars (\$500) in addition to the
14 deposit pursuant to subclause (I).

15 (III) Upon receiving an enhanced deposit pursuant to subclause
16 (I) or (II) in any fiscal year, a pupil shall not be eligible for an
17 enhanced deposit pursuant to subclause (I) or (II) in any subsequent
18 fiscal year.

19 (ii) For pupils for whom a KIDS Account has already been
20 established pursuant to Section 69996.3 and who are also eligible
21 for an enhanced deposit pursuant to this subparagraph, the
22 enhanced deposit shall be deposited in the KIDS Account in which
23 funding for that pupil is currently held.

24 (B) This paragraph shall become inoperative on January 1, 2029.

25 (4) (A) A pupil who receives an enhanced deposit into their
26 KIDS Account pursuant to paragraph (1) or (2) may only have one
27 enhanced deposit made into their existing or newly established
28 KIDS Account pursuant to this article, except as provided for in
29 subparagraph (B). A pupil shall not have more than one KIDS
30 Account established for them pursuant to this article.

31 (B) Notwithstanding subparagraph (A), a pupil who receives
32 an enhanced deposit into their KIDS Account pursuant to
33 subparagraph (A) or (C) of paragraph (1), or a pupil who receives
34 an enhanced deposit pursuant to subparagraph (A) or (C) of
35 paragraph (2), may also receive enhanced deposits pursuant to
36 paragraph (3).

37 (b) (1) The board shall collaborate with the State Department
38 of Education, or other relevant governmental agencies, to identify
39 eligible pupils for the purpose of establishing KIDS Accounts or
40 making an enhanced deposit into existing KIDS Accounts pursuant

1 to this section. To the extent feasible, the State Department of
2 Education shall annually provide necessary data using census day
3 data in a secure manner for the board to fulfill its obligations
4 pursuant to this article, including, but not necessarily limited to,
5 eligible pupils' names, pupil identification, birth dates, grade levels,
6 contact information of parents or legal guardians, and eligibility
7 information. For purposes of this subdivision, the information
8 received by the board shall be considered necessary to facilitate
9 the establishment or enhancement of KIDS Accounts, or the
10 establishment of a notification process for parents or legal
11 guardians of eligible pupils.

12 (2) The board shall comply with federal and state laws to protect
13 individual privacy, including, but not limited to, the Information
14 Practices Act of 1977 (Chapter 1 (commencing with Section 1798)
15 of Title 1.8 of Part 4 of Division 3 of the Civil Code) and all of
16 the following federal statutes:

17 (A) The Family Educational Rights and Privacy Act of 1974
18 (Public Law 93-380, as amended).

19 (B) The Health Insurance Portability and Accountability Act of
20 1996 (Public Law 104-191, as amended).

21 (C) The Higher Education Act of 1965 (Public Law 89-329, as
22 amended).

23 (3) Notwithstanding any other law, individual records or source
24 data associated with the establishment of a KIDS Account pursuant
25 to this article shall not be subject to disclosure under the California
26 Public Records Act (Division 10 (commencing with Section
27 7920.000) of Title 1 of the Government Code).

28 (c) The Legislature finds and declares that undocumented
29 persons are eligible for KIDS Accounts within the meaning of
30 subsection (d) of Section 1621 of Title 8 of the United States Code.

31 (d) It is the intent of the Legislature to appropriate state funding
32 in the annual Budget Act to support the establishment of a KIDS
33 Account for any eligible pupil who meets, or could meet in a future
34 year, the requirements to be exempt from nonresident tuition
35 pursuant to subdivision (a) of Section 68130.5.

36 (e) (1) For the 2023–24 and 2024–25 fiscal years, the board
37 shall partner with the Los Angeles Unified School District and the
38 Riverside County Office of Education, including the 23 school
39 districts in the County of Riverside, to explore ways to increase
40 participation in the KIDS Program.

(2) As permissible under federal and state data privacy and data security laws, the board shall provide the local educational agencies specified in paragraph (1) with the statewide student identifiers of pupils within their respective jurisdictions who have not yet engaged with the KIDS Account established on their behalf commencing with the 2021–22 fiscal year. The board shall provide data at least three times per year to the extent feasible. Upon receipt of this data, the local educational agencies shall be responsible for complying with all applicable federal and state data privacy and data security laws relating to pupil record information.

(3) The board shall comply with federal and state laws to protect individual privacy, including, but not limited to, the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code) and all of the following federal statutes:

(A) The Family Educational Rights and Privacy Act of 1974 (Public Law 93-380, as amended).

(B) The Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, as amended).

(C) The Higher Education Act of 1965 (Public Law 89-329, as amended).

(4) (A) On or before September 30, 2025, the board, in collaboration with the local educational agencies specified in paragraph (1), shall submit a report to the Department of Finance and the Legislature, pursuant to Section 9795 of the Government Code. The report shall include, at a minimum, all of the following:

(i) The number of KIDS Program participants within the jurisdictions of the partnering local educational agencies that have registered on the program’s online portal and the number that have linked their KIDS Account to a Scholarshare 529 account.

(ii) The number of KIDS Program participants within the jurisdictions of the partnering local educational agencies that have requested a distribution of funds for qualified higher education expenses and the total amount of those payments.

(iii) A comparison of the rates specified in clauses (i) and (ii) with the rates of KIDS Program participants statewide.

(iv) As provided by the partnering local educational agencies, a description of the outreach strategies they implemented that were aimed at increasing participation in the KIDS Program, along with

1 any information available on the direct impact of each of those
2 strategies.

3 (v) Recommendations for improving KIDS Program structure
4 and outreach in collaboration with local educational agencies.

5 (B) The board may include this information in its annual report
6 on the KIDS Program pursuant to subdivision (c) of Section
7 69996.6.

8 (5) This subdivision shall become inoperative on July 1, 2025.

9 SEC. 67. Section 76303 of the Education Code is amended to
10 read:

11 76303. (a) The governing board of the West Valley-Mission
12 Community College District may adopt a policy that uses local
13 unrestricted general funds to provide fee waivers to students with
14 the greatest financial need, as determined by the community college
15 district, when other fee waivers are not provided to those students.
16 The policy shall include a requirement to prepare a fiscal impact
17 statement, including a three-year projection of *the* fiscal impact
18 of the fee waiver on the community college district. The fiscal
19 impact statement shall be presented at a public meeting of the
20 governing board of the community college district and made
21 available to the public.

22 (b) In addition to funding received pursuant to subdivision (b)
23 of Section 76396, the West Valley-Mission Community College
24 District may use local unrestricted general funds to provide
25 assistance to students for the total cost of attendance.

26 (c) The West Valley-Mission Community College District may
27 use local unrestricted general funds for the purposes described in
28 this section only for students who reside within the boundary of
29 the community college district.

30 (d) On or before March 1, 2028, the governing board of the
31 West Valley-Mission Community College District shall submit a
32 report to the office of the Chancellor of the California Community
33 Colleges, the Department of Finance, and the appropriate
34 committees of the Legislature on the implementation of this section.
35 The report shall include all of the following:

36 (1) How the district has determined to use local unrestricted
37 general funds to support implementation of the California College
38 Promise.

39 (2) How the district has determined to use local unrestricted
40 general funds to assist students with the total cost of attendance.

1 (3) How the district has determined to use California College
2 Promise funds to assist students with the total cost of attendance.

3 (4) A copy of the policy adopted by the governing board of the
4 West Valley-Mission Community College District pursuant to
5 subdivision (a).

6 (5) A copy of the fiscal impact statement prepared pursuant to
7 subdivision (a).

8 (6) The number and percentage of students receiving a fee
9 waiver pursuant to this section, disaggregated by age, race and
10 ethnicity, unit load, and income level.

11 (7) The number and percentage of students receiving a California
12 Promise Grant, disaggregated by age, race and ethnicity, unit load,
13 and income level.

14 (8) The number and percentage of students receiving other forms
15 of institutional aid, including scholarships and grants, disaggregated
16 by age, race and ethnicity, unit load, and income level.

17 (9) The services and programs that were limited or eliminated
18 due to the implementation of this section.

19 (e) For purposes of this section, the total cost of attendance for
20 a student attending a community college shall be defined to include
21 the student's tuition and fees, books and supplies, living expenses,
22 transportation expenses, and any other student expenses used to
23 calculate a student's financial need for purposes of federal Title
24 IV student aid programs.

25 (f) This section shall become inoperative on July 1, 2030, and,
26 as of January 1, 2031, is repealed.

27 SEC. 68. Section 2201 of the Elections Code, as amended by
28 Section 1 of Chapter 424 of the Statutes of 2024, is amended to
29 read:

30 2201. (a) The county elections official shall cancel the
31 registration in the following cases:

32 (1) At the signed, written request of the person registered.

33 (2) When the mental incompetency of the person registered is
34 legally established as provided in Sections 2208, 2209, 2210, and
35 2211. The county elections office shall use only information
36 provided by the Secretary of State pursuant to subdivision (d) of
37 Section 2211.5 to cancel a voter registration for this reason.

38 (3) Upon proof that the person is presently imprisoned for
39 conviction of a felony. The county elections office shall use only
40 information provided by the Secretary of State pursuant to

subdivision (d) of Section 2212, by a United States District Court, or by the Federal Bureau of Prisons to cancel a voter registration for this reason.

(4) Upon the production of a certified copy of a judgment directing the cancellation to be made.

(5) Upon the death of the person registered.

(6) Pursuant to Article 2 (commencing with Section 2220).

(7) Upon official notification that the voter is registered to vote in another state.

(8) Upon proof that the person is otherwise ineligible to vote.

(b) The Secretary of State may cancel the registration in the following cases:

(1) When the mental incompetency of the person registered is legally established as provided in Sections 2208, 2209, 2210, and 2211.

(2) Upon proof that the person is presently imprisoned for the conviction of a felony.

(3) Upon the death of the person registered.

(c) (1) Between 15 and 30 days, inclusive, before canceling a person's registration for the reasons specified in ~~paragraphs~~ *paragraph* (2), (3), or (6) of subdivision (a), the county elections official shall send a forwardable notice by first-class mail, including a postage-paid and preaddressed return form, to the voter.

(A) The forwardable notice shall be provided in the person's preferred language if the county is required to provide translated ballots in that language pursuant to Section 203 of the federal Voting Rights Act of 1965 (52 U.S.C. Sec. 10503).

(B) The notice shall include a statement substantially similar to the following:

"IMPORTANT NOTICE. Your voter registration record is scheduled to be canceled on [date]. This cancellation is due to information the [county name] County elections office has received indicating your ineligibility to vote in that county due to a change in residence, prison commitment, or mental incapacity to vote pursuant to Sections 2208, 2209, 2210, or 2211 of the California Elections Code, as applicable.

If you believe this cancellation is in error, please notify our office within 15 days from the date of this notice either by returning the attached postage-paid postcard or by calling [county elections office phone number] toll free.

1 If we do not receive your response to this notice, you may be
2 required to reregister to vote in the next election or to vote using
3 a provisional ballot. You can find more information about voter
4 eligibility rules on the Secretary of State's internet website at
5 [URL] or voter hotline at [phone numbers]. You can also check
6 your current registration status at [URL]."

7 (2) The preaddressed return form described in paragraph (1)
8 shall include all of the following:

9 (A) Space for the voter to provide their current place of
10 residence.

11 (B) Space for the voter to provide their current mailing address,
12 if different from the place of residence.

13 (C) A box next to a statement substantially similar to the
14 following: "The cancellation of my voter record is in error because
15 I have not been deemed mentally incompetent to vote by a court
16 of law and I am not currently serving a state or federal prison term.
17 Additionally, if I have moved, I have provided my new residential
18 address on this form."

19 (D) Space for the voter to provide their signature and the date.

20 (3) The elections official may send additional written notices
21 to a voter, and may also notify the voter in person, by telephone
22 or email, or by other means of the planned registration cancellation.

23 (d) (1) Within 15 days before or after cancellation of a voter's
24 registration for the reason specified in paragraph (5) of subdivision
25 (a), the county elections official shall send a forwardable notice
26 by first-class mail, including a postage-paid and preaddressed
27 return form, to the voter, to enable the voter to verify or correct
28 their voter registration cancellation.

29 (A) The forwardable notice shall be provided in the person's
30 preferred language if the county is required to provide translated
31 ballots in that language pursuant to Section 203 of the federal
32 Voting Rights Act of 1965 (52 U.S.C. Sec. 10503).

33 (B) The notice shall include a statement substantially similar to
34 the following:

35 "IMPORTANT NOTICE. Your voter registration record was
36 canceled on [date]. This cancellation is due to information the
37 [county name] County elections office has received indicating
38 your ineligibility to vote in that county due to death, pursuant to
39 the California Elections Code, as applicable.

1 If you believe this cancellation is in error, please notify our office
2 within 15 days from the date of this notice either by returning the
3 attached postage-paid postcard or by calling [county elections
4 office phone number] toll free.

5 If we do not receive your response to this notice, you may be
6 required to reregister to vote in the next election or to vote using
7 a provisional ballot. You can find more information about voter
8 eligibility rules on the Secretary of State's internet website at
9 [URL] or voter hotline at [phone numbers]. You can also check
10 your current registration status at [URL]."

11 (2) The preaddressed return form described in paragraph (1)
12 shall include all of the following:

13 (A) Space for the voter to provide their current place of
14 residence.

15 (B) Space for the voter to provide their current mailing address,
16 if different from the place of residence.

17 (C) A box next to a statement substantially similar to the
18 following: "The cancellation of my voter record is in error because
19 I have not died. Additionally, if I have moved, I have provided my
20 new residential address on this form."

21 (D) Space for the voter to provide their signature and the date.

22 (3) The elections official may send additional notices to a voter,
23 and may also notify the voter in person, by telephone or email, or
24 by other means of the planned registration cancellation.

25 (e) (1) The Secretary of State shall submit an update on January
26 1, 2025, and on the first of each month thereafter, detailing its
27 efforts and progress in fully implementing and achieving
28 compliance with Sections 2208, 2209, 2210, 2211, 2211.5, and
29 2214 to all of the following committees:

30 (A) The Assembly Committee on Elections.

31 (B) The Senate Committee on Elections and Constitutional
32 Amendments.

33 (C) The relevant subcommittee of the Assembly Committee on
34 Budget.

35 (D) The relevant subcommittee of the Senate Committee on
36 Budget and Fiscal Review.

37 (E) The Joint Committee on Legislative Audit.

38 (2) The Secretary of State shall not be required to submit the
39 update required pursuant to paragraph (1) after the Secretary of
40 State certifies to the committees described in paragraph (1) that it

1 has taken all steps necessary to fully implement and administer
2 Sections 2208, 2209, 2210, 2211, 2211.5, and 2214.

3 (f) This section shall become inoperative on July 1, 2025, and,
4 as of January 1, 2026, is repealed.

5 SEC. 69. Section 2208 of the Elections Code is amended to
6 read:

7 2208. (a) A person is presumed competent to vote regardless
8 of the person's conservatorship status. A person shall be deemed
9 mentally incompetent, and therefore disqualified from voting, if,
10 during the course of any of the proceedings set forth below, the
11 court finds by clear and convincing evidence that the person cannot
12 communicate, with or without reasonable accommodations, a desire
13 to participate in the voting process, and any of the following apply:

14 (1) A conservator for the person or the person and estate is
15 appointed pursuant to Division 4 (commencing with Section 1400)
16 of the Probate Code.

17 (2) A conservator for the person or the person and estate is
18 appointed pursuant to Chapter 3 (commencing with Section 5350)
19 of Part 1 of Division 5 of the Welfare and Institutions Code.

20 (3) A conservator is appointed for the person pursuant to
21 proceedings initiated under Section 5352.5 of the Welfare and
22 Institutions Code, the person has been found not competent to
23 stand trial, and the person's trial or judgment has been suspended
24 pursuant to Section 1370 of the Penal Code.

25 (4) A person has pleaded not guilty by reason of insanity, has
26 been found to be not guilty pursuant to Section 1026 of the Penal
27 Code, and is deemed to be gravely disabled at the time of judgment
28 as defined in *subparagraph (B) of paragraph (2) (1)* of subdivision
29 (h) of Section 5008 of the Welfare and Institutions Code.

30 (b) If the proceeding under the Welfare and Institutions Code
31 is heard by a jury, the jury shall unanimously find by clear and
32 convincing evidence that the person cannot communicate, with or
33 without reasonable accommodations, a desire to participate in the
34 voting process before the person shall be disqualified from voting.

35 (c) If an order establishing a conservatorship is made and in
36 connection with the order it is found by clear and convincing
37 evidence that the person cannot communicate, with or without
38 reasonable accommodations, a desire to participate in the voting
39 process, the court shall provide notice to the Secretary of State
40 pursuant to Section 2211.5.

(d) A person shall not be disqualified from voting pursuant to this section on the basis that the person does, or would need to do, any of the following to complete an affidavit of voter registration:

(1) Signs the affidavit of voter registration with a mark or a cross pursuant to subdivision (b) of Section 2150.

(2) Signs the affidavit of voter registration by means of a signature stamp pursuant to Section 354.5.

(3) Completes the affidavit of voter registration with the assistance of another person pursuant to subdivision (d) of Section 2150.

(4) Completes the affidavit of voter registration with reasonable accommodations.

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

SEC. 70. Section 3019 of the Elections Code is amended to read:

3019. (a) (1) Upon receiving a vote by mail ballot, the elections official shall compare the signature on the identification envelope with either of the following to determine if the signatures compare:

(A) The signature appearing on the voter's affidavit of registration or any previous affidavit of registration of the voter.

(B) The signature appearing on a form issued by an elections official that contains the voter's signature and that is part of the voter's registration record.

(2) All of the following apply to the comparison of signatures pursuant to this section, including the comparison of a voter's signature on a signature verification statement, an unsigned identification envelope statement, or a combined vote by mail ballot signature verification statement and unsigned identification envelope statement, with the signature that is part of the voter's registration record:

(A) A presumption exists that the signature on the identification envelope, signature verification statement, unsigned identification envelope statement, or provisional ballot envelope is the voter's signature.

(B) An exact match is not required for an elections official to determine that a voter's signature is valid. The fact that signatures share similar characteristics is sufficient to determine that a signature is valid.

1 (C) Except as provided in subparagraph (D), the elections
2 official shall consider explanations for discrepancies between
3 signatures that are specified in regulations promulgated by the
4 Secretary of State. For purposes of this subparagraph, explanations
5 include a variation in signature style over time and the haste with
6 which a signature is written.

7 (D) When comparing signatures, an elections official shall not
8 review or consider a voter's party preference, race, or ethnicity.

9 (E) The elections official may consider characteristics of the
10 written signature that are specified in regulations promulgated by
11 the Secretary of State. For purposes of this subparagraph,
12 characteristics include the slant of the signature, letter formation,
13 and whether the signature is printed or written in cursive.

14 (F) The elections official may use facsimiles of voters'
15 signatures, provided that the method of preparing and displaying
16 the facsimiles complies with the law.

17 (G) In comparing signatures pursuant to this section, an elections
18 official may use signature verification technology. If signature
19 verification technology determines that the signatures do not
20 compare, the signature is subject to the additional procedures
21 described in paragraph (2) of subdivision (c).

22 (H) The variation of a signature caused by the substitution of
23 initials for the first or middle name, or both, is not grounds for the
24 elections official to determine that the signatures do not compare.

25 (I) A signature made using a mark such as an "X," or made by
26 a signature stamp, shall be presumed valid and shall be accepted
27 if the signature meets the requirements of Section 354.5.

28 (b) If upon conducting the comparison of signatures pursuant
29 to subdivision (a) the elections official determines that the
30 signatures compare, the elections official shall deposit the ballot,
31 still in the identification envelope, in a ballot container in the
32 elections official's office.

33 (c) (1) If upon conducting the comparison of signatures pursuant
34 to subdivision (a) the elections official determines that the signature
35 possesses multiple, significant, and obvious differing characteristics
36 when compared to all signatures in the voter's registration record,
37 the signature is subject to the additional procedures described in
38 paragraph (2).

39 (2) If the elections official makes the determination described
40 in paragraph (1), the signature shall be rejected only if two

1 additional elections officials each find beyond a reasonable doubt
2 that the signature differs in multiple, significant, and obvious
3 respects from all signatures in the voter's registration record. If
4 the officials determine that the signatures do not compare, the
5 identification envelope shall not be opened and the ballot shall not
6 be counted. The elections official shall write the cause of the
7 rejection on the face of the identification envelope only after
8 completing the procedures described in subdivision (d).

9 (d) (1) (A) Except as provided in subparagraph (E), on or
10 before the next business day after a determination that a voter's
11 signature does not compare pursuant to subdivision (c), but not
12 later than eight days prior to the certification of the election, the
13 elections official shall send by first-class mail notice to the voter
14 of the opportunity to verify the voter's signature no later than 5
15 p.m. two days prior to the certification of the election. The notice
16 shall include a return envelope, with postage paid, for the voter to
17 return a signature verification statement.

18 (B) If an elections official has a telephone number or email
19 address on file for a voter whose signature does not compare
20 pursuant to subdivision (c), the elections official shall notify the
21 voter by telephone, a text message, or email of the opportunity to
22 verify the voter's signature. If an elections official calls the voter
23 and the voter does not answer, the elections official shall attempt
24 to leave a voicemail message.

25 (C) Unless required pursuant to Section 3026, the elections
26 official may send additional written notices to a voter identified
27 pursuant to subdivision (c), and may also notify the voter in person
28 or by other means of the opportunity to verify the voter's signature.

29 (D) Unless required pursuant to Section 3026, the elections
30 official may use any information in a county's election
31 management system, or otherwise in the elections official's
32 possession, for the purpose of notifying the voter of the opportunity
33 to verify the voter's signature.

34 (E) If it is impracticable under the circumstances for the
35 elections official to send the notice described in subparagraph (A)
36 on or before the next business day, including in the event of
37 technological failure, the elections official shall send the notice as
38 soon as practicable, but not later than eight days prior to the
39 certification of the election.

1 (2) The notice and instructions shall be in substantially the
2 following form:

3
4 “READ THESE INSTRUCTIONS CAREFULLY. FAILURE TO FOLLOW THESE
5 INSTRUCTIONS MAY CAUSE YOUR VOTE BY MAIL BALLOT NOT TO
6 COUNT.
7

8 1. We have determined that the signature you provided on your vote by mail
9 ballot does not compare with the signature(s) on file in your voter record. In
10 order to ensure that your vote by mail ballot will be counted, the signature
11 verification statement must be completed and returned as soon as possible.

12 2. The signature verification statement must be received by the elections
13 official of the county where you are registered to vote no later than 5 p.m. two
14 days prior to certification of the election.

15 3. You must sign your name where specified on the signature verification
16 statement (Voter’s Signature).

17 4. Place the signature verification statement into the postage-paid return
18 envelope if it is included with these instructions. If a return envelope is not
19 included with these instructions, use your own mailing envelope addressed to
20 your local elections official. Mail, deliver, or have the completed statement
21 delivered to the elections official. If you mail your completed statement using
22 your own envelope, be sure there is sufficient postage and that the address of
23 the elections official is correct.

24 5. If you do not wish to send the signature verification statement by mail or
25 have it delivered, you may submit your completed statement by email or
26 facsimile transmission to your local elections official, or by other electronic
27 means made available by your local elections official, or submit your completed
28 statement to a polling place within the county or a ballot dropoff box before
29 the close of the polls on election day.”
30

31 (3) The notice and instructions shall be translated in all
32 languages required in that county by Section 203 of the federal
33 Voting Rights Act of 1965 (52 U.S.C. Sec. 10503).

34 (4) The elections official shall not reject a vote by mail ballot
35 identified pursuant to subdivision (c) if each of the following
36 conditions ~~is~~ *are* satisfied:

37 (A) The voter delivers, in person, by mail, by fax, by email, or
38 by other means, a signature verification statement signed by the
39 voter and the elections official receives the statement no later than
40 5 p.m. two days prior to the certification of the election, or the

1 voter, before the close of the polls on election day, completes and
2 submits a signature verification statement to a polling place within
3 the county or a ballot dropoff box.

4 (B) Upon receipt of the signature verification statement, the
5 elections official shall compare the signature on the statement with
6 the signature on file in the voter's record.

7 (i) If upon conducting the comparison of signatures the elections
8 official determines that the signatures compare, the elections
9 official shall deposit the ballot, still in the identification envelope,
10 in a ballot container in the elections official's office.

11 (ii) If, under the standards and procedures of subdivision (c), a
12 determination is made that the signatures do not compare, the
13 identification envelope shall not be opened and the ballot shall not
14 be counted. The elections official shall write the cause of the
15 rejection on the face of the identification envelope.

16 (5) The signature verification statement shall be in substantially
17 the following form and may be included on the same page as the
18 notice and instructions specified in paragraph (2):

19
20 "SIGNATURE VERIFICATION STATEMENT

21
22 I, _____, am a registered voter of _____ County,
23 State of California. I declare under penalty of perjury that I received and
24 returned a vote by mail ballot. I am a resident of the precinct in which I have
25 voted, and I am the person whose name appears on the vote by mail ballot
26 envelope. I understand that if I commit or attempt any fraud in connection
27 with voting, or if I aid or abet fraud or attempt to aid or abet fraud in connection
28 with voting, I may be convicted of a felony punishable by imprisonment for
29 16 months or two or three years. I understand that my failure to sign this
30 statement means that my vote by mail ballot will be invalidated.

31
32 _____
33 Voter's Signature

34 _____
35 Address"

36 (6) If the elections official determines that the signatures
37 compare, the official shall use the signature in the signature
38 verification statement, even if returned untimely, to update the
39 voter's signature for future elections.

(e) (1) (A) Notwithstanding any other law, if an elections official determines that a voter has failed to sign the identification envelope, the elections official shall not reject the vote by mail ballot if the voter does any of the following:

(i) Signs the identification envelope at the office of the elections official during regular business hours no later than 5 p.m. two days prior to the certification of the election.

(ii) No later than 5 p.m. two days prior to the certification of the election, completes and submits an unsigned identification envelope statement in substantially the following form:

“UNSIGNED IDENTIFICATION ENVELOPE STATEMENT

I, _____, am a registered voter of _____ County, State of California. I declare under penalty of perjury that I received and returned a vote by mail ballot and that I have not and will not vote more than one ballot in this election. I am a resident of the precinct in which I have voted, and I am the person whose name appears on the vote by mail ballot envelope. I understand that if I commit or attempt any fraud in connection with voting, or if I aid or abet fraud or attempt to aid or abet fraud in connection with voting, I may be convicted of a felony punishable by imprisonment for 16 months or two or three years. I understand that my failure to sign this statement means that my vote by mail ballot will be invalidated.

Voter’s Signature

Address”

(iii) Before the close of the polls on election day, completes and submits an unsigned identification envelope statement, in the form described in clause (ii), to a polling place within the county or a ballot dropoff box.

(B) (i) Except as provided in clause (v), or before the next business day after discovering that a voter has failed to sign the identification envelope, but not later than eight days prior to the certification of the election, the elections official shall send by first-class mail notice and instructions to the voter of the opportunity to provide a signature no later than 5 p.m. two days prior to the certification of the election. The notice shall include

1 a return envelope, with postage paid, for the voter to return the
2 unsigned identification envelope statement.

3 (ii) If an elections official has a telephone number or email
4 address on file for a voter who has failed to sign the identification
5 envelope, the elections official shall notify the voter by telephone,
6 a text message, or email of the opportunity to provide a signature.
7 If an elections official calls the voter and the voter does not answer,
8 the elections official shall attempt to leave a voicemail message.

9 (iii) Unless required pursuant to Section 3026, the elections
10 official may send additional written notices to a voter identified
11 pursuant to this subdivision, and may also notify the voter in person
12 or by other means of the opportunity to provide a signature.

13 (iv) Unless required pursuant to Section 3026, the elections
14 official may use any information in the county's election
15 management system, or otherwise in the elections official's
16 possession, for the purpose of notifying the voter of the opportunity
17 to provide a signature.

18 (v) If it is impracticable under the circumstances for the elections
19 official to send the notice described in clause (i) on or before the
20 next business day, including in the event of technological failure,
21 the elections official shall send the notice as soon as practicable,
22 but not later than eight days prior to the certification of the election.

23 (C) If timely submitted, the elections official shall accept any
24 completed unsigned identification envelope statement. Upon receipt
25 of the unsigned identification envelope statement, the elections
26 official shall compare the voter's signature on the statement in the
27 manner provided by this section.

28 (i) If the elections official determines that the signatures
29 compare, the elections official shall attach the unsigned
30 identification envelope statement to the identification envelope
31 and deposit the ballot, still in the identification envelope, in a ballot
32 container in the elections official's office.

33 (ii) If, under the standards and procedures of subdivision (c), a
34 determination is made that the signatures do not compare, the
35 identification envelope shall not be opened and the elections
36 official shall provide notice to the voter pursuant to subdivisions
37 (c) and (d).

38 (D) An elections official may use methods other than those
39 described in subparagraph (A) to obtain a voter's signature on an
40 unsigned identification envelope statement.

1 (2) Instructions shall accompany the unsigned identification
2 envelope statement in substantially the following form:

3
4 “READ THESE INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE
5 STATEMENT. FAILURE TO FOLLOW THESE INSTRUCTIONS MAY CAUSE
6 YOUR BALLOT NOT TO COUNT.
7

- 8 1. In order to ensure that your vote by mail ballot will be counted, your
9 statement should be completed and returned as soon as possible, but
10 no later than 5 p.m. two days prior to the certification of the election.
11 2. You must sign your name on the line above (Voter’s Signature).
12 3. Place the statement into the postage-paid return envelope if it is included
13 with these instructions. If a return envelope is not included with these
14 instructions, use your own mailing envelope addressed to your local
15 elections official. Mail, deliver, or have delivered the completed
16 statement to the elections official. If you mail your completed statement
17 using your own envelope, be sure there is sufficient postage and that
18 the address of the elections official is correct.
19 4. If you do not wish to send the statement by mail or have it delivered,
20 you may submit your completed statement by facsimile or email
21 transmission to your local elections official, or by other electronic
22 means made available by your local elections official, or submit your
23 completed statement to a polling place within the county or a ballot
24 dropoff box before the close of the polls on election day.”
25

26 (3) The notice and instructions shall be translated in all
27 languages required in that county by Section 203 of the federal
28 Voting Rights Act of 1965 (52 U.S.C. Sec. 10503).

29 (f) An elections official shall include a single, combined vote
30 by mail ballot signature verification statement and unsigned ballot
31 identification envelope statement, along with the instructions
32 provided in this section for the completion of the statement, on the
33 elections official’s internet website and shall provide the elections
34 official’s mailing address, email address, and facsimile
35 transmission number on the internet web page containing the
36 statement and instructions. The elections official shall accept the
37 combined statement from a voter for the purpose of satisfying the
38 requirements of paragraph (4) of subdivision (d) or subparagraph
39 (C) of paragraph (1) of subdivision (e). An elections official may
40 mail the combined statement to a voter pursuant to subdivision (d)

1 or (e) in lieu of the signature verification statement or unsigned
2 ballot identification envelope statement.

3 (g) A local elections official offering other electronic means for
4 submission of a statement described in this section shall establish
5 appropriate privacy and security protocols that ensure that the
6 information transmitted is received directly and securely by the
7 elections official and is only used for the stated purposes of
8 verifying the signature on the voter's ballot.

9 (h) A ballot shall not be removed from its identification envelope
10 until the time for processing ballots. A ballot shall not be rejected
11 for cause after the identification envelope has been opened.

12 (i) For purposes of this section, "certification of the election"
13 means the date the particular elections official submits a certified
14 statement of the results of the election to the governing body
15 pursuant to Section 15372, even if that occurs before the deadline
16 to submit the certified statement of the election results set forth in
17 Section 15372.

18 (j) In comparing signatures pursuant to this section, including
19 when using signature verification software or other technology,
20 an elections official shall adhere to all applicable regulations
21 promulgated by the Secretary of State.

22 (k) An elections official is authorized to use contact information
23 provided on a voter's affidavit of registration to contact a voter
24 for purposes consistent with this section.

25 SEC. 71. Section 20513 of the Elections Code is amended to
26 read:

27 20513. (a) Any large online platform shall develop and
28 implement procedures for the use of state-of-the-art techniques to
29 identify and remove materially deceptive content if all of the
30 following conditions are met:

31 (1) The content is reported pursuant to subdivision (a) of Section
32 20515.

33 (2) The materially deceptive content is any of the following:

34 (A) A candidate for elective office portrayed as doing or saying
35 something that the candidate did not do or say and that is
36 reasonably likely to harm the reputation or electoral prospects of
37 a candidate.

38 (B) An elections official portrayed as doing or saying something
39 in connection with the performance of their elections-related duties
40 that the elections official did not do or say and that is reasonably

likely to falsely undermine confidence in the outcome of one or more election contests.

(C) An elected official portrayed as doing or saying something that influences an election in California that the elected official did not do or say and that is reasonably likely to falsely undermine confidence in the outcome of one or more election contests.

(3) The content is posted during the applicable time period or periods set forth in subdivision (e).

(4) The large online platform knows or acts with reckless disregard for the fact that the content meets the requirements of this section.

(b) If a post is determined to meet the requirements for removal pursuant to subdivision (a), any large online platform shall remove the post upon that determination, but no later than 72 hours after a report is made pursuant to subdivision (a) of Section 20515 in order to be in compliance with this chapter.

(c) Any large online platform shall identify, using state-of-the-art techniques, and remove, upon discovering or being alerted to the posting or reposting of, any identical or substantially similar materially deceptive content that the platform had previously removed pursuant to this chapter, provided that this removal occurs during the applicable time period or periods set forth in subdivision (e).

(d) (1) Notwithstanding subparagraph (A) of paragraph (2) of subdivision (a), this section does not apply to a candidate for elective office who, during the time period set forth in subdivision (e), portrays himself as doing or saying something that the candidate did not do or say, if the digital content includes a disclosure stating the following: “This _____ has been manipulated.” The blank in this disclosure shall be filled in with whichever of the following terms most accurately describes the media:

(A) Image.

(B) Audio.

(C) Video.

(2) (A) For visual media, the text of the disclosure shall appear in a size that is easily readable by the average viewer and no smaller than the largest font size of other text appearing in the visual media. If the visual media does not include any other text, the disclosure shall appear in a size that is easily readable by the

1 average viewer. For visual media that is video, the disclosure shall
2 appear for the duration of the video.

3 (B) If the media consists of audio only, the disclosure shall be
4 read in a clearly spoken manner and in a pitch that can be easily
5 heard by the average listener, at the beginning of the audio, at the
6 end of the audio, and, if the audio is greater than two minutes in
7 length, interspersed within the audio at intervals of not greater than
8 two minutes each.

9 (e) (1) Except as provided in paragraph (2), any large online
10 platform shall remove the content to the extent required by
11 subdivisions (a) to (c), inclusive, and any candidate for elective
12 office shall include the disclosure required by subdivision (d),
13 during a period beginning 120 days before an election in California
14 and through the day of the election.

15 (2) If the content described in subdivision (a) depicts or pertains
16 to elections officials, any large online platform shall remove the
17 content to the extent required by subdivisions (a) to (c), ~~inclusive~~
18 *inclusive*, during a period beginning 120 days before an election
19 in California and ending on the 60th day after the election.

20 SEC. 72. Section 1352 of the Fish and Game Code is amended
21 to read:

22 1352. (a) The money in the Wildlife Restoration Fund, as
23 provided for by *former* Section 19632 of the Business and
24 Professions Code, as that section read on January 1, 2024, is
25 available for expenditure under this chapter.

26 (b) All federal moneys made available for projects authorized
27 by the board shall be deposited into the Wildlife Restoration Fund
28 or the Fish and Game Preservation Fund.

29 (c) Any moneys received into the Wildlife Restoration Fund or
30 the Fish and Game Preservation Fund from leases authorized
31 pursuant to paragraph (2) or (3) of subdivision (c) of Section 1348
32 shall be expended, upon appropriation by the Legislature, by the
33 department for purposes of managing, maintaining, restoring, or
34 operating lands owned and managed by the department.

35 SEC. 73. Section 1352.5 of the Fish and Game Code is
36 amended to read:

37 1352.5. (a) The San Francisco Baylands Restoration Program
38 Account is hereby established within the Wildlife Restoration
39 Fund, as provided for by *former* Section 19632 of the Business
40 and Professions Code, *as that section read on January 1, 2024,*

1 for the purpose of acquiring and restoring wetlands and lands that
2 may be enhanced to support wetlands in the San Francisco Bay
3 area in order to achieve the objectives of the Baylands Ecosystem
4 Habitat Goals Report (Goals Report).

5 (b) Funds in the account may be expended by the board to
6 acquire any lands identified in the Goals Report that are available
7 for acquisition subject to the following conditions:

8 (1) The purchase price shall not exceed the fair market value
9 of the property, as determined by an appraisal conducted pursuant
10 to Section 1348.2. The appraisal shall also consider and describe
11 all the specific requirements and restrictions of relevant state and
12 federal laws, including, but not limited to, the McAteer-Petris Act
13 (Title 7.2 (commencing with Section 66600) of the Government
14 Code), related to the property value and development potential of
15 lands considered for acquisition in the shoreline band of the San
16 Francisco Bay area.

17 (2) The board has determined any of the following:

18 (A) Funds are available to implement the recommendations and
19 objectives of the Goals Report for a significant portion of the
20 property to be acquired by the board.

21 (B) Sufficient funding and authority exists for the long-term
22 maintenance of all levees and dikes and all other land-use
23 management requirements necessary to avoid environmental
24 degradation for the property proposed to be acquired by the board.

25 (C) The property to be acquired by the board has no unique
26 long-term maintenance requirements or has no land-use
27 management requirements necessary to avoid environmental
28 degradation.

29 (3) If the board determines to acquire all or a portion of the
30 Cargill property, a matching federal appropriation for the
31 acquisition of the Cargill property shall be deposited into an
32 account solely for the acquisition of the Cargill property or a
33 portion thereof.

34 (4) The board has consulted with the State Coastal Conservancy
35 and determined that the proposed acquisition is consistent with
36 most of the goals of the San Francisco Bay Area Conservancy
37 Program, as described in Section 31162 of the Public Resources
38 Code.

39 (5) The acquisition of the property will not result in any liability
40 to the state for the cleanup of hazardous materials.

1 (c) “Cargill property,” for purposes of this section, means all
2 property owned by the Cargill Salt Division that Cargill proposes
3 to sell to the state and federal governments.

4 SEC. 74. Section 1672 of the Fish and Game Code is amended
5 to read:

6 1672. (a) The department may issue a restoration management
7 permit to authorize take, possession, import, or export of any
8 species or subspecies of fish, wildlife, or plant in association with
9 a qualifying restoration project and to authorize any impacts to
10 fish and wildlife resources as a result of activities otherwise subject
11 to Section 1602, all pursuant to terms and conditions determined
12 by the department.

13 (b) The department may authorize the take, possession, import,
14 or export of any endangered species, threatened species, or
15 candidate species designated pursuant to Chapter 1.5 (commencing
16 with Section 2050) of Division 3 for management or propagation
17 purposes, including scientific or educational purposes related to
18 management or propagation, through a restoration management
19 permit for a qualifying restoration project.

20 (c) The department may authorize the take, possession, import,
21 or export of any fully protected bird, mammal, reptile, amphibian,
22 or fish designated pursuant to Section 3511, 4700, 5050, or 5515
23 for management or propagation purposes, including scientific or
24 educational purposes related to management or propagation,
25 through a restoration management permit for a qualifying
26 restoration project. The take, possession, import, or export of any
27 fully protected bird, mammal, reptile, amphibian, or fish that is
28 authorized through a restoration management permit for a
29 qualifying restoration project shall not be subject to Section 3511,
30 4700, 5050, or 5515.

31 (d) The department may authorize the take, possession, import,
32 or export of any plant species designated as rare pursuant to
33 Chapter 10 (commencing with Section 1900) ~~of Division 2~~ for
34 management or propagation purposes, including scientific or
35 educational purposes related to management or propagation,
36 through a restoration management permit for a qualifying
37 restoration project.

38 (e) The department may authorize the take, possession, import,
39 or export of any fish, amphibian, reptile, mammal, bird, or the
40 nests or eggs thereof, or any other form of plant or animal life not

subject to subdivisions (b) through (d), inclusive, for management or propagation purposes, including scientific or educational purposes related to management or propagation, through a restoration management permit for a qualifying restoration project.

(f) If a qualifying restoration project includes the substantial diversion or obstruction of the natural flow of, or substantial change or use of any material from the bed, channel, or bank of, any river, stream, or lake and the department determines the activity may substantially adversely affect an existing fish or wildlife resource, the department may authorize those activities through a restoration management permit. The department shall include reasonable measures necessary to protect that resource in the restoration management permit for the qualifying restoration project.

SEC. 75. Section 2089.22 of the Fish and Game Code is amended to read:

2089.22. (a) If any of the following agreements have been approved pursuant to applicable provisions of federal law and the federal agreement contains species that are endangered, threatened, candidate, or declining or vulnerable species pursuant to this chapter, no further authorization or approval is necessary under this article for any person authorized by that federal agreement to take the species identified in and in accordance with the federal agreement, if that person and the department follow all of the procedures specified in Section 2080.1, except that the determination of consistency shall be made by the department based only on the issuance criteria contained in this article:

- (1) A federal safe harbor agreement.
- (2) A federal candidate conservation agreement with assurances.
- (3) A federal conservation benefit agreement with an enhancement of survival permit in compliance with Part 17 (commencing with Section 17.1) of Subchapter B of Chapter 4 I of Title 50 of the Code of Federal Regulations.

(b) Any authority pursuant to subdivision (a) to take species identified in a federal agreement shall terminate immediately upon the expiration or termination of the federal agreement.

SEC. 76. Section 12811.2 of the Food and Agricultural Code is amended to read:

12811.2. (a) On or before May 1, 2025, and annually thereafter, until May 2, 2028, the department shall annually report the average processing times to review and evaluate, and issue final decisions

1 ~~on~~ on, applications to register new pesticide products or amend
2 existing pesticide product registrations for the prior calendar year,
3 and post this information on its internet website. The report shall
4 include the number of days, on average, that it took to complete
5 an application and the number of days, on average, that an
6 application spent in intake and in each stage of scientific
7 evaluation.

8 (b) On or before May 1, 2029, and annually thereafter, the
9 department shall report the average processing times for the
10 applications described in subdivision (a) for the prior calendar year
11 and post this information on its internet website. This information
12 shall include all of the following:

13 (1) The number of applications by registration category that
14 were completed within the timeframes specified pursuant to
15 subdivision (a) of Section 12839. This number shall be reported
16 based on nonagricultural, agricultural, and dual use products.

17 (2) The number of applications that exceeded the timeframes
18 specified in each of subdivision (a), (d), or (e) of Section 12839.
19 This number shall be reported for each respective subdivision
20 based on nonagricultural, agricultural, and dual use products.

21 (3) The number of days applications spent, on average, in intake
22 and at each stage of scientific evaluation.

23 SEC. 77. Section 12839 of the Food and Agricultural Code is
24 amended to read:

25 12839. (a) On and after July 1, 2027, the department shall
26 meet the following timelines to review and evaluate, and issue
27 final decisions—~~on~~ on, applications to register new pesticide
28 products or amend existing pesticide product registrations, as
29 specified in this article, except as provided in subdivisions (b), (d),
30 and (e).

31 (1) For review and evaluation—~~of~~ of, and issuance of a final
32 decision—~~on~~ on, an application for registration of a new active
33 ingredient, 30 months from the date of submittal of a complete
34 application.

35 (2) For review and evaluation—~~of~~ of, and issuance of a final
36 decision—~~on~~ on, an application for registration of a new product or
37 letter of acceptance to amend an existing product registration,
38 when previously evaluated data support registration or amendment
39 and no supporting scientific data is required for review, six months
40 from the date of submittal of a complete application.

1 (3) For review and evaluation ~~of~~ *on*, and issuance of a final
2 decision ~~on~~ *on*, an application for registration of a new product or
3 letter of acceptance to amend an existing product registration,
4 when evaluation of data is required, 12 months from the date of
5 submittal of a complete application.

6 (4) In cases where the submitted application for registration of
7 a new product or amendment of an existing product registration
8 does not include supporting scientific data for review, but the
9 department subsequently determines that the application requires
10 data evaluation, 12 months from the date of submittal of the
11 required data.

12 (b) The department may toll the applicable timeline provided
13 in subdivision (a) under any of the following circumstances:

14 (1) The applicant fails to correct a deficiency with the
15 application identified by the department within a 15-business-day
16 timeframe.

17 (2) An application requires United States Environmental
18 Protection Agency approval.

19 (3) The applicant corrects a deficiency with the application, but
20 also makes substantive changes to the product or label that exceeds
21 correcting the deficiency.

22 (4) Nonpayment of a registration fee by the applicant for the
23 certificate of registration.

24 (5) The application is reliant on data associated with another
25 identical or substantially similar product submission undergoing
26 registration review by the department.

27 (c) Upon the conclusion of a circumstance that was the basis
28 for the department tolling an applicable timeline pursuant to
29 subdivision (b), the tolling period shall end and the applicable
30 timeline shall resume within 15 business days after the department
31 became aware of the conclusion of the circumstance.

32 (d) If the department cannot meet an applicable timeline
33 provided in subdivision (a), the director may extend the timeline
34 for up to two 60-day periods by notifying the applicant in writing
35 and specifying both of the following:

36 (1) The reasons why additional time is needed.

37 (2) The estimated number of days needed that would allow the
38 director to complete the certificate of registration.

(e) In addition to subdivision (d), the director and the applicant may mutually agree, in writing, to additionally extend an applicable timeline provided in subdivision (a).

SEC. 78. Section 14513 of the Food and Agricultural Code is amended to read:

14513. “Beneficial-substance” means any substance or compound, other than primary plant nutrients, secondary plant nutrients, and micronutrients, and excluding pesticides, that can be demonstrated by scientific research to be beneficial to one or more species of plants, soil, or media. A beneficial substance includes, but is not limited to, plant biostimulants.

SEC. 79. Section 14611 of the Food and Agricultural Code is amended to read:

14611. (a) (1) A licensee whose name appears on the label who sells or distributes bulk fertilizing materials, as defined in Sections 14517 and 14533, to unlicensed purchasers, shall pay to the secretary an assessment not to exceed two mills (\$0.002) per dollar of sales for all fertilizing materials. A licensee whose name appears on the label of packaged fertilizing materials, as defined in Sections 14533 and 14551, shall pay to the secretary an assessment not to exceed two mills (\$0.002) per dollar of sales.

(2) The secretary may adjust the mill assessment rate based upon a finding and recommendation of the board of a proposed rate. The mill assessment rate shall not exceed the maximum rate established by this section. Setting the mill assessment rate shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) In addition to the assessment provided in subdivision (a), the secretary may impose an assessment in an amount not to exceed one mill (\$0.001) per dollar of sales for all sales of fertilizing materials, to provide funding for research and education regarding the use and handling of fertilizing material, including, but not limited to, support for the University of California Cooperative Extension, the California resource conservation districts, other California institutions of postsecondary education, or other qualified entities to develop programs in the following areas:

(1) Technical education for users of fertilizer materials in the development and implementation of nutrient management projects that result in more agronomically sound uses of fertilizer materials and minimize the environmental impacts of fertilizer use, including,

1 but not limited to, nitrates in groundwater and emissions of
2 greenhouse gases resulting from fertilizer use.

3 (2) Research to improve nutrient management practices resulting
4 in more agronomically sound uses of fertilizer materials and to
5 minimize the environmental impacts of fertilizer use, including,
6 but not limited to, nitrates in groundwater and emissions of
7 greenhouse gases resulting from fertilizer use.

8 (3) Education to increase awareness of more agronomically
9 sound use of fertilizer materials to reduce the environmental
10 impacts resulting from the overuse or inefficient use of fertilizing
11 materials.

12 SEC. 80. Section 56571 of the Food and Agricultural Code is
13 amended to read:

14 56571. (a) Except as otherwise provided in this article or
15 Section 55863, each applicant for a license shall pay to the
16 department a fee in accordance with the schedule in subdivision
17 (b), except that an agent shall pay one hundred dollars (\$100) for
18 each license period of the principal.

19 (b) The amount of the fee due each year shall be determined by
20 the annual dollar volume of business based on farm product value
21 returned to the grower or licensee, as follows:

22 (1) For a dollar volume of less than twenty thousand dollars
23 (\$20,000), the fee shall be two hundred fifty dollars (\$250).

24 (2) For a dollar volume of twenty thousand dollars (\$20,000)
25 and over, but less than fifty thousand dollars (\$50,000), the fee
26 shall be three hundred fifty dollars (\$350).

27 (3) For a dollar volume of fifty thousand dollars (\$50,000) and
28 over, but less than two million dollars (\$2,000,000), the fee shall
29 be four hundred fifty dollars (\$450).

30 (4) For a dollar volume of two million dollars (\$2,000,000) and
31 over, but less than four ~~millions~~ *million* dollars (\$4,000,000), the
32 fee shall be five hundred fifty dollars (\$550).

33 (5) For a dollar volume of four million dollars (\$4,000,000) and
34 over, the fee shall be six hundred fifty dollars (\$650).

35 (c) The department may reevaluate the fee structure based on
36 operating costs. The fees shall adequately cover the costs to fully
37 administer and operate the program in an effective and efficient
38 manner.

39 SEC. 81. Section 58231.1 of the Food and Agricultural Code
40 is amended to read:

1 58231.1. If a cooperative agreement related to federal-state
2 cooperative market news services, as described in subdivision (b)
3 of Section ~~58321~~, 58231, is not in effect in the state, the secretary
4 may define grape-pricing districts in the state.

5 SEC. 82. Section 82001 of the Food and Agricultural Code is
6 amended to read:

7 82001. (a) On and after July 1, 2026, a food manufacturer,
8 processor, or retailer responsible for the labeling of food items for
9 human consumption that chooses, or is otherwise required by law,
10 to display a date label to communicate a quality or safety date on
11 a food item manufactured on or after July 1, 2026, shall use one
12 of the following uniform terms on the date label:

13 (1) “BEST if Used by” or “BEST if Used or Frozen by” to
14 indicate the quality date of the food item.

15 (2) “USE by” or “USE by or Freeze by” to indicate the safety
16 date of the food item.

17 (3) “BB” to indicate the quality date of the food item if the food
18 item is too small to include the uniform term described in paragraph
19 (1) or if the food item is a beverage as defined in Section 14504
20 of the Public Resources Code.

21 (4) “UB” to indicate the safety date of the food item if the food
22 item is too small to include the uniform term described in paragraph
23 (2).

24 (b) (1) A person shall not sell or offer for sale in the state a
25 food item for human consumption manufactured on or after July
26 1, 2026, that displays a quality or safety date label that is not
27 labeled in accordance with subdivision (a).

28 (2) A person shall not sell or offer for sale in the state a food
29 item for human consumption manufactured on or after July 1,
30 2026, that is labeled with the phrase “sell by.” This paragraph does
31 not prohibit the use of “sell by” dates that are presented in a coded
32 format that are not easily readable by consumers and that do not
33 use the phrase “sell by.”

34 (c) (1) The department may accept nonstate funds from public
35 and private sources to, on its internet website, educate consumers
36 about the meaning of the quality dates and safety dates specified
37 in this section.

38 (2) Funds accepted by the department pursuant to paragraph (1)
39 shall be deposited into the Consumer Education Account, which
40 is hereby created in the Department of Food and Agriculture Fund.

(3) Notwithstanding Section 13340 of the Government Code, all funds in the Consumer Education Account are hereby continuously appropriated to the department without regard to fiscal years to carry out the purpose provided in paragraph (1).

(d) (1) This section does not prohibit, and shall not be construed to discourage, the sale, donation, or use of food after the food's quality date pursuant to paragraph (1) of subdivision (a) has passed. A retail food facility may donate a food item for human consumption that is not labeled in accordance with this section.

(2) Unless otherwise required by law, this section shall not be construed to require the use or display of a date label on a food item for human consumption unless the food item displays a date label.

(3) This section does not prohibit the use or display of a label that allows consumers to view online information about a food item for human consumption.

(4) Notwithstanding subdivisions (a) and (b), on and after July 1, 2026, a grocery store may display a label with the phrase "packed on" on a prepared food item and may sell or offer for sale in the state the prepared food item with that label if the prepared food item also displays a quality or safety date label in accordance with subdivision (a).

(5) This section does not prohibit a person from displaying on wine, a distilled spirit, or a wine- or distilled spirit-based product bottled or packaged on ~~and~~ or after July 1, 2026, a label with a statement that communicates the date on which the wine, distilled spirit, or wine- or distilled spirit-based product was produced, manufactured, bottled, or packaged, or from selling or offering for sale in the state the wine, distilled spirit, or wine- or distilled spirit-based product with that label. The statement may use date formats, including, but not limited to, dates in a time, day, month, and year format and Julian dates.

(6) To the extent that any other law or a National Shellfish Sanitation Program provision governing the labeling of shellfish authorizes or requires the use of terms that conflict, or are inconsistent, with this section, this section does not apply.

(e) This section does not apply to any of the following:

(1) Infant formula.

(2) Eggs or pasteurized in-shell eggs.

(3) Beer and other malt beverages.

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

(1) “Grocery store” means a store engaged in the retail sale of canned food, dry goods, fresh fruits and vegetables, and fresh meats, fish, and poultry and any area that is not separately owned within the store where food is prepared and served, including a bakery, deli, and meat and seafood counter.

(2) “Prepared food item” means a food item for human consumption prepared or repackaged on a grocery store’s premises, using any cooking or food preparation technique.

(g) If and to the extent that any provision of this section is preempted by federal law, the provision does not apply and shall not be enforced.

SEC. 83. Section 8547.2 of the Government Code is amended to read:

8547.2. For the purposes of this article, the following terms have the following meanings:

(a) (1) “Employee” means either of the following:

(A) An individual appointed by the Governor, or employed or holding office in a state agency as defined by Section 11000, including, for purposes of Sections 8547.3 to 8547.7, inclusive, an employee of the California State University, or an individual appointed by the Legislature to a state board or commission and who is not a Member or employee of the Legislature.

(B) A person employed by the Supreme Court, a court of appeal, a superior court, or the Administrative Office of the Courts for the purposes of Sections 8547.3 to 8547.7, inclusive, and Section 8547.13, except for those provisions of Section 8547.4 concerning notice of adverse action and the State Personnel Board.

(2) “Employee” includes a former employee who met the criteria of this subdivision during their employment.

(b) “Illegal order” means a directive to violate or assist in violating a federal, state, or local law, rule, or regulation, or an order to work or cause others to work in conditions outside of their line of duty that would unreasonably threaten the health or safety of employees or the public.

(c) (1) “Improper governmental activity” means an activity by a state agency or by an employee that is undertaken in the performance of the employee’s duties, undertaken inside a state office, or, if undertaken outside a state office by the employee, directly relates to state government, whether or not that activity is

1 within the scope of their employment, and that meets any of the
2 following criteria:

3 (A) The activity is in violation of any state or federal law or
4 regulation, including, but not limited to, corruption, malfeasance,
5 bribery, theft of government property, fraudulent claims, fraud,
6 coercion, conversion, malicious prosecution, misuse of government
7 property, misuse of state expenditures, including allocations, loans,
8 or grants, or willful omission to perform duty.

9 (B) The activity is in violation of an ~~Executive~~ *executive* order
10 of the Governor, a California Rule of Court, or any policy or
11 procedure mandated by the State Administrative Manual or State
12 Contracting Manual.

13 (C) The activity is economically wasteful, involves gross
14 misconduct, incompetency, or inefficiency.

15 (2) For purposes of Sections 8547.4, 8547.5, 8547.7, 8547.10,
16 and 8547.11, “improper governmental activity” includes any
17 activity by the University of California or by an employee,
18 including an officer or faculty member, who otherwise meets the
19 criteria of this subdivision.

20 (3) For purposes of Sections 8547.4, 8547.5, and 8547.13,
21 “improper governmental activity” includes any activity by the
22 Supreme Court, a court of appeal, a superior court, or the
23 Administrative Office of the Courts, or by an employee thereof,
24 who otherwise meets the criteria of this subdivision.

25 (d) “Person” means an individual, corporation, trust, association,
26 a state or local government, or an agency or instrumentality of any
27 of the foregoing.

28 (e) (1) “Protected disclosure” means a good faith
29 communication, including a communication based on, or when
30 carrying out, job duties, that discloses or demonstrates an intention
31 to disclose information that may evidence either of the following
32 circumstances:

33 (A) An improper governmental activity.

34 (B) A condition that may significantly threaten the health or
35 safety of employees or the public if the disclosure or intention to
36 disclose was made for the purpose of remedying that condition.

37 (2) “Protected disclosure” specifically includes a good faith
38 communication to the California State Auditor’s Office alleging
39 an improper governmental activity and any evidence delivered to
40 the California State Auditor’s Office in support of the allegation.

(3) “Protected disclosure” also includes, but is not limited to, a complaint made to the Commission on Judicial Performance.

(f) (1) “State agency” is defined by Section 11000.

(2) “State agency” includes the University of California for purposes of Sections 8547.5 to 8547.7, inclusive, and the California State University for purposes of Sections 8547.3 to 8547.7, inclusive.

(3) Sections 8547.3 to 8547.7, inclusive, shall apply to the Supreme Court, the courts of appeal, the superior courts, and the Administrative Office of the Courts in the same manner as they apply to a state agency.

SEC. 84. Section 8547.5 of the Government Code is amended to read:

8547.5. (a) The California State Auditor shall create the means for the submission of allegations of improper governmental activity both by transmission via mail or other carrier to a specified mailing address and electronic submission through an internet website portal. The California State Auditor may request that a person submitting an allegation provide their name and contact information and provide the names and contact information for any persons who could help to substantiate the claim. However, the California State Auditor shall not require any person submitting an allegation to provide their name or contact information and shall clearly state on the agency internet website that this information is not required in order to submit an allegation.

(b) Upon receiving specific information that any employee or state agency has engaged in an improper governmental activity, the California State Auditor may conduct an investigation of the matter. The identity of the person providing the information that initiated the investigation, or of any person providing information in confidence to further an investigation, shall not be disclosed without the express permission of the person providing the information except that the California State Auditor may make the disclosure to a law enforcement agency that is conducting a criminal investigation.

(c) (1) The California State Auditor shall create an alternative system for submission to an independent investigator of allegations of improper governmental activity engaged or participated in by employees of the California State Auditor’s Office. The system shall allow for submission of allegations both by delivery to a

1 specified mailing address and electronic submission through an
 2 internet website portal. The system may request that people
 3 submitting allegations provide their name and contact information
 4 and the names and contact information for any persons who could
 5 help to substantiate the claim. However, the system shall not
 6 require people submitting an allegation to provide their name or
 7 contact information and shall clearly state that this information is
 8 not required to submit an allegation. The system shall ensure that
 9 all submissions are promptly and directly delivered to the
 10 Employment and Administrative Mandate Section of the
 11 Department of Justice without prior review by the California State
 12 Auditor. The Employment and Administrative Mandate Section
 13 of the Department of Justice shall review submissions. If the
 14 Employment and Administrative Mandate Section of the
 15 Department of Justice determines that a submission constitutes an
 16 allegation of improper governmental activity, it shall transmit the
 17 submission to the independent investigator for further action in
 18 accordance with this section.

19 (2) (A) The independent investigator shall conduct
 20 investigations in a manner consistent with the provisions of this
 21 article relating to other state civil service employees. If the
 22 independent investigator finds that the facts support a conclusion
 23 that an employee engaged or participated in improper governmental
 24 activities, the investigator shall prepare a confidential investigative
 25 report and, subject to the limitations of this section, send a copy
 26 of the report and all evidence gathered during the investigation to
 27 the California State Auditor, the Chief Deputy California State
 28 Auditor, and the California State Auditor's Office chief counsel
 29 and human resource manager.

30 (B) If the independent investigator determines it to be
 31 appropriate, the independent investigator shall report this
 32 information to the Attorney General, to the policy committees of
 33 the Senate and Assembly having jurisdiction over the ~~subject~~
 34 *subject*, the Assembly and Senate budget committees, the Joint
 35 Legislative Audit Committee, and to any other authority that the
 36 independent investigator determines appropriate. Subject to the
 37 limitations of this section, the independent investigator may provide
 38 to the California State Auditor any evidence gathered during the
 39 investigation that, in the judgment of the independent investigator,
 40 is necessary to support any of the report's recommendations.

1 Within 60 days of receiving the independent investigator's report,
2 the California State Auditor shall report to the independent
3 investigator any actions that it has taken or that it intends to take
4 to implement the recommendations. The California State Auditor
5 shall file subsequent reports on a monthly basis until final action
6 has been taken.

7 (3) (A) Within 60 days after receiving a copy of the independent
8 investigator's report, the California State Auditor's Office shall
9 either serve a notice of adverse action upon the employee who is
10 the subject of the investigative report, or submit to the independent
11 investigator in writing its reasons for not taking adverse action.

12 (B) If the California State Auditor's Office elects not to serve
13 a notice of adverse action upon the employee who is the subject
14 of the investigative report, then, within 10 days of receiving the
15 reasons provided by the California State Auditor's Office pursuant
16 to subparagraph (A), the independent investigator shall:

17 (i) Notify the Joint Legislative Audit Committee, as described
18 in Section 10501, that it has provided a report to the California
19 State Auditor's Office pursuant to this paragraph.

20 (ii) Upon request, provide a copy of the report described in this
21 paragraph, redacted to remove all information that could identify
22 any reporting party, witness, or employee, to the Joint Legislative
23 Audit Committee, as described in Section 10501.

24 (C) If the California State Auditor's Office does not take adverse
25 action, the independent investigator may seek consent from the
26 State Personnel Board to file charges in accordance with Section
27 19583.5.

28 (D) The following shall not be confidential:

29 (i) A notice of adverse action served by the California State
30 Auditor.

31 (ii) A request to file charges filed by the independent investigator
32 with the State Personnel Board.

33 (4) The California State Auditor's Office shall reimburse the
34 Employment and Administrative Mandate Section of the
35 Department of Justice for the costs of retaining the independent
36 investigator.

37 (5) For purposes of this subdivision and any investigation
38 conducted pursuant thereto, "improper governmental activity" has
39 the same meaning as set forth in subdivision (c) of Section 8547.2,
40 except that it shall not include violations of an executive order of

1 the Governor, any policy or procedure mandated by the State
2 Administrative Manual or State Contracting Manual, or any other
3 rule, regulation, or requirement that the California State Auditor's
4 Office, because of its independence from executive branch and
5 legislative control, is not required to follow.

6 (d) For purposes of this section, "independent investigator"
7 means an investigator who is retained by the Employment and
8 Administrative Mandate Section of the Department of Justice who
9 is all of the following:

10 (1) An attorney who is licensed to practice law in this state or
11 a certified fraud examiner.

12 (2) A person who is experienced in investigating allegations of
13 improper governmental activity in a confidential manner.

14 (3) A person who is outside of, and independent from, the
15 California State Auditor's Office and also independent of the
16 executive branch and legislative control.

17 SEC. 85. Section 8657 of the Government Code is amended
18 to read:

19 8657. (a) Volunteers duly enrolled or registered with the Office
20 of Emergency Services or any disaster council of any political
21 subdivision, or unregistered persons duly impressed into service
22 during a state of war emergency, a state of emergency, or a local
23 emergency, in carrying out, complying with, or attempting to
24 comply with, any order or regulation issued or promulgated
25 pursuant to the provisions of this chapter or any local ordinance,
26 or performing any of their authorized functions or duties or training
27 for the performance of their authorized functions or duties, shall
28 have the same degree of responsibility for their actions and enjoy
29 the same immunities as officers and employees of the state and its
30 political subdivisions performing similar work for their respective
31 entities.

32 (b) No political subdivision or other public agency under any
33 circumstances, nor the officers, employees, agents, or duly enrolled
34 or registered volunteers thereof, or unregistered persons duly
35 impressed into service during a state of war emergency, a state of
36 emergency, or a local emergency, acting within the scope of their
37 official duties under this chapter or any local ordinance shall be
38 liable for personal injury or property damage sustained by any
39 duly enrolled or registered volunteer engaged in or training for
40 emergency preparedness or relief activity, or by any unregistered

1 person duly impressed into service during a state of war emergency,
2 a state of emergency, or a local emergency and engaged in such
3 service. The foregoing shall not affect the right of any such person
4 to receive benefits or compensation which may be specifically
5 provided by the provisions of any federal or state statute nor shall
6 it affect the right of any person to recover under the terms of any
7 policy of insurance.

8 (c) The California Earthquake Prediction Evaluation Council,
9 an advisory committee established pursuant to *former* Section 8590
10 ~~of this chapter, (repealed by Chapter 56 of the Statutes of 1993),~~
11 may advise the Governor of the existence of an earthquake or
12 volcanic prediction having scientific validity. In its review,
13 hearings, deliberations, or other validation procedures, members
14 of the council, jointly and severally, shall have the same degree
15 of responsibility for their actions and enjoy the same immunities
16 as officers and employees of the state and its political subdivisions
17 engaged in similar work in their respective entities. Any person
18 making a presentation to the council as part of the council's
19 validation process, including presentation of a prediction for
20 validation, shall be deemed a member of the council until the
21 council has found the prediction to have or not have scientific
22 validity.

23 SEC. 86. Section 11126 of the Government Code is amended
24 to read:

25 11126. (a) (1) Nothing in this article shall be construed to
26 prevent a state body from holding closed sessions during a regular
27 or special meeting to consider the appointment, employment,
28 evaluation of performance, or dismissal of a public employee or
29 to hear complaints or charges brought against that employee by
30 another person or employee unless the employee requests a public
31 hearing.

32 (2) As a condition to holding a closed session on the complaints
33 or charges to consider disciplinary action or to consider dismissal,
34 the employee shall be given written notice of their right to have a
35 public hearing, rather than a closed session, and that notice shall
36 be delivered to the employee personally or by mail at least 24 hours
37 before the time for holding a regular or special meeting. If notice
38 is not given, any disciplinary or other action taken against any
39 employee at the closed session shall be null and void.

1 (3) The state body also may exclude from any public or closed
2 session, during the examination of a witness, any or all other
3 witnesses in the matter being investigated by the state body.

4 (4) Following the public hearing or closed session, the body
5 may deliberate on the decision to be reached in a closed session.

6 (b) For the purposes of this section, “employee” does not include
7 any person who is elected to, or appointed to a public office by,
8 any state body. However, officers of the California State University
9 who receive compensation for their services, other than per diem
10 and ordinary and necessary expenses, shall, when engaged in that
11 capacity, be considered employees. Furthermore, for purposes of
12 this section, the term employee includes a person exempt from
13 civil service pursuant to subdivision (e) of Section 4 of Article VII
14 of the California Constitution.

15 (c) Nothing in this article shall be construed to do any of the
16 following:

17 (1) Prevent state bodies that administer the licensing of persons
18 engaging in businesses or professions from holding closed sessions
19 to prepare, approve, grade, or administer examinations.

20 (2) Prevent an advisory body of a state body that administers
21 the licensing of persons engaged in businesses or professions from
22 conducting a closed session to discuss matters that the advisory
23 body has found would constitute an unwarranted invasion of the
24 privacy of an individual licensee or applicant if discussed in an
25 open meeting, provided the advisory body does not include a
26 quorum of the members of the state body it advises. Those matters
27 may include review of an applicant’s qualifications for licensure
28 and an inquiry specifically related to the state body’s enforcement
29 program concerning an individual licensee or applicant where the
30 inquiry occurs prior to the filing of a civil, criminal, or
31 administrative disciplinary action against the licensee or applicant
32 by the state body.

33 (3) Prohibit a state body from holding a closed session to
34 deliberate on a decision to be reached in a proceeding required to
35 be conducted pursuant to Chapter 5 (commencing with Section
36 11500) or similar provisions of law.

37 (4) Grant a right to enter any correctional institution or the
38 grounds of a correctional institution where that right is not
39 otherwise granted by law, nor shall anything in this article be
40 construed to prevent a state body from holding a closed session

1 when considering and acting upon the determination of a term,
2 parole, or release of any individual or other disposition of an
3 individual case, or if public disclosure of the subjects under
4 discussion or consideration is expressly prohibited by statute.

5 (5) Prevent any closed session to consider the conferring of
6 honorary degrees, or gifts, donations, and bequests that the donor
7 or proposed donor has requested in writing to be kept confidential.

8 (6) Prevent the Alcoholic Beverage Control Appeals Board or
9 the Cannabis Control Appeals Panel from holding a closed session
10 for the purpose of holding a deliberative conference as provided
11 in Section 11125.

12 (7) (A) Prevent a state body from holding closed sessions with
13 its negotiator prior to the purchase, sale, exchange, or lease of real
14 property by or for the state body to give instructions to its
15 negotiator regarding the price and terms of payment for the
16 purchase, sale, exchange, or lease.

17 (B) However, prior to the closed session, the state body shall
18 hold an open and public session in which it identifies the real
19 property or real properties that the negotiations may concern and
20 the person or persons with whom its negotiator may negotiate.

21 (C) For purposes of this paragraph, the negotiator may be a
22 member of the state body.

23 (D) For purposes of this paragraph, “lease” includes renewal or
24 renegotiation of a lease.

25 (E) Nothing in this paragraph shall preclude a state body from
26 holding a closed session for discussions regarding eminent domain
27 proceedings pursuant to subdivision (e).

28 (8) Prevent the California Postsecondary Education Commission
29 from holding closed sessions to consider matters pertaining to the
30 appointment or termination of the Director of the California
31 Postsecondary Education Commission.

32 (9) Prevent the ~~Council for Private Postsecondary and~~
33 ~~Vocational Education Bureau for Private Postsecondary Education~~
34 from holding closed sessions to consider matters pertaining to the
35 appointment or termination of the Executive Director of the
36 ~~Council for Private Postsecondary and Vocational Education.~~
37 ~~Bureau for Private Postsecondary Education.~~

38 (10) Prevent the Franchise Tax Board from holding closed
39 sessions for the purpose of discussion of confidential tax returns
40 or information the public disclosure of which is prohibited by law,

1 or from considering matters pertaining to the appointment or
2 removal of the Executive Officer of the Franchise Tax Board.

3 (11) Require the Franchise Tax Board to notice or disclose any
4 confidential tax information considered in closed sessions, or
5 documents executed in connection therewith, the public disclosure
6 of which is prohibited pursuant to Article 2 (commencing with
7 Section 19542) of Chapter 7 of Part 10.2 of Division 2 of the
8 Revenue and Taxation Code.

9 (12) Prevent the Board of State and Community Corrections
10 from holding closed sessions when considering reports of crime
11 conditions under Section 6027 of the Penal Code.

12 (13) Prevent the State Air Resources Board from holding closed
13 sessions when considering the proprietary specifications and
14 performance data of manufacturers.

15 (14) Prevent the State Board of Education or the Superintendent
16 of Public Instruction, or any committee advising the board or the
17 Superintendent, from holding closed sessions on those portions of
18 its review of assessment instruments pursuant to Chapter 5
19 (commencing with Section 60600) of Part 33 of Division 4 of Title
20 2 of the Education Code during which actual test content is
21 reviewed and discussed. The purpose of this provision is to
22 maintain the confidentiality of the assessments under review.

23 (15) Prevent the Department of Resources Recycling and
24 Recovery or its auxiliary committees from holding closed sessions
25 for the purpose of discussing confidential tax returns, discussing
26 trade secrets or confidential or proprietary information in its
27 possession, or discussing other data, the public disclosure of which
28 is prohibited by law.

29 (16) Prevent a state body that invests retirement, pension, or
30 endowment funds from holding closed sessions when considering
31 investment decisions. For purposes of consideration of shareholder
32 voting on corporate stocks held by the state body, closed sessions
33 for the purposes of voting may be held only with respect to election
34 of corporate directors, election of independent auditors, and other
35 financial issues that could have a material effect on the net income
36 of the corporation. For the purpose of real property investment
37 decisions that may be considered in a closed session pursuant to
38 this paragraph, a state body shall also be exempt from the
39 provisions of paragraph (7) relating to the identification of real
40 properties prior to the closed session.

(17) Prevent a state body, or boards, commissions, administrative officers, or other representatives that may properly be designated by law or by a state body, from holding closed sessions with its representatives in discharging its responsibilities under Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), or Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 as the sessions relate to salaries, salary schedules, or compensation paid in the form of fringe benefits. For the purposes enumerated in the preceding sentence, a state body may also meet with a state conciliator who has intervened in the proceedings.

(18) (A) Prevent a state body from holding closed sessions to consider matters posing a threat or potential threat of criminal or terrorist activity against the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body, where disclosure of these considerations could compromise or impede the safety or security of the personnel, property, buildings, facilities, or equipment, including electronic data, owned, leased, or controlled by the state body.

(B) Notwithstanding any other law, a state body, at any regular or special meeting, may meet in a closed session pursuant to subparagraph (A) upon a two-thirds vote of the members present at the meeting.

(C) After meeting in closed session pursuant to subparagraph (A), the state body shall reconvene in open session prior to adjournment and report that a closed session was held pursuant to subparagraph (A), the general nature of the matters considered, and whether any action was taken in closed session.

(D) After meeting in closed session pursuant to subparagraph (A), the state body shall submit to the Legislative Analyst written notification stating that it held this closed session, the general reason or reasons for the closed session, the general nature of the matters considered, and whether any action was taken in closed session. The Legislative Analyst shall retain for no less than four years any written notification received from a state body pursuant to this subparagraph.

(19) Prevent the California Sex Offender Management Board from holding a closed session for the purpose of discussing matters

1 pertaining to the application of a sex offender treatment provider
2 for certification pursuant to Sections 290.09 and 9003 of the Penal
3 Code. Those matters may include review of an applicant's
4 qualifications for certification.

5 (20) (A) Prevent the Research Advisory Panel established in
6 Sections 11480 and 11481 of the Health and Safety Code from
7 holding closed sessions for the purpose of discussing, reviewing,
8 and approving research projects, including applications and
9 amendment applications, that contain sensitive and confidential
10 information, including, but not limited to, trade secrets, intellectual
11 property, or proprietary information in its possession, the public
12 disclosure of which is prohibited by law.

13 (B) This paragraph shall become inoperative on January 1, 2027.

14 (21) (A) Prevent the governing board or advisory panel of the
15 California Earthquake Authority described in Section 10089.7 of
16 the Insurance Code from holding a closed session, to the extent
17 that session would address the development of rates, reinsurance,
18 and strategy, pursuant to the powers granted in paragraph (5) of
19 subdivision (c) of Section 10089.7 of the Insurance Code,
20 paragraph (7) of subdivision (b) of Section 10089.33 of the
21 Insurance Code, and subdivision (a) of Section 10089.40 of the
22 Insurance Code, when discussion in open session concerning those
23 matters would prejudice the position of the California Earthquake
24 Authority.

25 (B) Notwithstanding any other provision of law, the governing
26 board or advisory panel of the California Earthquake Authority,
27 at any regular or special meeting, may meet in a closed session
28 pursuant to subparagraph (A) upon a two-thirds vote of the
29 members present at the meeting taken after first providing an
30 opportunity for members of the public to be heard on the issue of
31 the appropriateness of meeting in closed session.

32 (C) After meeting in closed session pursuant to subparagraph
33 (A), the governing board or advisory panel of the California
34 Earthquake Authority shall reconvene in open session prior to
35 adjournment and report that a closed session was held pursuant to
36 subparagraph (A), the general nature of the matters considered,
37 and whether any action was taken in closed session.

38 (D) If the duration of a closed session held pursuant to
39 subparagraph (A) is longer than two hours, the governing board
40 or advisory panel of the California Earthquake Authority shall

1 provide reasonable notice to the public, either by email to the
2 California Earthquake Authority's public notice list or by posting
3 on the California Earthquake Authority's website, before
4 reconvening in open session pursuant to subparagraph (C).

5 (d) (1) Notwithstanding any other law, any meeting of the
6 Public Utilities Commission at which the rates of entities under
7 the commission's jurisdiction are changed shall be open and public.

8 (2) Nothing in this article shall be construed to prevent the
9 Public Utilities Commission from holding closed sessions to
10 deliberate on the institution of proceedings, or disciplinary actions
11 against any person or entity under the jurisdiction of the
12 commission.

13 (e) (1) Nothing in this article shall be construed to prevent a
14 state body, based on the advice of its legal counsel, from holding
15 a closed session to confer with, or receive advice from, its legal
16 counsel regarding pending litigation when discussion in open
17 session concerning those matters would prejudice the position of
18 the state body in the litigation.

19 (2) For purposes of this article, all expressions of the
20 lawyer-client privilege other than those provided in this subdivision
21 are hereby abrogated. This subdivision is the exclusive expression
22 of the lawyer-client privilege for purposes of conducting closed
23 session meetings pursuant to this article. For purposes of this
24 subdivision, litigation shall be considered pending when any of
25 the following circumstances exist:

26 (A) An adjudicatory proceeding before a court, an administrative
27 body exercising its adjudicatory authority, a hearing officer, or an
28 arbitrator, to which the state body is a party, has been initiated
29 formally.

30 (B) (i) A point has been reached where, in the opinion of the
31 state body on the advice of its legal counsel, based on existing
32 facts and circumstances, there is a significant exposure to litigation
33 against the state body.

34 (ii) Based on existing facts and circumstances, the state body
35 is meeting only to decide whether a closed session is authorized
36 pursuant to clause (i).

37 (C) Based on existing facts and circumstances, the state body
38 has decided to initiate or is deciding whether to initiate litigation.

39 (3) The legal counsel of the state body shall prepare and submit
40 to it a memorandum stating the specific reasons and legal authority

for the closed session. If the closed session is pursuant to subparagraph (A) of paragraph (2), the memorandum shall include the title of the litigation. If the closed session is pursuant to subparagraph (B) or (C) of paragraph (2), the memorandum shall include the existing facts and circumstances on which it is based. The legal counsel shall submit the memorandum to the state body prior to the closed session, if feasible, and in any case no later than one week after the closed session. The memorandum shall be exempt from disclosure pursuant to Section 7927.205.

(4) For purposes of this subdivision, “litigation” includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(5) Disclosure of a memorandum required under this subdivision shall not be deemed as a waiver of the lawyer-client privilege, as provided for under Article 3 (commencing with Section 950) of Chapter 4 of Division 8 of the Evidence Code.

(f) In addition to subdivisions (a), (b), and (c), nothing in this article shall be construed to do any of the following:

(1) Prevent a state body operating under a joint powers agreement for insurance pooling from holding a closed session to discuss a claim for the payment of tort liability or public liability losses incurred by the state body or any member agency under the joint powers agreement.

(2) Prevent the examining committee established by the State Board of Forestry and Fire Protection, pursuant to Section 763 of the Public Resources Code, from conducting a closed session to consider disciplinary action against an individual professional forester prior to the filing of an accusation against the forester pursuant to Section 11503.

(3) Prevent the enforcement advisory committee established by the California Board of Accountancy pursuant to Section 5020 of the Business and Professions Code from conducting a closed session to consider disciplinary action against an individual accountant prior to the filing of an accusation against the accountant pursuant to Section 11503. Nothing in this article shall be construed to prevent the qualifications examining committee established by the California Board of Accountancy pursuant to Section 5023 of the Business and Professions Code from

1 conducting a closed hearing to interview an individual applicant
2 or accountant regarding the applicant's qualifications.

3 (4) Prevent a state body, as defined in subdivision (b) of Section
4 11121, from conducting a closed session to consider any matter
5 that properly could be considered in closed session by the state
6 body whose authority it exercises.

7 (5) Prevent a state body, as defined in subdivision (d) of Section
8 11121, from conducting a closed session to consider any matter
9 that properly could be considered in a closed session by the body
10 defined as a state body pursuant to subdivision (a) or (b) of Section
11 11121.

12 (6) Prevent a state body, as defined in subdivision (c) of Section
13 11121, from conducting a closed session to consider any matter
14 that properly could be considered in a closed session by the state
15 body it advises.

16 (7) Prevent the State Board of Equalization from holding closed
17 sessions for either of the following:

18 (A) When considering matters pertaining to the appointment or
19 removal of the Executive Secretary of the State Board of
20 Equalization.

21 (B) For the purpose of hearing confidential taxpayer appeals or
22 data, the public disclosure of which is prohibited by law.

23 (8) Require the State Board of Equalization to disclose any
24 action taken in closed session or documents executed in connection
25 with that action, the public disclosure of which is prohibited by
26 law pursuant to Sections 15619 and 15641 of this code and Sections
27 833, 7056, 8255, 9255, 11655, 30455, 32455, 38705, 38706, 43651,
28 45982, 46751, 50159, 55381, and 60609 of the Revenue and
29 Taxation Code.

30 (9) Prevent the California Earthquake Prediction Evaluation
31 Council, or other body appointed to advise the Director of
32 Emergency Services or the Governor concerning matters relating
33 to volcanic or earthquake predictions, from holding closed sessions
34 when considering the evaluation of possible predictions.

35 (g) This article does not prevent either of the following:

36 (1) The Teachers' Retirement Board or the Board of
37 Administration of the Public Employees' Retirement System from
38 holding closed sessions when considering matters pertaining to
39 the recruitment, appointment, employment, or removal of the chief
40 executive officer or when considering matters pertaining to the

1 recruitment or removal of the Chief Investment Officer of the State
2 Teachers' Retirement System or the Public Employees' Retirement
3 System.

4 (2) The Commission on Teacher Credentialing from holding
5 closed sessions when considering matters relating to the
6 recruitment, appointment, or removal of its executive director.

7 (h) This article does not prevent the Board of Administration
8 of the Public Employees' Retirement System from holding closed
9 sessions when considering matters relating to the development of
10 rates and competitive strategy for plans offered pursuant to Chapter
11 15 (commencing with Section 21660) of Part 3 of Division 5 of
12 Title 2.

13 (i) This article does not prevent the Managed Risk Medical
14 Insurance Board from holding closed sessions when considering
15 matters related to the development of rates and contracting strategy
16 for entities contracting or seeking to contract with the board,
17 entities with which the board is considering a contract, or entities
18 with which the board is considering or enters into any other
19 arrangement under which the board provides, receives, or arranges
20 services or reimbursement, pursuant to Part 6.2 (commencing with
21 Section 12693), former Part 6.3 (commencing with Section 12695),
22 former Part 6.4 (commencing with Section 12699.50), former Part
23 6.5 (commencing with Section 12700), former Part 6.6
24 (commencing with Section 12739.5), or former Part 6.7
25 (commencing with Section 12739.70) of Division 2 of the
26 Insurance Code.

27 (j) Nothing in this article shall be construed to prevent the board
28 of the State Compensation Insurance Fund from holding closed
29 sessions in the following:

30 (1) When considering matters related to claims pursuant to
31 Chapter 1 (commencing with Section 3200) of Part 1 of Division
32 4 of the Labor Code, to the extent that confidential medical
33 information or other individually identifiable information would
34 be disclosed.

35 (2) To the extent that matters related to audits and investigations
36 that have not been completed would be disclosed.

37 (3) To the extent that an internal audit containing proprietary
38 information would be disclosed.

39 (4) To the extent that the session would address the development
40 of rates, contracting strategy, underwriting, or competitive strategy,

1 pursuant to the powers granted to the board in Chapter 4
2 (commencing with Section 11770) of Part 3 of Division 2 of the
3 Insurance Code, when discussion in open session concerning those
4 matters would prejudice the position of the State Compensation
5 Insurance Fund.

6 (k) The State Compensation Insurance Fund shall comply with
7 the procedures specified in Section 11125.4 ~~of the Government~~
8 ~~Code~~ with respect to any closed session or meeting authorized by
9 subdivision (j), and in addition shall provide an opportunity for a
10 member of the public to be heard on the issue of the
11 appropriateness of closing the meeting or session.

12 SEC. 87. Section 12530.5 of the Government Code is amended
13 to read:

14 12530.5. (a) For purposes of this section, the following
15 definitions apply:

16 (1) "Forced labor or services" means labor or services that are
17 performed or provided by a person and are obtained or maintained
18 through force, fraud, duress, coercion, or equivalent conduct that
19 would reasonably overbear the will of the person.

20 (2) "Labor trafficking" means depriving or violating the personal
21 liberty of another person with the intent to obtain forced labor or
22 services.

23 (3) "Unit" means the Labor Trafficking Unit established within
24 the Department of Justice.

25 (b) There is hereby established within the Department of Justice
26 the Labor Trafficking Unit.

27 (c) The unit shall receive labor trafficking reports or complaints
28 from law enforcement agencies and other governmental entities
29 and refer the reports or complaints to appropriate agencies for
30 investigation, prosecution, or other remedies.

31 (d) The unit shall coordinate with the Department of Industrial
32 Relations, the Civil Rights Department, the Employment
33 Development Department, the State Department of Health Care
34 Services, the State Department of Social Services, the Department
35 of Food and Agriculture, and the Department of Fish and Wildlife.

36 (e) (1) The unit may coordinate with other relevant state
37 agencies under whose jurisdiction labor trafficking may occur,
38 state and local law enforcement agencies, tribal law enforcement
39 agencies, and district attorneys' offices.

1 (2) The unit shall make efforts to ensure that local, state, and
2 tribal entities use a victim-centered approach when receiving and
3 processing victim reports or complaints of labor trafficking and
4 when reporting suspected labor trafficking to the unit.

5 (f) The unit shall follow a victim-centered approach when
6 processing labor trafficking reports or complaints and shall ensure
7 that victims are informed of the services and options available to
8 them. The unit may coordinate with local, state, and tribal entities
9 to connect victims to available services.

10 (g) (1) The Department of Industrial Relations and the Civil
11 Rights Department shall collaborate with the unit to develop
12 policies, procedures, and protocols to track, record, and report
13 potential labor trafficking activity to the unit.

14 (2) On a quarterly basis, the Department of Industrial Relations
15 and the Civil Rights Department shall report the information
16 described in paragraph (1) of subdivision (h) to the unit.

17 (3) The Department of Industrial Relations and the Civil Rights
18 Department shall report suspected labor trafficking to the unit
19 immediately when, upon investigating business under their
20 purview, they suspect labor trafficking is occurring or has occurred.

21 (4) The unit shall develop a tracking and reporting system to
22 collect labor trafficking reports and complaints. These reports and
23 complaints shall be aggregated and analyzed to identify potential
24 labor trafficking reports and complaints to be further investigated
25 by the Department of Justice or referred to the appropriate federal,
26 state, or local law enforcement agency, tribal law enforcement
27 agency, or district attorney's office for civil action, criminal
28 prosecution, or other remedy.

29 (h) (1) On or before April 1, 2027, and on or before April 1
30 every year thereafter, the unit shall submit a report to the
31 Legislature that includes the following information pertaining to
32 the prior calendar year:

33 (A) The number and ~~type~~ *types* of reports or complaints
34 received, including the date the reports or complaints were received
35 by the reporting agency and the date they were referred to the
36 Department of Justice.

37 (B) The number and ~~type~~ *types* of reports or complaints
38 investigated by the Department of Justice.

39 (C) The number and ~~type~~ *types* of referrals by the Department
40 of Justice to law enforcement agencies pursuant to subdivision (c).

1 (D) Descriptive statistics of demographic characteristics about
2 labor trafficking victims correlated with the industry where the
3 trafficking occurred.

4 (E) Descriptive statistics of demographic characteristics about
5 labor trafficking victims who were referred for services or support
6 correlated with the names of the agencies where those labor
7 trafficking victims were referred for services or support and the
8 type of services and support available at those agencies if known
9 at the time of referral.

10 (F) Descriptive statistics of demographic characteristics about
11 persons accused of labor trafficking correlated with the industry
12 where the trafficking occurred.

13 (2) The unit shall also include in each annual report a discussion
14 of the major challenges to addressing labor trafficking reports and
15 the ongoing efforts to address those challenges.

16 (3) A report to be submitted pursuant to this section shall be
17 submitted in compliance with Section 9795 of the Government
18 Code.

19 (4) The requirement for submitting a report imposed under this
20 subdivision is inoperative on January 1, 2036.

21 (i) (1) The operation of this section is contingent upon adequate
22 appropriation by the Legislature in the annual Budget Act or
23 another statute for the purposes of this section.

24 (2) If the Legislature does not appropriate adequate funding by
25 January 1, 2030:

26 (A) This section shall be repealed unless a later enacted statute
27 that is enacted before January 1, 2030, deletes or extends that date.

28 (B) The Department of Justice shall file with the Secretary of
29 State by January 1, 2030, the department's determination that the
30 Legislature has not appropriated adequate funding.

31 SEC. 88. Section 14072.6 of the Government Code is amended
32 to read:

33 14072.6. (a) (1) Upon appropriation by the Legislature for
34 purposes of this subdivision, the secretary, with technical and
35 subject matter assistance from the Secretary for Environmental
36 Protection and the Secretary of the Natural Resources Agency,
37 shall submit a report to the Legislature no later than two years after
38 an appropriation is made by the Legislature for purposes of this
39 subdivision regarding the LOSSAN Rail Corridor that includes all
40 of the following information:

1 (A) A baseline summary of transportation and environmental
2 conditions in existence as of January 1, 2025, along the rail
3 corridor.

4 (B) Prioritized capital improvement projects in the corridor
5 necessary to improve current services and achieve service growth,
6 performance, and network goals consistent with the State Rail Plan
7 prepared pursuant to Section 14036. Each prioritized capital
8 improvement project identified pursuant to this subparagraph shall
9 indicate in the report whether it is aligned with the near-term,
10 mid-term, or long-term planning year horizons identified in the
11 State Rail Plan and shall indicate in the report the specific service
12 outcomes tied to the project.

13 (C) Prioritized improvement projects in the corridor necessary
14 to ensure the resiliency of both natural resources and transportation
15 infrastructure.

16 (D) A description of administrative actions taken by the
17 Transportation Agency using authority in existence before January
18 1, 2025, to improve operations and performance of the corridor.

19 (E) Recommendations for the corridor to connect with other
20 passenger rail services.

21 (F) Strategies to support and improve existing rail service and
22 increase ridership, including a description of necessary operations
23 funding for increased service frequencies.

24 (G) Recommendations to achieve zero-emission state-supported
25 intercity service, including an analysis of available technologies
26 and necessary corridor infrastructure. The recommendations made
27 pursuant to this subparagraph shall identify efforts by the Southern
28 California Regional Rail Authority and the North County Transit
29 District to achieve zero-emission services, and opportunities to
30 coordinate those efforts and ensure interoperability between those
31 zero-emission services.

32 (H) Strategies and recommendations to support coastal hazard
33 resiliency planning in the corridor.

34 (I) A description of coordination activities through the federal
35 Corridor Identification and Development Program established
36 pursuant to Section 25101 of Title 49 of the United States Code.

37 (2) In preparing the report pursuant to this subdivision, the
38 secretary shall consult existing plans, studies, reports, and guidance
39 for the LOSSAN Rail Corridor, including, but not limited to, the
40 LOSSAN Rail Corridor Optimization Study, the LOSSAN Rail

1 Corridor Agency Business Plan adopted by the LOSSAN Rail
2 Corridor Agency, the guidance document “Critical Infrastructure
3 at Risk: Sea Level Rise Planning Guidance for California’s Coastal
4 Zone” adopted by the California Coastal Commission, and the
5 report submitted to the Legislature pursuant to subdivision (c).

6 (3) When undertaking the duties pursuant to this subdivision,
7 the secretaries identified in paragraph (1) may consult with any
8 other state agency, as needed for technical and subject matter
9 assistance.

10 (4) For projects identified pursuant to paragraph (1), the
11 secretary shall include in the report all available funding sources,
12 projected completion schedules for priority projects, current
13 funding shortfalls, recommended strategies and plans to address
14 any funding shortfall, and next steps for site-specific project
15 analysis and environmental review documents. In identifying
16 projects pursuant to paragraph (1), if the secretary does not identify
17 a project that is included in the 2024 LOSSAN Rail Corridor
18 Agency Business Plan and has approved environmental or
19 programmatic documents, or if the secretary includes a modified
20 version of one of those projects, the secretary shall explain in the
21 report why the project was excluded or why the project was
22 included in a modified version, as applicable.

23 (b) The secretary shall convene a working group that includes,
24 but is not limited to, representatives of all of the following entities:

25 (1) LOSSAN Rail Corridor track owners.

26 (2) LOSSAN Rail Corridor passenger and freight rail operators,
27 including managing agencies, joint powers authorities, and transit
28 districts responsible for rail services.

29 (3) The county transportation commissions for the Counties of
30 Los Angeles, Orange, Riverside, San Bernardino, and Ventura
31 established pursuant to Division 12 (commencing with Section
32 130000) of the Public Utilities Code.

33 (4) The metropolitan planning organizations for the Counties
34 of Los Angeles, Orange, San Diego, San Luis Obispo, Santa
35 Barbara, and Ventura.

36 (5) Business, community, transportation, environmental, labor,
37 and civic organizations.

38 (6) The California Coastal Commission.

39 (7) The Division of Rail ~~and Mass Transportation~~ in the
40 department.

1 (c) (1) The working group convened pursuant to subdivision
2 (b) shall submit consensus recommendations and feedback in a
3 report to the Legislature on or before February 1, 2026, on all of
4 the following as necessary to ensure the long-term viability of
5 comprehensive and coordinated passenger and freight rail services
6 in, or that connect to, the LOSSAN Rail Corridor as of January 1,
7 2025:

8 (A) Strategies to increase rail service coordination and reduce
9 disruptions or delays, including, but not limited to, those caused
10 by resiliency vulnerabilities, track closures, state of good repair,
11 equipment, and staffing. The recommendations made pursuant to
12 this subparagraph should result in improved maintenance and
13 conditions of assets, reduced track closures, and greater on-time
14 performance.

15 (B) Alternative management and operations models or structures
16 that improve intercity and regional rail services.

17 (C) Changes to state statutes, rules, or funding necessary to
18 improve the quality, performance, usage, management, or
19 frequency of passenger rail services with a focus on streamlining,
20 clarifying, and improving existing processes or procedures. In
21 making recommendations and providing feedback pursuant to this
22 subparagraph, the working group shall review how local and
23 regional planning agencies responsible for recommending
24 transportation strategies include information about train service,
25 operations, capital projects, resiliency, and performance in their
26 respective planning documents, including, but not limited to,
27 sustainable communities strategies, regional transportation plans,
28 transportation demand management plans, and long-range
29 transportation plans.

30 (D) Coordination of planning and project development through
31 the federal Corridor Identification and Development Program
32 established pursuant to Section 25101 of Title 49 of the United
33 States Code to streamline processes and expand opportunities for
34 federal capital funding.

35 (2) The working group shall consider the known and expected
36 impacts of recommendations on the coastal environment and local
37 communities, and consider opportunities to support the coastal
38 zone and local communities when making recommendations.

39 (3) The working group shall recognize the ownership and rights
40 held in the LOSSAN Rail Corridor, and past and ongoing service,

1 operations, and capital investments made by the member agencies
2 of the LOSSAN Rail Corridor Agency, the Southern California
3 Regional Rail Authority, and the North County Transit District.

4 (4) The recommendations required pursuant to this subdivision
5 shall be developed with meaningful public engagement led by the
6 working group convened pursuant to subdivision (b).

7 (5) Before submitting the report to the Legislature pursuant to
8 this subdivision, the working group shall submit the
9 recommendations and feedback to the governing boards of the
10 LOSSAN Rail Corridor Agency, the Southern California Regional
11 Rail Authority, and the North County Transit District for review
12 and consideration. A governing board described in this paragraph
13 shall notify the secretary of any action taken in response to these
14 recommendations or feedback and the secretary shall include all
15 of the information provided by the governing board pursuant to
16 that notification in the report required pursuant to this subdivision.

17 (6) The secretary and working group may also include
18 information in the report required pursuant to this subdivision
19 regarding where additional follow-up discussion or action is
20 needed.

21 (7) The requirement for submitting a report imposed under this
22 subdivision is inoperative on February 1, 2030, pursuant to Section
23 10231.5.

24 (d) (1) The reports to be submitted pursuant to subdivisions (a)
25 and (c) shall be submitted in compliance with Section 9795.

26 (2) Pursuant to Section 10231.5, this section is inoperative four
27 years after the date that the report described in subdivision (a) is
28 required to be submitted to the Legislature and, as of January 1
29 following the date that this section is inoperative, is repealed.

30 SEC. 89. Section 14839 of the Government Code is amended
31 to read:

32 14839. (a) There is hereby established within the department
33 the Office of Small Business and Disabled Veteran Business
34 Enterprise Services. The duties of the office shall include:

35 (1) Compiling and maintaining a comprehensive bidders list of
36 qualified small businesses and disabled veteran business
37 enterprises, and noting which small businesses also qualify as
38 microbusinesses.

39 (2) Coordinating with the federal Small Business Administration,
40 the Minority Business Development Agency, the California

1 Disabled Veteran Business Enterprise Program Advocate,
2 appointed by the Secretary of the Department of Veterans Affairs
3 pursuant to Section 999.11 of the Military and Veterans Code, and
4 the Small Business Advocate, appointed by the Governor pursuant
5 to Section 12098.3.

6 (3) Providing technical and managerial aids to small businesses,
7 microbusinesses, and disabled veteran business enterprises by
8 conducting workshops on matters in connection with government
9 procurement and contracting.

10 (4) Assisting small businesses, microbusinesses, and disabled
11 veteran business enterprises, in complying with the procedures for
12 bidding on state contracts.

13 (5) Working with appropriate state, federal, local, and private
14 organizations and business enterprises in disseminating information
15 on bidding procedures and opportunities available to small
16 businesses, microbusinesses, and disabled veteran business
17 enterprises.

18 (6) Making recommendations to the department and other state
19 agencies for simplification of specifications and terms in order to
20 increase the opportunities for small business, microbusiness,
21 minority-owned business, women-owned business, LGBTQ-owned
22 business, and disabled veteran business enterprise participation.

23 (7) Developing, by regulation, other programs and practices
24 that are reasonably necessary to aid and protect the interest of small
25 businesses, microbusinesses, and disabled veteran business
26 enterprises in contracting with the state, including, but not limited
27 to, those specified in Article 6 (commencing with Section 999) of
28 Chapter 6 of Division 4 of the Military and Veterans Code.

29 (8) Making efforts to develop, in cooperation with associations
30 representing counties, cities, and special districts, a core statewide
31 small business certification application that may be adopted by all
32 participating entities, with any supplemental provisions to be added
33 as necessary by the respective entities.

34 (9) Marketing the benefits and availability of state small business
35 certification to businesses that currently hold a federal certification
36 as a disadvantaged business enterprise.

37 (10) Making available the option for an applicant or certified
38 firm to voluntarily identify that the business is at least 51 percent
39 owned by, and whose management and daily operations are

1 controlled by, one or more individuals who identify as any of the
2 following:

3 (A) Black (a person having origins in any of the Black racial
4 groups of Africa); Hispanic (a person of Mexican, Puerto Rican,
5 Cuban, Central or South American, or other Spanish or Portuguese
6 culture or origin regardless of race); Native American (an American
7 Indian, Inuk, Aleut, or Native Hawaiian); Pacific-Asian (a person
8 whose origins are from Japan, China, Taiwan, Korea, Vietnam,
9 Laos, Cambodia, the Philippines, Samoa, Guam, or the United
10 States Trust Territories of the ~~Pacific~~ *Pacific*, including North
11 Marianas); Asian-Indian (a person whose origins are from India,
12 Pakistan, or Bangladesh).

13 (B) A woman.

14 (C) LGBTQ.

15 (b) Notwithstanding any other law, including Title 1.8
16 (commencing with Section 1798) of Part 4 of Division 3 of the
17 Civil Code, the department may publicly display the information
18 specified in paragraph (10) of subdivision (a) within the
19 certification profile of the firm using the state's certification
20 system.

21 (c) The information furnished by each contractor requesting a
22 small business or microbusiness preference shall be under penalty
23 of perjury.

24 SEC. 90. Section 14840 of the Government Code is amended
25 to read:

26 14840. (a) (1) In the process of certifying and determining
27 the eligibility of a disabled veteran business enterprise or a small
28 business enterprise, including a microbusiness, the department
29 shall require the applicant or certified firm to submit a written
30 declaration, under penalty of perjury, that the information submitted
31 to the department pursuant to this chapter, and in the case of a
32 disabled veteran enterprise all information submitted to the
33 department pursuant to Section 999.2 of the Military and Veterans
34 Code, is true and correct.

35 (2) The department shall make available the option for an
36 applicant or certified firm to voluntarily identify that the business
37 is at least 51 percent owned by, and whose management and daily
38 operations are controlled by, one or more individuals who identifies
39 as any of the following:

(A) Black (a person having origins in any of the Black racial groups of Africa); Hispanic (a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin regardless of race); Native American (an American Indian, Inuk, Aleut, or Native Hawaiian); Pacific-Asian (a person whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, or the United States Trust Territories of the ~~Pacific~~ *Pacific*, including North Marianas); Asian-Indian (a person whose origins are from India, Pakistan, or Bangladesh).

(B) A woman.

(C) LGBTQ.

(3) Notwithstanding any other law, including Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code, the department may publicly display this information within the certification profile of the firm using the state's certification system.

(b) (1) If the department determines that just cause exists, it may require the owner of the disabled veteran business enterprise, microbusiness, or small business, the applicant, or the certified firm to complete and submit to the department a federal Form 4506-T from the Internal Revenue Service, United States Department of the Treasury, requesting a transcript of a tax return.

(2) For the purposes of this subdivision, "just cause" means either of the following circumstances exist:

(A) The department receives a complaint regarding the certified firm.

(B) The department determines, based on its findings during the course of any certification eligibility review of the applicant or certified firm, that the action described in paragraph (1) is necessary.

SEC. 91. Section 19829.9852 of the Government Code is amended to read:

19829.9852. (a) Notwithstanding Section 13340, for the 2024–25 fiscal year, if the Budget Act of 2024 is not enacted by July 1, 2024, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 2 (effective July 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026,

1 inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June
2 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1,
3 2024, to June 30, 2027, inclusive), State Bargaining Unit 6
4 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining
5 Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State
6 Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026,
7 inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June
8 30, 2025, inclusive), State Bargaining Unit 10 (effective July 1,
9 2024, to July 1, 2027, inclusive), State Bargaining Unit 11
10 (effective July 1, 2023 to June 30, 2026, inclusive), State
11 Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026,
12 inclusive), State Bargaining Unit 13 (effective July 1, 2022, to
13 June 30, 2025, inclusive), State Bargaining Unit 14 (effective July
14 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15
15 (effective July 1, 2023, to June 30, 2026, inclusive), State
16 Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025,
17 inclusive), State Bargaining Unit 17 (effective July 1, 2023, to
18 June 30, 2026, inclusive), State Bargaining Unit 18 (effective July
19 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 19
20 (effective July 2, 2023, to June 30, 2025, inclusive), State
21 Bargaining Unit 20 (effective July 1, ~~2023~~ 2023, to June 30, 2026,
22 inclusive), and State Bargaining Unit 21 (effective July 1, 2023,
23 to June 30, 2026 inclusive), there is hereby continuously
24 appropriated to the Controller from the General Fund, unallocated
25 special funds, including, but not limited to, federal funds and
26 unallocated nongovernmental cost funds, and any other fund from
27 which state employees are compensated, the amount necessary for
28 the payment of compensation and employee benefits to state
29 employees covered by the above memoranda of understanding
30 until the Budget Act of 2024 is enacted. The Controller may expend
31 an amount no greater than necessary to enable the Controller to
32 compensate state employees covered by the above memoranda of
33 understanding for work performed between July 1, 2024, of the
34 2024–25 fiscal year and the enactment of the Budget Act of 2024.
35 (b) If the memoranda of understanding entered into between
36 the state employer and State Bargaining Unit 1 (effective July 1,
37 2023, to June 30, 2026, inclusive), State Bargaining Unit 2
38 (effective July 1, 2022, to June 30, 2025, inclusive), State
39 Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026,
40 inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June

1 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1,
2 2024, to June 30, 2027, inclusive), State Bargaining Unit 6
3 (effective July 3, 2023, to July 2, 2025, inclusive), State Bargaining
4 Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State
5 Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026,
6 inclusive), State Bargaining Unit 9 (effective July 1, 2022, to June
7 30, 2025, inclusive), State Bargaining Unit 10 (effective July 1,
8 2024, to July 1, 2027, inclusive), State Bargaining Unit 11
9 (effective July 1, 2023, to June 30, 2026, inclusive), State
10 Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026,
11 inclusive), State Bargaining Unit 13 (effective July 1, 2022, to
12 June 30, 2025, inclusive), State Bargaining Unit 14 (effective July
13 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15
14 (effective July 1, 2023, to June 30, 2026, inclusive), State
15 Bargaining Unit 16 (effective July 1, 2023, to July 1, 2025,
16 inclusive), State Bargaining Unit 17 (effective July 1, 2023, to
17 June 30, 2026, inclusive), State Bargaining Unit 18 (effective July
18 1, 2022, to July 1, 2025, inclusive), State Bargaining Unit 19
19 (effective July 2, 2023, to June 30, 2025, inclusive), State
20 Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026,
21 inclusive), and State Bargaining Unit 21 (effective July 1, 2023,
22 to June 30, 2026, inclusive), are in effect and approved by the
23 Legislature, the compensation and contribution for employee
24 benefits for state employees represented by these bargaining units
25 shall be at a rate consistent with the memoranda of understanding
26 referenced above, unless otherwise provided for by the Budget
27 Act or other legislative enactment.

28 (c) Expenditures related to any warrant drawn pursuant to
29 subdivision (a) are not augmentations to the expenditure authority
30 of a department. Upon the enactment of the Budget Act of 2024,
31 these expenditures shall be subsumed by the expenditure authority
32 approved in the Budget Act of 2024 for each affected department.

33 (d) This section shall only apply to an employee covered by the
34 terms of the State Bargaining Unit 1 (effective July 1, 2023, to
35 June 30, 2026, inclusive), State Bargaining Unit 2 (effective July
36 1, 2022, to June 30, 2025, inclusive), State Bargaining Unit 3
37 (effective July 1, 2023, to June 30, 2026, inclusive), State
38 Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026,
39 inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June
40 30, 2027, inclusive), State Bargaining Unit 6 (effective July 3,

1 2023, to July 2, 2025, inclusive), State Bargaining Unit 7 (effective
2 July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit
3 8 (effective July 1, 2024, to June 30, 2026, inclusive), State
4 Bargaining Unit 9 (effective July 1, 2022, to June 30, 2025,
5 inclusive), State Bargaining Unit 10 (effective July 1, 2024, to
6 July 1, 2027, inclusive), State Bargaining Unit 11 (effective July
7 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12
8 (effective July 1, 2023, to June 30, 2026, inclusive), State
9 Bargaining Unit 13 (effective July 1, 2022, to June 30, 2025,
10 inclusive), State Bargaining Unit 14 (effective July 1, 2023, to
11 June 30, 2026, inclusive), State Bargaining Unit 15 (effective July
12 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 16
13 (effective July 1, 2023, to July 1, 2025, inclusive), State Bargaining
14 Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State
15 Bargaining Unit 18 (effective July 1, 2022, to July 1, 2025,
16 inclusive), State Bargaining Unit 19 (effective July 2, 2023, to
17 June 30, 2025, inclusive), State Bargaining Unit 20 (effective July
18 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit
19 21 (effective July 1, 2023, to June 30, 2026, inclusive), memoranda
20 of understanding. Notwithstanding Section 3517.8, this section
21 shall not apply after the term of the memoranda of understanding
22 have expired. For purposes of this section, the memorandum of
23 understanding for State Bargaining Unit 1 expires on June 30,
24 2026, the memorandum of understanding for State Bargaining
25 Unit 2 expires on June 30, 2025, the memorandum of understanding
26 for State Bargaining Unit 3 expires on June 30, 2026, the
27 memorandum of understanding for State Bargaining Unit 4 expires
28 on June 30, 2026, the memorandum of understanding for State
29 Bargaining Unit 5 expires on June 30, 2027, the memorandum of
30 understanding for State Bargaining Unit 6 expires on July 2, 2025,
31 the memorandum of understanding for State Bargaining Unit 7
32 expires on June 30, 2026, the memorandum of understanding for
33 State Bargaining Unit 8 expires on June 30, 2026, the memorandum
34 of understanding for State Bargaining Unit 9 expires on June 30,
35 2025, the memorandum of understanding for State Bargaining
36 Unit 10 expires on July 1, 2027, the memorandum of understanding
37 for State Bargaining Unit 11 expires on June 30, 2026, the
38 memorandum of understanding for State Bargaining Unit 12
39 expires on June 30, 2026, the memorandum of understanding for
40 State Bargaining Unit 13 expires on June 30, 2025, the

memorandum of understanding for State Bargaining Unit 14 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 15 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 16 expires on July 1, 2025, the memorandum of understanding for State Bargaining Unit 17 expires on June 30, 2026, the memorandum of understanding for State Bargaining Unit 18 expires on July 1, 2025, the memorandum of understanding for State Bargaining Unit 19 expires on June 30, 2025, the memorandum of understanding for State Bargaining Unit 20 expires June 30, 2026, and the memorandum of understanding for State Bargaining Unit 21 expires on June 30, 2026.

SEC. 92. Section 19829.9854 of the Government Code is amended to read:

19829.9854. (a) Notwithstanding Section 13340, for the 2026–27 fiscal year, if the Budget Act of 2026 is not enacted by July 1, 2026, for the memoranda of understanding entered into between the state employer and State Bargaining Unit 1 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 3 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027, inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1, 2024, to June 30, 2026, inclusive), State Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 17 (effective July 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit 21 (effective July 1, 2023, to June 30, 2026, inclusive), there is hereby continuously appropriated to the Controller from the General Fund, unallocated special funds, including, but not limited to, federal funds and unallocated nongovernmental cost funds, and any other fund from which state employees are compensated, the amount necessary for the payment of compensation and employee

1 benefits to state employees covered by the above memoranda of
2 understanding until the Budget Act of 2026 is enacted. The
3 Controller may expend an amount no greater than necessary to
4 enable the Controller to compensate state employees covered by
5 the above memoranda of understanding for work performed
6 between July 1, 2026, of the ~~2026–26~~ 2026–27 fiscal year and the
7 enactment of the Budget Act of 2026.

8 (b) If the memoranda of understanding entered into between
9 the state employer and State Bargaining Unit 1 (effective July 1,
10 2023, to June 30, 2026, inclusive), State Bargaining Unit 3
11 (effective July 1, 2023, to June 30, 2026, inclusive), State
12 Bargaining Unit 4 (effective July 1, 2023, to June 30, 2026,
13 inclusive), State Bargaining Unit 5 (effective July 1, 2024, to June
14 30, 2027, inclusive), State Bargaining Unit 7 (effective July 1,
15 2023, to June 30, 2026, inclusive), State Bargaining Unit 8
16 (effective July 1, 2024, to June 30, 2026, inclusive), State
17 Bargaining Unit 10 (effective July 1, 2024, to July 1, 2027,
18 inclusive), State Bargaining Unit 11 (effective July 1, 2023, to
19 June 30, 2026, inclusive), State Bargaining Unit 12 (effective July
20 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 14
21 (effective July 1, 2023, to June 30, 2026, inclusive), State
22 Bargaining Unit 15 (effective July 1, 2023, to June 30, 2026,
23 inclusive), State Bargaining Unit 17 (effective July 1, 2023, to
24 June 30, 2026, inclusive), State Bargaining Unit 20 (effective July
25 1, 2023, to June 30, 2026, inclusive), and State Bargaining Unit
26 21 (effective July 1, 2023, to June 30, ~~2026~~ 2026, inclusive), are
27 in effect and approved by the Legislature, the compensation and
28 contribution for employee benefits for state employees represented
29 by these bargaining units shall be at a rate consistent with the
30 memoranda of understanding referenced above, unless otherwise
31 provided for by the Budget Act or other legislative enactment.

32 (c) Expenditures related to any warrant drawn pursuant to
33 subdivision (a) are not augmentations to the expenditure authority
34 of a department. Upon the enactment of the Budget Act of 2026,
35 these expenditures shall be subsumed by the expenditure authority
36 approved in the Budget Act of 2026 for each affected department.

37 (d) This section shall only apply to an employee covered by the
38 terms of the State Bargaining Unit 1 (effective July 1, 2023, to
39 June 30, 2026, inclusive), State Bargaining Unit 3 (effective July
40 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 4

1 (effective July 1, 2023, to June 30, 2026, inclusive), State
 2 Bargaining Unit 5 (effective July 1, 2024, to June 30, 2027,
 3 inclusive), State Bargaining Unit 7 (effective July 1, 2023, to June
 4 30, 2026, inclusive), State Bargaining Unit 8 (effective July 1,
 5 2024, to June 30, 2026, inclusive), State Bargaining Unit 10
 6 (effective July 1, 2024, to July 1, 2027, inclusive), State Bargaining
 7 Unit 11 (effective July 1, 2023, to June 30, 2026, inclusive), State
 8 Bargaining Unit 12 (effective July 1, 2023, to June 30, 2026,
 9 inclusive), State Bargaining Unit 14 (effective July 1, 2023, to
 10 June 30, 2026, inclusive), State Bargaining Unit 15 (effective July
 11 1, 2023, to June 30, 2026, inclusive), State Bargaining Unit 17
 12 (effective July 1, 2023, to June 30, 2026, inclusive), State
 13 Bargaining Unit 20 (effective July 1, 2023, to June 30, 2026,
 14 inclusive), and State Bargaining Unit 21 (effective July 1, 2023,
 15 to June 30, ~~2026~~ 2026, inclusive), memoranda of understanding.
 16 Notwithstanding Section 3517.8, this section shall not apply after
 17 the term of the memoranda of understanding have expired. For
 18 purposes of this section, the memorandum of understanding for
 19 State Bargaining Unit 1 expires on June 30, 2026, the memorandum
 20 of understanding for State Bargaining Unit 3 expires on June 30,
 21 2026, the memorandum of understanding for State Bargaining
 22 Unit 4 expires on June 30, 2026, the memorandum of understanding
 23 for State Bargaining Unit 5 expires on June 30, 2027, the
 24 memorandum of understanding for State Bargaining Unit 7 expires
 25 on June 30, 2026, the memorandum of understanding for State
 26 Bargaining Unit 8 expires on June 30, 2026, the memorandum of
 27 understanding for State Bargaining Unit 10 expires on July 1, 2027,
 28 the memorandum of understanding for State Bargaining Unit 11
 29 expires on June 30, 2026, the memorandum of understanding for
 30 State Bargaining Unit 12 expires on June 30, 2026, the
 31 memorandum of understanding for State Bargaining Unit 14
 32 expires on June 30, 2026, the memorandum of understanding for
 33 State Bargaining Unit 15 expires on June 30, 2026, the
 34 memorandum of understanding for State Bargaining Unit 17
 35 expires on June 30, 2026, the memorandum of understanding for
 36 State Bargaining Unit 20 expires June 30, 2026, and the
 37 memorandum of understanding for State Bargaining Unit 21
 38 expires on June 30, 2026.

39 SEC. 93. Section 51298 of the Government Code is amended
 40 to read:

1 51298. It is the intent of the Legislature in enacting this chapter
2 to provide local governments with opportunities to attract large
3 manufacturing facilities to invest in their communities and to
4 encourage industries, such as high technology, aerospace,
5 automotive, biotechnology, software, environmental sources, and
6 others, to locate and invest in those facilities in California.

7 (a) Commencing in the 1998–99 fiscal year, the governing body
8 of a county, city and county, or city, may, by means of an ordinance
9 or resolution approved by a majority of its entire membership,
10 elect to establish a capital investment incentive program. In any
11 county, city and county, or city in which the governing body has
12 so elected, the county, city and county, or city shall, upon the
13 approval by a majority of the entire membership of its governing
14 body of a written request therefor, pay a capital investment
15 incentive amount to the proponent of a qualified manufacturing
16 facility for up to 15 consecutive fiscal years. A request for the
17 payment of capital investment incentive amounts shall be filed by
18 a proponent in writing with the governing body of an electing
19 county, city and county, or city in the time and manner specified
20 in procedures adopted by that governing body. In the case in which
21 the governing body of an electing county, city and county, or city
22 approves a request for the payment of capital investment incentive
23 amounts, both of the following conditions shall apply:

24 (1) The consecutive fiscal years during which a capital
25 investment incentive amount is to be paid shall commence with
26 the first fiscal year commencing after the date upon which the
27 qualified manufacturing facility is certified for occupancy or, if
28 no certification is issued, the first fiscal year commencing after
29 the date upon which the qualified manufacturing facility
30 commences operation.

31 (2) In accordance with paragraph (4) of subdivision (d), the
32 annual payment to a proponent of each capital investment incentive
33 amount shall be contingent upon the proponent's payment of a
34 community services fee.

35 (b) For purposes of this section:

36 (1) "Capital investment incentive amount" means, with respect
37 to a qualified manufacturing facility for a relevant fiscal year, an
38 amount up to or equal to the amount of ad valorem property tax
39 revenue allocated to the participating local agency, which excludes
40 the revenue transfers required by Sections 97.2 and 97.3 of the

1 Revenue and Taxation Code, from the taxation of that portion of
2 the total assessed value of that real and personal property described
3 in subparagraph (A) of paragraph (4) that is in excess of one
4 hundred fifty million dollars (\$150,000,000).

5 (2) “Manufacturing” means the activity of converting or
6 conditioning property by changing the form, composition, quality,
7 or character of the property for ultimate sale at retail or use in the
8 manufacturing of a product to be ultimately sold at retail.
9 Manufacturing includes any improvements to tangible personal
10 property that result in a greater service life or greater functionality
11 than that of the original property.

12 (3) “Proponent” means a party or parties that meet all of the
13 following criteria:

14 (A) The party is named in the application to the county, city
15 and county, or city within which the qualified manufacturing
16 facility would be located for a permit to construct a qualified
17 manufacturing facility.

18 (B) The party will be the fee owner of the qualified
19 manufacturing facility upon the completion of that facility.
20 Notwithstanding the previous sentence, the party may enter into
21 a sale-leaseback transaction and nevertheless be considered the
22 proponent.

23 (C) If a proponent that is receiving capital investment incentive
24 amounts subsequently leases the subject qualified manufacturing
25 facility to another party, the lease may provide for the payment to
26 that lessee of any portion of a capital investment incentive amount.
27 Any lessee receiving any portion of a capital investment incentive
28 amount shall also be considered a proponent for the purposes of
29 subdivision (d).

30 (4) “Qualified manufacturing facility” means a proposed
31 manufacturing facility that meets all of the following criteria:

32 (A) The proponent’s initial investment in that facility, in real
33 and personal property, necessary for the full and normal operation
34 of that facility, made pursuant to the capital investment incentive
35 program, that comprises any portion of that facility or has its situs
36 at that facility, exceeds one hundred fifty million dollars
37 (\$150,000,000). Compliance with this subparagraph shall be
38 certified by the Governor’s Office of Business and Economic
39 Development upon the director’s approval of a proponent’s
40 application for certification of a qualified manufacturing facility.

1 An application for certification shall be submitted by a proponent
2 to the Governor's Office of Business and Economic Development
3 in writing in the time and manner as specified by the director.

4 (B) The facility is to be located within the jurisdiction of the
5 electing county, city and county, or city to which the request is
6 made for payment of capital investment incentive amounts.

7 (C) The facility is operated by any of the following:

8 (i) A business described in Codes 3321 to 3399, inclusive, or
9 Codes 541711 or 541712 of the 2012 North American Industry
10 Classification System (NAICS) Manual published by the United
11 States Office of Management and Budget.

12 (ii) A business engaged in the recovery of minerals from
13 geothermal resources, including the proportional amount of a
14 geothermal electric generating plant that is integral to the recovery
15 process by providing electricity for it.

16 (iii) A business engaged in the manufacturing of parts or
17 components related to the production of electricity using solar,
18 wind, biomass, hydropower, or geothermal resources on or after
19 July 1, 2010.

20 (iv) A business engaged in the manufacturing of fuels, electrical
21 parts, or components used in the field of clean transportation or
22 the production of alternative fuel vehicles or electric vehicles.

23 (D) The proponent is currently engaged in any of the following:

24 (i) Commercial production.

25 (ii) The perfection of the manufacturing process.

26 (iii) The perfection of a product intended to be manufactured.

27 (c) (1) A city or special district may, upon the approval by a
28 majority of the entire membership of its governing body, pay to
29 the county, city and county, or city an amount equal to the amount
30 of ad valorem property tax revenue allocated to that city or special
31 district, but not the actual allocation, derived from the taxation of
32 that portion of the total assessed value of that real and personal
33 property described in subparagraph (A) of paragraph (4) of
34 subdivision (b) that is in excess of one hundred fifty million dollars
35 (\$150,000,000).

36 (2) For purposes of this subdivision, "special district" shall not
37 include a school district or a community college district.

38 (d) A proponent whose request for the payment of capital
39 investment incentive amounts is approved by an electing county,
40 city and county, or city shall enter into a community services

1 agreement with that county, city and county, or city that includes,
2 but is not limited to, all of the following provisions:

3 (1) A provision requiring that a community services fee be
4 remitted by the proponent to the county, city and county, or city,
5 in each fiscal year, in an amount that is equal to 25 percent of the
6 capital investment incentive amount calculated for that proponent
7 for that fiscal year, except that in no fiscal year shall the amount
8 of the community services fee exceed two million dollars
9 (\$2,000,000).

10 (2) A provision specifying the dates in each relevant fiscal year
11 upon which payment of the community services fee is due and
12 delinquent, and the rate of interest to be charged to a proponent
13 for any delinquent portion of the community services fee amount.

14 (3) A provision specifying the procedures and rules for the
15 determination of underpayments or overpayments of a community
16 services fee, for the appeal of determinations of any underpayment,
17 and for the refunding or crediting of any overpayment.

18 (4) A provision specifying that a proponent is ineligible to
19 receive a capital investment incentive amount if that proponent is
20 currently delinquent in the payment of any portion of a community
21 services fee amount, if the qualified manufacturing facility is
22 constructed in a manner materially different from the facility as
23 described in building permit application materials, or if the facility
24 is no longer operated as a qualified manufacturing facility meeting
25 the requirements of paragraph~~(1)~~ (4) of subdivision (b). If a
26 proponent becomes ineligible to receive a capital investment
27 incentive amount as a result of an agreement provision included
28 pursuant to this subparagraph, the running of the number of
29 consecutive fiscal years specified in an agreement made pursuant
30 to subdivision (a) is not tolled during the period in which the
31 proponent is ineligible.

32 (5) A provision that sets forth a job creation plan with respect
33 to the relevant qualified manufacturing facility. The plan shall
34 specify the number of jobs to be created by that facility, and the
35 types of jobs and compensation ranges to be created thereby. The
36 plan shall also specify that for the entire term of the community
37 services agreement, both of the following shall apply:

38 (A) All of the employees working at the qualified manufacturing
39 facility shall be covered by an employer-sponsored health benefits

1 plan, with the exception of any employee who was offered but
2 declined coverage due to other available group coverage.

3 (B) The average weekly wage, exclusive of overtime, paid to
4 all of the employees working at the qualified manufacturing
5 facility, who are not management or supervisory employees, shall
6 be not less than the state average weekly wage. For the purpose
7 of this subdivision, “state average weekly wage” means the average
8 weekly wage paid by employers to employees covered by
9 unemployment insurance, as reported to the Employment
10 Development Department for the four calendar quarters ending
11 June 30 of the preceding calendar year.

12 (6) (A) In the case in which the proponent fails to operate the
13 qualified manufacturing facility as required by the community
14 services agreement, a provision that requires the recapture of any
15 portion of any capital investment incentive amounts previously
16 paid to the proponent equal to the lesser of the following:

17 (i) All of the capital investment incentive amounts paid to the
18 proponent, less all of the community services fees received from
19 the proponent, and less any capital investment incentive amounts
20 previously recaptured.

21 (ii) The last capital investment incentive amount paid to the
22 proponent, less the last community services fee received from the
23 proponent, multiplied by 40 percent of the number of years
24 remaining in the community services agreement, but not to exceed
25 10 years, and less any capital investment incentive amounts
26 previously recaptured.

27 (B) If the proponent fails to operate the qualified manufacturing
28 facility as required by the community services agreement, the
29 county, city and county, or city may, upon a finding that good
30 cause exists, waive any portion of the recapture of any capital
31 investment incentive amount due under this subdivision. For the
32 purpose of this subdivision, good cause includes, but is not limited
33 to, *both of* the following:

34 (i) The proponent has sold or leased the property to a person
35 who has entered into an agreement with the county, city and
36 county, or city to assume all of the responsibilities of the proponent
37 under the community services agreement.

38 (ii) The qualified manufacturing facility has been rendered
39 inoperable and beyond repair as a result of an act of God, civil
40 disorder, failure of power, riots, insurrections, war, acts of

1 terrorism, or any other causes, whether the kind herein enumerated
2 or otherwise, not within the control of the qualified manufacturing
3 facility claiming good cause, which restrict or interfere with a
4 qualified manufacturing facility's ability to timely perform, and
5 which by the exercise of reasonable due diligence, such party is
6 or would have been unable to prevent or overcome.

7 (C) For purposes of this subdivision, failure to operate a
8 qualified manufacturing facility as required by the community
9 services agreement includes, but is not limited to, failure to
10 establish the number of jobs specified in the jobs creation plan
11 created pursuant to paragraph (5).

12 (e) (1) Each county, city and county, or city that elects to
13 establish a capital investment incentive program shall notify the
14 Governor's Office of Business and Economic Development of its
15 election to do so no later than June 30 of the fiscal year in which
16 the election was made.

17 (2) In addition to the information required to be reported
18 pursuant to paragraph (1), each county, city and county, or city
19 that has elected to establish a capital investment incentive program
20 shall notify the Governor's Office of Business and Economic
21 Development each fiscal year no later than June 30 of the amount
22 of any capital investment incentive payments made and the
23 proponent of the qualified manufacturing facility to whom the
24 payments were made during that fiscal year.

25 (3) The Governor's Office of Business and Economic
26 Development shall compile the information submitted by each
27 county, city and county, and city pursuant to paragraphs (1) and
28 (2) and submit a report to the Legislature containing this
29 information no later than October 1, every two years commencing
30 October 1, 2026.

31 SEC. 94. Section 53398.52 of the Government Code is amended
32 to read:

33 53398.52. (a) (1) A district may finance any of the following:

34 (A) The purchase, construction, expansion, improvement,
35 seismic retrofit, or rehabilitation of any real or other tangible
36 property with an estimated useful life of 15 years or longer that
37 satisfies the requirements of subdivision (b).

38 (B) The planning and design work that is directly related to the
39 purchase, construction, expansion, or rehabilitation of property.

40 (C) The costs described in Sections 53398.56 and 53398.57.

1 (D) (i) The ongoing or capitalized costs to maintain public
2 capital facilities financed in whole or in part by the district.

3 (ii) Notwithstanding clause (i), a district shall not use the
4 proceeds of bonds issued pursuant to the authority in Article 4
5 (commencing with Section 53398.77) to finance maintenance of
6 any kind.

7 (2) The facilities are not required to be physically located within
8 the boundaries of the district. However, any facilities financed
9 outside of a district shall have a tangible connection to the work
10 of the district, as detailed in the infrastructure financing plan
11 adopted pursuant to Section 53398.69.

12 (3) A district shall not finance the costs of an ongoing operation
13 or providing services of any kind.

14 (b) The district shall finance only public capital facilities or
15 other specified projects of communitywide significance that
16 provide significant benefits to the district or the surrounding
17 community, including, but not limited to, all of the following:

18 (1) Highways, interchanges, ramps and bridges, arterial streets,
19 parking facilities, and transit facilities.

20 (2) Sewage treatment and water reclamation plants and
21 interceptor pipes.

22 (3) Facilities for the collection and treatment of water for urban
23 uses.

24 (4) Flood control levees and dams, retention basins, and drainage
25 channels.

26 (5) Childcare facilities.

27 (6) Libraries.

28 (7) Parks, recreational facilities, and open space.

29 (8) Facilities for the transfer and disposal of solid waste,
30 including transfer stations and vehicles.

31 (9) Brownfield restoration and other environmental mitigation.

32 (10) The development of projects on a former military base,
33 provided that the projects are consistent with the military base
34 authority reuse plan and are approved by the military base reuse
35 authority, if applicable.

36 (11) The repayment of the transfer of funds to a military base
37 reuse authority pursuant to Section 67851 that occurred on or after
38 the creation of the district.

39 (12) The acquisition, construction, or rehabilitation of housing
40 for persons of very low, low, and moderate income, as defined in

1 Sections 50105 and 50093 of the Health and Safety Code, for rent
2 or purchase.

3 (13) Acquisition, construction, or repair of industrial structures
4 for private use.

5 (14) (A) Acquisition, construction, or repair of commercial
6 structures by the small business occupant of such structures, if
7 such acquisition, construction, or repair is for purposes of fostering
8 economic recovery from the COVID-19 pandemic and of ensuring
9 the long-term economic sustainability of small businesses.

10 (B) For purposes of this paragraph and subject to subparagraph
11 (C), “small business” means an independently owned and operated
12 business that is not dominant in its field of operation, the principal
13 office of which is located in California, the officers of which are
14 domiciled in California, and which, together with affiliates, has
15 100 or fewer employees, and average annual gross receipts of
16 fifteen million dollars (\$15,000,000) or less over the previous three
17 years, or is a manufacturer, as defined in subdivision (c) of Section
18 14837, with 100 or fewer employees. An “independently owned
19 and operated business” shall include a formula retail business that
20 is an independently owned franchise.

21 (C) A district may set a lower threshold for the average annual
22 gross receipts over the previous three years and for the number of
23 employees described in subparagraph (B).

24 (15) Transit priority projects, as defined in Section 21155 of
25 the Public Resources Code, that are located within a transit priority
26 project area. For purposes of this paragraph, a transit priority
27 project area may include a military base reuse plan that meets the
28 definition of a transit priority project area and it may include a
29 contaminated site within a transit priority project area.

30 (16) Projects that implement a sustainable communities strategy,
31 when the State Air Resources Board, pursuant to Chapter 2.5
32 (commencing with Section 65080) of Division 1 of Title 7, has
33 accepted a metropolitan planning organization’s determination
34 that the sustainable communities strategy or the alternative planning
35 strategy would, if implemented, achieve the greenhouse gas
36 emission reduction targets.

37 (17) Projects that enable communities to adapt to the impacts
38 of climate change, including, but not limited to, higher average
39 temperatures, decreased air and water quality, the spread of
40 infectious and vector-borne diseases, other public health impacts,

1 extreme weather events, sea level rise, flooding, heat waves,
2 wildfires, and drought. This paragraph includes projects intended
3 to improve air quality.

4 (18) Port or harbor infrastructure, as defined by Section 1698
5 of the Harbors and Navigation Code.

6 (19) The acquisition, construction, or improvement of broadband
7 ~~Internet~~ *internet* access service. For purposes of this section,
8 “broadband-~~Internet~~ *internet* access services” has the same meaning
9 as defined in Section 53167. A district that acquires, constructs,
10 or improves broadband-~~Internet~~ *internet* access service may transfer
11 the management and control of those facilities to a local agency
12 that is authorized to provide broadband-~~Internet~~ *internet* access
13 service, and that local agency when providing that service shall
14 comply with the requirements of Article 12 (commencing with
15 Section 53167) of Chapter 1 of Part 1 of Division 2 of Title 5. 1.

16 (20) Facilities in which nonprofit community organizations
17 provide health, youth, homeless, and social services.

18 (21) (A) For districts at least partially in high or very high fire
19 hazard severity zones designated by the State Fire Marshal pursuant
20 to Article 9 (commencing with Section 4201) of Chapter 1 of Part
21 2 of Division 4 of the Public Resources Code, the following:

22 (i) Heavy equipment to be used for vegetation clearance and
23 firebreaks.

24 (ii) Undergrounding of local publicly owned electric utilities,
25 as defined in Section 224.3 of the Public Utilities Code, against
26 wildfires.

27 (iii) Equipment used for fire watch, prevention, and fighting,
28 including, but not limited to, helicopters, air tankers, and
29 technological advancements to weather and wind science
30 infrastructure, risk modeling, and prediction.

31 (B) A district shall not use the proceeds of bonds issued pursuant
32 to the authority in Article 4 (commencing with Section 53398.77)
33 to finance the equipment described in clause (i) or (iii) of
34 subparagraph (A).

35 (c) The district shall require, by recorded covenants or
36 restrictions, that housing units built pursuant to this section shall
37 remain available at affordable housing costs to, and occupied by,
38 persons and families of very low, low, or moderate income for the
39 longest feasible time, but for not less than 55 years for rental units
40 and 45 years for owner-occupied units.

(d) The district may finance mixed-income housing developments, but may finance only those units in such a development that are restricted to occupancy by persons of very low, low, or moderate incomes as defined in Sections 50105 and 50093 of the Health and Safety Code, and those onsite facilities for childcare, after school care, and social services that are integrally linked to the tenants of the restricted units.

(e) A district may utilize any powers under either the Polanco Redevelopment Act (Article 12.5 (commencing with Section 33459) of Chapter 4 of Part 1 of Division 24 of the Health and Safety Code) or Chapter 6.10 (commencing with Section 25403) of Division 20 of the Health and Safety Code, and finance any action necessary to implement that act.

SEC. 95. Section 54239.4 of the Government Code is amended to read:

54239.4. ~~(a)~~—If a surplus residential property purchased by a housing-related public entity pursuant to Section 54239.5 or 54239.6 is not resold as provided for in paragraph (17) of subdivision (b) of Section 54239.5 or paragraph (17) of subdivision (b) of Section 54239.6, the property shall be used as affordable housing subject to all the following:

~~(1)~~
(a) The surplus residential property shall be subject to a covenant recorded against the property to ensure the property's use as affordable housing pursuant to this ~~paragraph~~ *section*.

~~(A)~~
(1) In the event that the surplus residential property is sold prior to the expiration of the covenant, the covenant shall remain in effect until the time at which it expires according to the provisions of this ~~paragraph~~ *subdivision*.

~~(B)~~
(2) Any housing-related entity purchaser shall comply with monitoring requirements, as determined by the Department of Transportation or the monitoring entity.

~~(C)~~
(3) For each surplus residential property purchased under this ~~subdivision~~ *section*, the housing-related entity shall cause the property to be used for either of the following:

(i)

1 (A) ~~(i)~~ Low- or moderate-income rental housing for a term
2 of at least 55 years. The purchase and operation of the property
3 shall remain available and affordable for rental by lower income
4 and moderate-income households, as defined by Sections 50052.5
5 and 50079.5 of the Health and Safety Code, respectively, for a
6 term no shorter than 55 years.

7 ~~(H)~~

8 (ii) In the event the housing-related entity is no longer able to
9 provide affordable housing on the property, the housing-related
10 entity shall either sell the property to a successor housing-related
11 entity that will maintain the property and the operations in
12 compliance with the covenant or transfer the title to the city in
13 which the property is located, which shall subsequently transfer
14 the title and operations to a successor housing-related entity that
15 will maintain the property and the operations in compliance with
16 the covenant. The housing-related entity shall provide first right
17 of occupancy to the present tenants. The rental amount shall be in
18 accordance with income certification if the current tenants qualify
19 as low or moderate income. If the current tenant's income exceeds
20 the limits for that level, the rent for that tenant shall be no less than
21 the current rent, or adjusted no higher than current market rates
22 for the ZIP Code in which the surplus residential property is
23 located. The housing-related entity shall cause any additional new
24 units added to the property to be used only for low- or
25 moderate-income rental housing, and the new units shall remain
26 available and affordable for rental by lower income and
27 moderate-income households, as defined by Sections 50052.5 and
28 50079.5 of the Health and Safety Code, during the covenant period.

29 ~~(ii)~~

30 (B) If the surplus residential property is a single-family
31 residence, it may be used for owner-occupied affordable housing
32 for a term of at least 45 years. The housing-related entity shall sell
33 the property to a person or family of low or moderate income for
34 ownership and occupancy as affordable housing, as defined in
35 Section 62250, and specifically as the primary residence of that
36 buyer. The housing-related entity shall dedicate profits realized
37 from the sale during the covenant period, as specified in
38 subdivision (b) of Section 54237.7, to the construction of affordable
39 housing within the city in which the surplus residential property
40 is located. The housing-related entity shall provide first right of

refusal to present tenants if they are a person or family of low or moderate income. All subsequent sales of the property during the covenant period shall be to a person or family of low or moderate income for ownership and occupancy as affordable housing, as defined in Section 62250. The property owner shall cause any additional new units added to the property to be used only for low- or moderate-income rental housing, and the new units shall remain available and affordable for rental by lower income and moderate-income households, as defined by Sections 50052.5 and 50079.5 of the Health and Safety Code, during the covenant period. The monitoring entity shall ensure that subsequent sales are made in compliance with this ~~paragraph~~ *subdivision* by conducting and certifying the income qualifications of the buyer(s) prior to purchase and sales contracts being consummated and prior to the opening of escrow.

(2)

(b) The Department of Transportation may designate in regulations to, or delegate by agreement to, a public agency to monitor the purchasers' compliance with the terms, conditions, and restrictions required by this ~~subdivision~~ *section*.

(A)

(1) If the monitoring is not performed by a state agency, the monitoring entity shall prepare and submit to the Legislature reports that describe how the purchasers complied with this ~~subdivision~~ *section* and how they were monitored for compliance. The first report shall be submitted five years after the first property is sold pursuant to this ~~subdivision~~ *section*, and subsequent reports shall be submitted every five years thereafter until the last covenant expires. A report to be submitted pursuant to this ~~subparagraph~~ *paragraph* shall be submitted in compliance with Section 9795.

(B)

(2) The monitoring entity may charge the property owner a fee to recover the cost of this monitoring and reporting.

SEC. 96. Section 62506 of the Government Code is amended to read:

62506. (a) An authority shall be governed by a board of directors consisting of a minimum of three directors. All directors shall be elected officials representing the cities, special districts, or counties that are members of the authority. The authority shall consist of members appointed by each of the cities, special districts,

1 or counties that are a member of the authority in proportion to the
2 population served by the member city, special district, or county.

3 (b) The board shall elect a chairperson and a vice chairperson
4 from among its members at the first meeting held in each calendar
5 year.

6 (c) (1) A member of the authority board may receive a per diem
7 for each board meeting that the member attends. The authority
8 board shall set the amount of that per diem for a member's
9 attendance, but that amount shall not exceed one hundred dollars
10 (\$100) per meeting. A member shall not receive a payment for
11 more than two meetings in a calendar month.

12 (2) A member may waive a payment of per diem authorized by
13 this subdivision.

14 (d) (1) A member of the board shall serve a term of two years.

15 (2) If a vacancy occurs on the board of directors, an individual
16 shall fill the vacancy as specified by the representative cities,
17 special districts, or counties. An appointment to fill a vacancy
18 pursuant to this subparagraph shall be effective only for the
19 remainder of the term of the office that became vacated.

20 (e) (1) Members of the board are subject to Article 2.4
21 (commencing with Section 53234) of Chapter 2 of Part 1 of
22 Division 2 of Title 5.

23 (2) The authority shall be subject to the Ralph M. Brown Act
24 (Chapter 9 (commencing with Section 54950) of Part 1 of Division
25 2 of Title 5), the California Public Records Act (Division 10
26 (commencing with Section 7920.000) of Title 1), and the Political
27 Reform Act of 1974 (Title 9 (commencing with Section 81000)).

28 (f) An authority shall engage in public participation processes,
29 which shall include *all of* the following:

30 (1) Outreach efforts to encourage the active participation of a
31 broad range of stakeholder groups in the planning process,
32 including, but not limited to, affordable housing and homelessness
33 advocates, any public housing authority created pursuant to Article
34 1 (commencing with Section 34200) of Chapter 1 of Part 2 of
35 Division 24 of the Health and Safety Code in the housing finance
36 agency's jurisdiction, nonprofit developers, neighborhood and
37 community groups, environmental advocates, equity organizations,
38 home builder representatives, and business organizations.

39 (2) Holding at least one public meeting regarding any relevant
40 plan or proposals being considered by the authority. The authority

1 shall hold any such meeting at a time and a location convenient
2 for members of the public. The authority shall place each plan or
3 proposal under consideration on a meeting agenda of the authority
4 board for discussion at least 30 days before the authority board
5 takes action.

6 (3) A process for enabling members of the public to provide a
7 single request to receive authority notices, information, and
8 updates.

9 SEC. 97. Section 62509 of the Government Code is amended
10 to read:

11 62509. Five years after the voters approve an initial ballot
12 measure pursuant to Section 62521, the authority shall review the
13 implementation of the measure. The review shall include *all of* the
14 following:

15 (a) An analysis of the expenditures to date.

16 (b) The number of affordable housing units produced and
17 preserved at different household income levels.

18 (c) An analysis of the tenant protection services provided.

19 SEC. 98. Section 62520 of the Government Code is amended
20 to read:

21 62520. In implementing this title, an authority may do all of
22 the following:

23 (a) Place one measure per election on the ballot to raise revenue
24 and allocate funds throughout the jurisdiction of the authority, as
25 provided in Part 2 (commencing with Section 62540).

26 (b) Establish any of the following:

27 (1) An infrastructure finance district pursuant to Chapter 2.8
28 (commencing with Section 53395) of Part 1 of Division 2 of Title
29 5.

30 (2) An enhanced infrastructure financing district pursuant to
31 Chapter 2.99 (commencing with Section 53398.50) of Part 1 of
32 Division 2 of Title 5.

33 (3) An affordable housing authority pursuant to Division 5
34 (commencing with Section 62250) of Title 6.

35 (4) A climate resilience district pursuant to Division 6
36 (commencing with Section 62300) of Title 6.

37 (c) Apply for and receive grants or loans from public and private
38 entities.

39 (d) Solicit and accept gifts, fees, grants, loans, and other
40 allocations from public and private entities.

(e) Deposit or invest moneys of the authority in banks or financial institutions, as provided in Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5, including the investment of any money that is not required for the immediate necessities of the authority, as determined by the authority.

(f) Sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

(g) Engage counsel and other professional services.

(h) Enter into and perform all necessary contracts.

(i) Enter into joint powers agreements pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1).

(j) Hire staff, define their qualifications and duties, and provide a schedule of compensation for the performance of their duties.

(k) Utilize staff employed by the cities, special districts, and counties that established the authority, as authorized by the representative cities, counties, or special districts.

(l) Allocate and deploy capital and generated fees or income in the form of grants, loans, equity, interest rate subsidies, and other financing tools to the cities, counties, other public agencies within the jurisdiction of the authority, private affordable housing developers, and nonprofit corporations organized pursuant to Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) to finance affordable home ownership and rental housing development, and preserve and enhance existing affordable housing pursuant to this title, in accordance with applicable constitutional requirements.

(m) Acquire, hold, and manage or cause to be managed existing buildings of five units or more that are not currently subject to a recorded deed restriction for the purpose of attaching long-term affordability restrictions on the housing units to protect against displacement.

(n) Land bank, assemble parcels, and lease, purchase, or otherwise acquire land for purpose of housing development or redevelopment and associated infrastructure. For any property acquired, the authority shall have the power to set the land use and development parameters for such property, including setting the request for proposal criteria and selection process for a development partner.

1 (o) Accept excess or surplus property from the state, for which
2 the state shall convey its land use authority over such property.

3 (p) Accept public land and buildings from any governmental
4 entity within its jurisdiction and accept responsibility for the land
5 use authority and development of such property, including entering
6 a joint development or participation agreement.

7 (q) Establish and modify the terms of potential capital
8 investments deployed by the authority, including waiving or
9 forgiving interest or principal payments.

10 (r) Collect data on housing production and monitor progress on
11 meeting regional and state housing goals.

12 (s) Provide support and technical assistance to local governments
13 in relation to producing and preserving affordable housing.

14 (t) Provide public information about the authority's housing
15 programs and policies.

16 (u) Incur and issue bonds and other indebtedness, and otherwise
17 incur liabilities or obligations in accordance with Article 3
18 (commencing with Section 62580) of Chapter 2 of Part 2, and issue
19 mortgage revenue bonds pursuant to Part 5 (commencing with
20 Section 52000) of Division 31 of the Health and Safety Code.

21 (v) (1) Create one or more California limited liability companies
22 of which authority is the sole member and exercise any of the
23 powers granted to the authority by this title through those limited
24 liability companies.

25 (2) Any limited liability company created pursuant to paragraph
26 (1) shall be subject to the California Public Records Act (Division
27 10 (commencing with Section 7920.000) of Title 1), the Ralph M.
28 Brown Act (Chapter 9 (commencing with Section 54950) of Part
29 1 of Division 2 of Title 5), and the Political Reform Act of 1974
30 (Title 9 (commencing with Section 81000)).

31 (w) Any other implied powers necessary to carry out the intent
32 and purposes of this title.

33 SEC. 99. Section 62551 of the Government Code is amended
34 to read:

35 62551. (a) Subject to Section 4 of Article XIII A of the
36 California Constitution, an authority may impose, by resolution,
37 a special tax, measured by gross receipts, for the privilege of
38 engaging in any kind of lawful business transacted in the
39 jurisdiction of the authority pursuant to the procedures established
40 in Article 3.5 (commencing with Section 50075) of Chapter 1 of

1 Part 1 of Division 1 of Title 5, Section 62521, and any other
2 applicable procedures provided by law.

3 (b) The resolution imposing a special tax pursuant to this section
4 may provide for *any of* the following:

5 (1) Variable rates based on the business sector of each person
6 subject to the tax.

7 (2) Exemptions for small businesses.

8 (3) Collection of the tax by suit or otherwise.

9 (c) If an authority levies a special tax pursuant to subdivision
10 (a) upon a business operating both within and outside the
11 authority's taxing jurisdiction, the authority shall levy the tax so
12 that the measure of tax fairly reflects that proportion of the taxed
13 activity actually carried on within the taxing jurisdiction.

14 (d) A special tax levied pursuant to subdivision (a) shall not
15 apply to any nonprofit organization that is exempted from taxes
16 by Chapter 4 (commencing with Section 23701) of Part 11 of
17 Division 2 of the Revenue and Taxation Code or Subchapter F
18 (commencing with Section 501) of Chapter 1 of Subtitle A of the
19 Internal Revenue Code of 1986, or the successor of either, or to
20 any minister, clergyperson, Christian Science practitioner, rabbi,
21 or leader of any religious organization that has been granted an
22 exemption from federal income tax by the United States
23 Commissioner of Internal Revenue as an organization described
24 in Section 501(c)(3) of the Internal Revenue Code or a successor
25 to that section.

26 SEC. 100. Section 62551.1 of the Government Code is amended
27 to read:

28 62551.1. (a) (1) Subject to Section 4 of Article XIII A of the
29 California Constitution, an authority may impose, by resolution,
30 a special tax measured by the number of employees employed by
31 the taxpayer for the privilege of engaging in any kind of lawful
32 business activity transacted in the jurisdiction of the authority
33 pursuant to the procedures established in Article 3.5 (commencing
34 with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title
35 5, Section 62521, and any other applicable procedures provided
36 by law.

37 (2) The resolution imposing a special tax pursuant to this
38 subdivision may provide for collection of the tax by suit or
39 otherwise.

(b) If an authority levies a special tax pursuant to subdivision (a) upon a business operating both within and outside the authority's taxing jurisdiction, the authority shall levy the tax so that the measure of tax fairly reflects that proportion of the taxed activity actually carried on within the taxing jurisdiction.

(c) A special tax levied pursuant to subdivision (a) shall not apply to any nonprofit organization that is exempted from taxes by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, or to any minister, clergyperson, Christian Science practitioner, rabbi, or leader of any religious organization that has been granted an exemption from federal income tax by the United States Commissioner of Internal Revenue as an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) or a successor to that section.

SEC. 101. Section 62582 of the Government Code is amended to read:

62582. (a) (1) For purposes of this section, "authority revenues" includes, without limitation, revenues generated by any of the following:

(A) Any special tax, fee, or charge imposed by the authority, other than ad valorem property taxes.

(B) Any loan repayments, investment income, or income derived from the ownership or operation of real property.

(2) (A) The authority may issue revenue bonds, payable from authority revenues, in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5), for the purposes set forth in this title and in any resolution adopted by the authority, or measure adopted by voters, in connection with the generation of authority revenues or imposition of those special taxes, fees, or other charges.

(B) For purposes of issuing revenue bonds pursuant to this section, all or any portion of the authority revenues designated by the authority, the special taxes, fees, or other charges described in subparagraph (A) shall constitute an "enterprise" within the meaning of Section 54309.

(C) Any authority revenues designated pursuant to subparagraph (B) shall constitute “revenues” within the meaning of Section 54315.

(3) To exercise the powers described in this section, the authority shall ensure that any ballot measure summary prepared pursuant to subdivision (e) of Section 62521 related to voter approval of a special tax under this title notifies the voters that proceeds from the special tax may be used as payment for revenue bonds.

(4) For purposes of this section, the authority shall be deemed to be a local agency within the meaning of Section 54307. Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 and the limitations on the rate of interest set forth in subdivision (b) of Section 54402 do not apply to the issuance and sale of bonds pursuant to this section. Instead, the authority shall authorize the issuance of bonds by resolution at any time, and from time to time, which shall specify all of the following:

(A) The purposes for which the bonds are to be issued.

(B) The maximum principal amount of the bonds.

(C) The maximum term for the bonds.

(D) (i) The maximum rate of interest to be payable upon the bonds, which shall not exceed the maximum rate permitted for bonds of the authority by Section 53531 or any other applicable provisions of law.

(ii) In the case of bonds bearing a variable interest rate, the variable rate shall not, on any day, exceed the maximum rate permitted for bonds of the authority by Section 53531 or any other applicable provisions of law. However, the variable interest rate may, on any day, exceed that maximum rate in ~~subparagraph (A)~~, *clause (i)*, if the interest paid on the bonds from their date of original issuance to that day does not exceed the total interest that would have been permitted if the bonds had borne interest at all times from the date of issuance to that day at the maximum rate permitted from time to time by Section 53531 or any other applicable provisions of law.

(E) The maximum original issue premium or discount on the sale of the bonds.

(F) The denomination or denominations of the revenue bonds, which shall not be less than five thousand dollars (\$5,000).

1 (b) The resolution may also contain any other matters authorized
2 by this chapter or any other law.

3 (c) The revenue bonds may be sold at public or private sale or
4 on a negotiated sale basis and at the prices, above or below par,
5 as determined by the authority board.

6 (d) The revenue bonds, or each series thereof, shall be dated
7 and numbered consecutively and shall be signed by the executive
8 director of the authority, whose signature may be printed,
9 lithographed, or mechanically reproduced. If any officer whose
10 signature appears on the revenue bonds ceases to be that officer
11 before the delivery of the bonds, the officer's signature is as
12 effective as if the officer had remained in office.

13 (e) Any summary statement required to be published by the
14 authority pursuant to Section 54522 shall be published annually,
15 not more than nine months after the close of each fiscal year.

16 (f) This section provides a complete, additional, and alternative
17 method for the issuance of revenue bonds by the authority. An
18 issuance does not need to comply with the procedures specified
19 elsewhere in this article or other laws, but shall instead be issued
20 in accordance with the procedures specified in this article.

21 (g) (1) To the extent permitted by law, authority revenues shall
22 be applied according the following priority:

23 (A) First, to operation and maintenance of any housing project,
24 if so required by the relevant financing documents.

25 (B) Second, to the payment of bonds with respect to which the
26 revenues have been pledged.

27 (C) Third, to the payment of obligations in connection with
28 bonds.

29 (D) Fourth, to the payment of administrative costs.

30 (E) Fifth, to any other purpose permitted by law and authorized
31 by this title.

32 (2) All moneys received by the authority shall be trust funds
33 applied solely for purposes of this title.

34 SEC. 102. Section 65302 of the Government Code is amended
35 to read:

36 65302. The general plan shall consist of a statement of
37 development policies and shall include a diagram or diagrams and
38 text setting forth objectives, principles, standards, and plan
39 proposals. The plan shall include the following elements:

(a) A land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space, including agriculture, natural resources, recreation, and enjoyment of scenic beauty, education, public buildings and grounds, solid and liquid waste disposal facilities, greenways, as defined in Section 816.52 of the Civil Code, and other categories of public and private uses of land. The location and designation of the extent of the uses of the land for public and private uses shall consider the identification of land and natural resources pursuant to paragraph (3) of subdivision (d). The land use element shall include a statement of the standards of population density and building intensity recommended for the various districts and other territory covered by the plan. The land use element shall identify and annually review those areas covered by the plan that are subject to flooding identified by flood plain mapping prepared by the Federal Emergency Management Agency (FEMA) or the Department of Water Resources. The land use element shall also do both of the following:

(1) Designate in a land use category that provides for timber production those parcels of real property zoned for timberland production pursuant to the California Timberland Productivity Act of 1982 (Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5).

(2) Consider the impact of new growth on military readiness activities carried out on military bases, installations, and operating and training areas, when proposing zoning ordinances or designating land uses covered by the general plan for land, or other territory adjacent to military facilities, or underlying designated military aviation routes and airspace.

(A) In determining the impact of new growth on military readiness activities, information provided by military facilities shall be considered. Cities and counties shall address military impacts based on information from the military and other sources.

(B) The following definitions govern this paragraph:

(i) “Military readiness activities” mean all of the following:

(I) Training, support, and operations that prepare the members of the military for combat.

(II) Operation, maintenance, and security of any military installation.

1 (III) Testing of military equipment, vehicles, weapons, and
2 sensors for proper operation or suitability for combat use.

3 (ii) “Military installation” means a base, camp, post, station,
4 yard, center, homeport facility for any ship, or other activity under
5 the jurisdiction of the United States Department of Defense as
6 defined in paragraph (1) of subsection ~~(e)~~ (g) of Section 2687 of
7 Title 10 of the United States Code.

8 (b) (1) A circulation element consisting of the general location
9 and extent of existing and proposed major thoroughfares,
10 transportation routes, terminals, any military airports and ports,
11 and other local public utilities and facilities, all correlated with the
12 land use element of the plan.

13 (2) (A) Commencing January 1, 2011, upon any substantive
14 revision of the circulation element, the legislative body shall
15 modify the circulation element to plan for a balanced, multimodal
16 transportation network that meets the needs of all users of streets,
17 roads, and highways for safe and convenient travel in a manner
18 that is suitable to the rural, suburban, or urban context of the
19 general plan.

20 (B) Upon any substantive revision of the circulation element
21 on or after January 1, 2025, the legislative body shall do all of the
22 following:

23 (i) Incorporate the principles of the Federal Highway
24 Administration’s Safe System Approach, in the circulation element
25 by including policies that aim to eliminate fatal and serious injuries
26 for all road users through a holistic view of the roadway system,
27 including provisions that account for human error, recognize
28 vulnerable road users, and promote redundant and proactive safety
29 measures.

30 (ii) Develop bicycle plans, pedestrian plans, and traffic calming
31 plans based on the policies and goals in the circulation element
32 that shall address all of the following for any urbanized area within
33 the scope of the general plan:

34 (I) Identify safety corridors and any land or facility that
35 generates high concentrations of bicyclists or pedestrians.

36 (II) Use evidence-based strategies, including strategies identified
37 in the United States Department of Transportation’s Strategic
38 Highway Safety Plan to develop safety measures specific to those
39 areas that are intended to eliminate traffic fatalities, with an
40 emphasis on fatalities of bicyclists, pedestrians, and users of any

1 other form of micromobility device in the areas identified in
2 subclause (I).

3 (III) Set goals for initiation and completion of all actions
4 identified in the plans within 25 years of the date of adoption of
5 the modified circulation element based upon projected development
6 activities within urbanized areas within the scope of the general
7 plan and projected availability of revenues.

8 (C) (i) A county or city shall begin implementation of the
9 modified circulation element plan specified in subparagraph (B)
10 within two years of the date of adoption of the plan.

11 (ii) A county or city shall regularly review the progress towards
12 and identify impediments to completing implementation of the
13 plan for a multimodal transportation network, including all bicycle
14 plans, pedestrian plans, and traffic calming plans iterated in the
15 modified circulation element, and the construction of any related
16 infrastructure.

17 (iii) A county or city shall consider revising the circulation
18 element if, following the review under clause (ii), the county or
19 city determines it will not reach the goals of the bicycle, pedestrian,
20 or traffic calming plans within 25 years of the date of adoption of
21 the modified circulation element.

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

24 (i) “Business activity district” has the same meaning as defined
25 in Section 22358.9 of the Vehicle Code.

26 (ii) “Land facilities that generate high concentrations of
27 bicyclists or pedestrians” has the same meaning as described in
28 Section 22358.7 of the Vehicle Code.

29 (iii) “Micromobility device” means a bicycle, electric bicycle,
30 or motorized scooter as those terms are defined and described in
31 Division 1 (commencing with Section 100) of the Vehicle Code.

32 (iv) “Safety corridor” has the same meaning as defined in
33 Section 22358.7 of the Vehicle Code.

34 (v) “Urbanized area” has the same meaning as defined in Section
35 21071 of the Public Resources Code.

36 (E) For purposes of this paragraph, “users of streets, roads, and
37 highways” mean bicyclists, children, persons with disabilities,
38 motorists, movers of commercial goods, pedestrians, users of public
39 transportation, and seniors.

1 (c) A housing element as provided in Article 10.6 (commencing
2 with Section 65580).

3 (d) (1) A conservation element for the conservation,
4 development, and utilization of natural resources, including water
5 and its hydraulic force, forests, soils, rivers and other waters,
6 harbors, fisheries, wildlife, minerals, and other natural resources.

7 The conservation element shall consider the effect of development
8 within the jurisdiction, as described in the land use element, on
9 natural resources located on public lands, including military
10 installations. The conservation element shall consider the effect
11 of development within the jurisdiction, as described in the land
12 use element, on the movement of wildlife and habitat connectivity.
13 That portion of the conservation element including waters shall
14 be developed in coordination with any countywide water agency
15 and with all district and city agencies, including flood management,
16 water conservation, or groundwater agencies that have developed,
17 served, controlled, managed, or conserved water of any type for
18 any purpose in the county or city for which the plan is prepared.
19 Coordination shall include the discussion and evaluation of any
20 water supply and demand information described in Section
21 65352.5, if that information has been submitted by the water agency
22 to the city or county.

23 (2) The conservation element may also cover all of the
24 following:

25 (A) The reclamation of land and waters.

26 (B) Prevention and control of the pollution of streams and other
27 waters.

28 (C) Regulation of the use of land in stream channels and other
29 areas required for the accomplishment of the conservation plan.

30 (D) Prevention, control, and correction of the erosion of soils,
31 beaches, and shores.

32 (E) Protection of watersheds.

33 (F) The location, quantity, and quality of the rock, sand, and
34 gravel resources.

35 (3) Upon the next revision of the housing element on or after
36 January 1, 2009, the conservation element shall identify rivers,
37 creeks, streams, flood corridors, riparian habitats, and land that
38 may accommodate floodwater for purposes of groundwater
39 recharge and stormwater management.

(4) Upon the adoption or next revision of one or more elements on or after January 1, 2028, the conservation element shall be updated to:

(A) Identify and analyze connectivity areas, permeability, and natural landscape areas within the jurisdiction, as those terms are defined in Section 158 of the Streets and Highways Code.

(B) Identify and analyze existing or planned wildlife passage features, as defined in Section 158 of the Streets and Highways Code, including, but not limited to, wildlife passage features included in the inventory of connectivity needs on the state highway system, as described in Section 158.1 of the Streets and Highways Code, to ensure that planned development does not undermine the effectiveness of existing and potential wildlife passage features, as defined in Section 158 of the Streets and Highways Code.

(C) (i) Consider the impacts of development and the barriers caused by development to wildlife and habitat connectivity.

(ii) For the purposes of this subparagraph, “wildlife” has the same meaning as defined in Section 89.5 of the Fish and Game Code.

(D) Avoid, minimize, or mitigate impacts and barriers to wildlife movement to the extent feasible.

(E) Analyze and consider opportunities to remediate existing barriers to wildlife connectivity and restore degraded habitat and open space.

(5) If a city, county, or city and county has already included policies in existing plans, including its certified local coastal plan, that meet the requirements of paragraph (4), the city, county, or city and county may incorporate the plan by reference into the general plan to comply with this section.

(6) In preparing to update the conservation element, the city, county, or city and county may do any of the following:

(A) Consider incorporating appropriate standards, policies, and feasible implementation programs such as wildlife-friendly fencing and lighting, buffers from sensitive resources, prohibitions on invasive plants, habitat connectivity overlay zones, and compact development standards, or consider whether adoption of ordinances is necessary to feasibly implement these standards, policies, and implementation programs, and include goals to adopt any necessary ordinances.

1 (B) Consult with the Department of Fish and Wildlife, any
2 California Native American tribe that is on the contact list
3 maintained by the Native American Heritage Commission and that
4 has traditional lands located within the city, county, or city and
5 county's jurisdiction, and any open-space district that owns lands
6 designated for conservation within the city, county, or city and
7 county's jurisdiction. Upon receiving a request for consultation,
8 the department, tribe, or district may, in its sole discretion, accept
9 or refuse to consult, based on the priority of natural resources
10 impacted or other factors.

11 (C) Consider relevant best available science as appropriate,
12 including, but not limited to, peer-reviewed literature, citable
13 publicly available datasets, publicly sourced online datasets, and
14 information and reports from government agencies, California
15 Native American tribes, and academic institutions.

16 (D) Consider the most appropriately scaled scientific information
17 on linkages, corridors, and other locations that are essential to
18 maintain landscape connectivity, including, but not limited to, any
19 of the following:

20 (i) Habitat linkages and wildlife corridors, such as those
21 identified and summarized in the Areas of Conservation Emphasis,
22 as defined by subdivision (a) of Section 1851 of the Fish and Game
23 Code, and in regional habitat connectivity assessments.

24 (ii) Wildlife corridors, such as migration corridors identified by
25 global positioning system collar studies.

26 (iii) Wildlife movement barriers, such as connectivity areas, as
27 defined by subdivision (a) of Section 158 of the Street and
28 Highways Code, and barriers identified by the Department of Fish
29 and Wildlife's Restoring California's Wildlife Connectivity report.

30 (iv) Other connectivity considerations, such as those outlined
31 in the State Wildlife Action Plan, habitat conservation plans
32 approved pursuant to Section 1539 of Title 16 of the United States
33 Code, natural community conservation plans approved pursuant
34 to Chapter 10 (commencing with Section 2800) of Division 3 of
35 the Fish and Game Code, regional conservation investment
36 strategies approved pursuant to Chapter 9 (commencing with
37 Section 1850) of Division 2 of the Fish and Game Code, and other
38 relevant plans, policies, and ordinances adopted by neighboring
39 jurisdictions.

(7) In preparing to update the conservation element, the city, county, or city and county may consult with other appropriate local, state, or federal agencies, or academic institutions, as deemed appropriate by the city or county.

(8) The city, county, or city and county may meet the requirements in paragraphs (4) through (6), inclusive, in a separate component or section of the general plan entitled a wildlife connectivity element.

(e) An open-space element as provided in Article 10.5 (commencing with Section 65560).

(f) (1) A noise element that shall identify and appraise noise problems in the community. The noise element shall analyze and quantify, to the extent practicable, as determined by the legislative body, current and projected noise levels for all of the following sources:

(A) Highways and freeways.

(B) Primary arterials and major local streets.

(C) Passenger and freight online railroad operations and ground rapid transit systems.

(D) Commercial, general aviation, heliport, helistop, and military airport operations, aircraft overflights, jet engine test stands, and all other ground facilities and maintenance functions related to airport operation.

(E) Local industrial plants, including, but not limited to, railroad classification yards.

(F) Other ground stationary noise sources, including, but not limited to, military installations, identified by local agencies as contributing to the community noise environment.

(2) Noise contours shall be shown for all of these sources and stated in terms of community noise equivalent level (CNEL) or day-night average sound level (L_{dn}). The noise contours shall be prepared on the basis of noise monitoring or following generally accepted noise modeling techniques for the various sources identified in subparagraphs (A) to (F) of paragraph (1), inclusive.

(3) The noise contours shall be used as a guide for establishing a pattern of land uses in the land use element that minimizes the exposure of community residents to excessive noise.

(4) The noise element shall include implementation measures and possible solutions that address existing and foreseeable noise

problems, if any. The adopted noise element shall serve as a guideline for compliance with the state's noise insulation standards.

(g) (1) A safety element for the protection of the community from any unreasonable risks associated with the effects of seismically induced surface rupture, ground shaking, ground failure, tsunami, seiche, and dam failure; slope instability leading to mudslides and landslides; subsidence; liquefaction; and other seismic hazards identified pursuant to Chapter 7.8 (commencing with Section 2690) of Division 2 of the Public Resources Code, and other geologic hazards known to the legislative body; flooding; and wildland and urban fires. The safety element shall include mapping of known seismic and other geologic hazards. It shall also address evacuation routes, military installations, peakload water supply requirements, and minimum road widths and clearances around structures, as those items relate to identified fire and geologic hazards.

(2) The safety element, upon the next revision of the housing element on or after January 1, 2009, shall also do the following:

(A) Identify information regarding flood hazards, including, but not limited to, the following:

(i) Flood hazard zones. As used in this subdivision, "flood hazard zone" means an area subject to flooding that is delineated as either a special hazard area or an area of moderate or minimal hazard on an official flood insurance rate map issued by FEMA. The identification of a flood hazard zone does not imply that areas outside the flood hazard zones or uses permitted within flood hazard zones will be free from flooding or flood damage.

(ii) National Flood Insurance Program maps published by FEMA.

(iii) Information about flood hazards that is available from the United States Army Corps of Engineers.

(iv) Designated floodway maps that are available from the Central Valley Flood Protection Board.

(v) Dam failure inundation maps prepared pursuant to Section 6161 of the Water Code that are available from the Department of Water Resources.

(vi) Awareness Floodplain Mapping Program maps and 200-year flood plain maps that are or may be available from, or accepted by, the Department of Water Resources.

(vii) Maps of levee protection zones.

1 (viii) Areas subject to inundation in the event of the failure of
2 project or nonproject levees or floodwalls.

3 (ix) Historical data on flooding, including locally prepared maps
4 of areas that are subject to flooding, areas that are vulnerable to
5 flooding after wildfires, and sites that have been repeatedly
6 damaged by flooding.

7 (x) Existing and planned development in flood hazard zones,
8 including structures, roads, utilities, and essential public facilities.

9 (xi) Local, state, and federal agencies with responsibility for
10 flood protection, including special districts and local offices of
11 emergency services.

12 (B) Establish a set of comprehensive goals, policies, and
13 objectives based on the information identified pursuant to
14 subparagraph (A), for the protection of the community from the
15 unreasonable risks of flooding, including, but not limited to:

16 (i) Avoiding or minimizing the risks of flooding to new
17 development.

18 (ii) Evaluating whether new development should be located in
19 flood hazard zones, and identifying construction methods or other
20 methods to minimize damage if new development is located in
21 flood hazard zones.

22 (iii) Maintaining the structural and operational integrity of
23 essential public facilities during flooding.

24 (iv) Locating, when feasible, new essential public facilities
25 outside of flood hazard zones, including hospitals and health care
26 facilities, emergency shelters, fire stations, emergency command
27 centers, and emergency communications facilities or identifying
28 construction methods or other methods to minimize damage if
29 these facilities are located in flood hazard zones.

30 (v) Establishing cooperative working relationships among public
31 agencies with responsibility for flood protection.

32 (C) Establish a set of feasible implementation measures designed
33 to carry out the goals, policies, and objectives established pursuant
34 to subparagraph (B).

35 (3) Upon the next revision of the housing element on or after
36 January 1, 2014, the safety element shall be reviewed and updated
37 as necessary to address the risk of fire for land classified as state
38 responsibility areas, as defined in Section 4102 of the Public
39 Resources Code, and land classified as very high fire hazard
40 severity zones, as defined in Section 51177. This review shall

1 consider the advice included in the Office of Planning and
2 Research's most recent publication of "Fire Hazard Planning,
3 General Plan Technical Advice Series" and shall also include all
4 of the following:

5 (A) Information regarding fire hazards, including, but not limited
6 to, all of the following:

7 (i) Fire hazard severity zone maps available from the Office of
8 the State Fire Marshal.

9 (ii) Any historical data on wildfires available from local agencies
10 or a reference to where the data can be found.

11 (iii) Information about wildfire hazard areas that may be
12 available from the United States Geological Survey.

13 (iv) General location and distribution of existing and planned
14 uses of land in very high fire hazard severity zones and in state
15 responsibility areas, including structures, roads, utilities, and
16 essential public facilities. The location and distribution of planned
17 uses of land shall not require defensible space compliance measures
18 required by state law or local ordinance to occur on publicly owned
19 lands or open-space designations of homeowner associations.

20 (v) Local, state, and federal agencies with responsibility for fire
21 protection, including special districts and local offices of
22 emergency services.

23 (B) A set of goals, policies, and objectives based on the
24 information identified pursuant to subparagraph (A) for the
25 protection of the community from the unreasonable risk of wildfire.

26 (C) A set of feasible implementation measures designed to carry
27 out the goals, policies, and objectives based on the information
28 identified pursuant to subparagraph (B), including, but not limited
29 to, all of the following:

30 (i) Avoiding or minimizing the wildfire hazards associated with
31 new uses of land.

32 (ii) Locating, when feasible, new essential public facilities
33 outside of high fire risk areas, including, but not limited to,
34 hospitals and health care facilities, emergency shelters, emergency
35 command centers, and emergency communications facilities, or
36 identifying construction methods or other methods to minimize
37 damage if these facilities are located in a state responsibility area
38 or very high fire hazard severity zone.

39 (iii) Designing adequate infrastructure if a new development is
40 located in a state responsibility area or in a very high fire hazard

1 severity zone, including safe access for emergency response
2 vehicles, visible street signs, and water supplies for structural fire
3 suppression.

4 (iv) Working cooperatively with public agencies with
5 responsibility for fire protection.

6 (D) If a city or county has adopted a fire safety plan or document
7 separate from the general plan, an attachment of, or reference to,
8 a city or county's adopted fire safety plan or document that fulfills
9 commensurate goals and objectives and contains information
10 required pursuant to this paragraph.

11 (4) Upon the next revision of a local hazard mitigation plan,
12 adopted in accordance with the federal Disaster Mitigation Act of
13 2000 (Public Law 106-390), on or after January 1, 2017, or, if a
14 local jurisdiction has not adopted a local hazard mitigation plan,
15 beginning on or before January 1, 2022, the safety element shall
16 be reviewed and updated as necessary to address climate adaptation
17 and resiliency strategies applicable to the city or county. This
18 review shall consider advice provided in the Office of Planning
19 and Research's General Plan Guidelines and shall include all of
20 the following:

21 (A) (i) A vulnerability assessment that identifies the risks that
22 climate change poses to the local jurisdiction and the geographic
23 areas at risk from climate change impacts, including, but not limited
24 to, an assessment of how climate change may affect the risks
25 addressed pursuant to paragraphs (2) and (3).

26 (ii) Information that may be available from federal, state,
27 regional, and local agencies that will assist in developing the
28 vulnerability assessment and the adaptation policies and strategies
29 required pursuant to subparagraph (B), including, but not limited
30 to, all of the following:

31 (I) Information from the internet-based Cal-Adapt tool.

32 (II) Information from the most recent version of the California
33 Adaptation Planning Guide.

34 (III) Information from local agencies on the types of assets,
35 resources, and populations that will be sensitive to various climate
36 change exposures.

37 (IV) Information from local agencies on their current ability to
38 deal with the impacts of climate change.

1 (V) Historical data on natural events and hazards, including
2 locally prepared maps of areas subject to previous risk, areas that
3 are vulnerable, and sites that have been repeatedly damaged.

4 (VI) Existing and planned development in identified at-risk
5 areas, including structures, roads, utilities, and essential public
6 facilities.

7 (VII) Federal, state, regional, and local agencies with
8 responsibility for the protection of public health and safety and
9 the environment, including special districts and local offices of
10 emergency services.

11 (B) A set of adaptation and resilience goals, policies, and
12 objectives based on the information specified in subparagraph (A)
13 for the protection of the community.

14 (C) A set of feasible implementation measures designed to carry
15 out the goals, policies, and objectives identified pursuant to
16 subparagraph (B), including, but not limited to, all of the following:

17 (i) Feasible methods to avoid or minimize climate change
18 impacts associated with new uses of land.

19 (ii) The location, when feasible, of new essential public facilities
20 outside of at-risk areas, including, but not limited to, hospitals and
21 health care facilities, emergency shelters, emergency command
22 centers, and emergency communications facilities, or identifying
23 construction methods or other methods to minimize damage if
24 these facilities are located in at-risk areas.

25 (iii) The designation of adequate and feasible infrastructure
26 located in an at-risk area.

27 (iv) Guidelines for working cooperatively with relevant local,
28 regional, state, and federal agencies.

29 (v) The identification of natural infrastructure that may be used
30 in adaptation projects, where feasible. Where feasible, the plan
31 shall use existing natural features and ecosystem processes, or the
32 restoration of natural features and ecosystem processes, when
33 developing alternatives for consideration. For purposes of this
34 clause, “natural infrastructure” means using natural ecological
35 systems or processes to reduce vulnerability to climate change
36 related hazards, or other related climate change effects, while
37 increasing the long-term adaptive capacity of coastal and inland
38 areas by perpetuating or restoring ecosystem services. This
39 includes, but is not limited to, the conservation, preservation, or
40 sustainable management of any form of aquatic or terrestrial

1 vegetated open space, such as beaches, dunes, tidal marshes, reefs,
2 seagrass, parks, rain gardens, and urban tree canopies. It also
3 includes systems and practices that use or mimic natural processes,
4 such as permeable pavements, bioswales, and other engineered
5 systems, such as levees that are combined with restored natural
6 systems, to provide clean water, conserve ecosystem values and
7 functions, and provide a wide array of benefits to people and
8 wildlife.

9 (D) (i) If a city or county has adopted the local hazard
10 mitigation plan, or other climate adaptation plan or document that
11 fulfills commensurate goals and objectives and contains the
12 information required pursuant to this paragraph, separate from the
13 general plan, an attachment of, or reference to, the local hazard
14 mitigation plan or other climate adaptation plan or document.

15 (ii) Cities or counties that have an adopted hazard mitigation
16 plan, or other climate adaptation plan or document that substantially
17 complies with this section, or have substantially equivalent
18 provisions to this subdivision in their general plans, may use that
19 information in the safety element to comply with this subdivision,
20 and shall summarize and incorporate by reference into the safety
21 element the other general plan provisions, climate adaptation plan
22 or document, specifically showing how each requirement of this
23 subdivision has been met.

24 (5) Upon the next revision of the housing element on or after
25 January 1, 2020, the safety element shall be reviewed and updated
26 as necessary to identify residential developments in any hazard
27 area identified in the safety element that do not have at least two
28 emergency evacuation routes.

29 (6) After the initial revision of the safety element pursuant to
30 paragraphs (2), (3), (4), and (5), the planning agency shall review
31 and, if necessary, revise the safety element upon each revision of
32 the housing element or local hazard mitigation plan, but not less
33 than once every eight years, to identify new information relating
34 to flood and fire hazards and climate adaptation and resiliency
35 strategies applicable to the city or county that was not available
36 during the previous revision of the safety element.

37 (7) Cities and counties that have flood plain management
38 ordinances that have been approved by FEMA that substantially
39 comply with this section, or have substantially equivalent
40 provisions to this subdivision in their general plans, may use that

1 information in the safety element to comply with this subdivision,
2 and shall summarize and incorporate by reference into the safety
3 element the other general plan provisions or the flood plain
4 ordinance, specifically showing how each requirement of this
5 subdivision has been met.

6 (8) Before the periodic review of its general plan and before
7 preparing or revising its safety element, each city and county shall
8 consult the California Geological Survey of the Department of
9 Conservation, the Central Valley Flood Protection Board, if the
10 city or county is located within the boundaries of the Sacramento
11 and San Joaquin Drainage District, as set forth in Section 8501 of
12 the Water Code, and the Office of Emergency Services for the
13 purpose of including information known by and available to the
14 department, the agency, and the board required by this subdivision.

15 (9) To the extent that a county's safety element is sufficiently
16 detailed and contains appropriate policies and programs for
17 adoption by a city, a city may adopt that portion of the county's
18 safety element that pertains to the city's planning area in
19 satisfaction of the requirement imposed by this subdivision.

20 (h) (1) An environmental justice element, or related goals,
21 policies, and objectives integrated in other elements, that identifies
22 disadvantaged communities within the area covered by the general
23 plan of the city, county, or city and county, if the city, county, or
24 city and county has a disadvantaged community. The
25 environmental justice element, or related environmental justice
26 goals, policies, and objectives integrated in other elements, shall
27 do all of the following:

28 (A) Identify objectives and policies to reduce the unique or
29 compounded health risks in disadvantaged communities by means
30 that include, but are not limited to, the reduction of pollution
31 exposure, including the improvement of air quality, and the
32 promotion of public facilities, food access, safe and sanitary homes,
33 and physical activity.

34 (B) Identify objectives and policies to promote civic engagement
35 in the public decisionmaking process.

36 (C) Identify objectives and policies that prioritize improvements
37 and programs that address the needs of disadvantaged communities.

38 (2) A city, county, or city and county subject to this subdivision
39 shall adopt or review the environmental justice element, or the
40 environmental justice goals, policies, and objectives in other

1 elements, upon the adoption or next revision of two or more
2 elements concurrently on or after January 1, 2018.

3 (3) By adding this subdivision, the Legislature does not intend
4 to require a city, county, or city and county to take any action
5 prohibited by the United States Constitution or the California
6 Constitution.

7 (4) For purposes of this subdivision, the following terms shall
8 apply:

9 (A) “Disadvantaged communities” means an area identified by
10 the California Environmental Protection Agency pursuant to
11 Section 39711 of the Health and Safety Code or an area that is a
12 low-income area that is disproportionately affected by
13 environmental pollution and other hazards that can lead to negative
14 health effects, exposure, or environmental degradation.

15 (B) “Public facilities” includes public improvements, public
16 services, and community amenities, as defined in subdivision (d)
17 of Section 66000.

18 (C) “Low-income area” means an area with household incomes
19 at or below 80 percent of the statewide median income or with
20 household incomes at or below the threshold designated as low
21 income by the Department of Housing and Community
22 Development’s list of state income limits adopted pursuant to
23 Section 50093 of the Health and Safety Code.

24 SEC. 103. Section 65585 of the Government Code is amended
25 to read:

26 65585. (a) In the preparation of its housing element, each city
27 and county shall consider the guidelines adopted by the department
28 pursuant to Section 50459 of the Health and Safety Code. Those
29 guidelines shall be advisory to each city or county in the
30 preparation of its housing element.

31 (b) (1) (A) At least 90 days prior to adoption of a revision of
32 its housing element pursuant to subdivision (e) of Section 65588,
33 or at least 60 days prior to the adoption of a subsequent amendment
34 to this element, the planning agency shall submit a draft element
35 revision or draft amendment to the department. The local
36 government of the planning agency shall make the first draft
37 revision of a housing element available for public comment for at
38 least 30 days and, if any comments are received, the local
39 government shall take at least 10 business days after the 30-day
40 public comment period to consider and incorporate public

1 comments into the draft revision prior to submitting it to the
2 department. For any subsequent draft revision, the local
3 government shall post the draft revision on its internet website and
4 shall email a link to the draft revision to all individuals and
5 organizations that have previously requested notices relating to
6 the local government's housing element at least seven days before
7 submitting the draft revision to the department.

8 (B) The planning agency staff shall collect and compile the
9 public comments regarding the housing element received by the
10 city, county, or city and county and provide these comments to
11 each member of the legislative body before it adopts the housing
12 element.

13 (C) The department shall review the draft and report its written
14 findings to the planning agency within 90 days of its receipt of the
15 first draft submittal for each housing element revision pursuant to
16 subdivision (e) of Section 65588 or within 60 days of its receipt
17 of a subsequent draft amendment or an adopted revision or adopted
18 amendment to an element. The department shall not review the
19 first draft submitted for each housing element revision pursuant
20 to subdivision (e) of Section 65588 until the local government has
21 made the draft available for public comment for at least 30 days
22 and, if comments were received, has taken at least 10 business
23 days to consider and incorporate public comments pursuant to
24 paragraph (1).

25 (2) (A) At least 90 days prior to the initial adoption of a revision
26 of its housing element pursuant to subdivision (e) of Section 65588,
27 and at least 7 days prior to any subsequent adoption submittal if
28 changes have occurred to the inventory of sites, a local government
29 shall do both of the following:

30 (i) Make a draft of its inventory of sites required pursuant to
31 paragraph (3) of subdivision (a) of Section 65583 available to the
32 department and the public and post the draft inventory on its
33 internet website.

34 (ii) Send an email to all individuals and organizations that have
35 previously requested notices notifying them that the inventory has
36 been updated that includes a link to the draft inventory on its
37 website.

38 (B) The requirements of this paragraph shall apply to the seventh
39 and each subsequent revision of the housing element.

1 (c) In the preparation of its findings, the department may consult
2 with any public agency, group, or person. The department shall
3 receive and consider any written comments from any public
4 agency, group, or person regarding the draft or adopted element
5 or amendment under review.

6 (d) In its written findings, the department shall determine
7 whether the draft element or draft amendment substantially
8 complies with this article.

9 (e) Prior to the adoption of its draft element or draft amendment,
10 the legislative body shall consider the findings made by the
11 department. If the department's findings are not available within
12 the time limits set by this section, the legislative body may act
13 without them.

14 (f) If the department finds that the draft element or draft
15 amendment does not substantially comply with this article, the
16 legislative body shall take one of the following actions:

17 (1) (A) Change the draft element or draft amendment to
18 substantially comply with this article.

19 (B) Any change to a draft element or draft amendment pursuant
20 to subparagraph (A) shall be completed in accordance with
21 subdivision (b). This subparagraph does not constitute a change
22 in, but is declaratory of, existing law.

23 (2) Adopt the draft element or draft amendment without changes.
24 The legislative body shall include in its resolution of adoption
25 written findings that explain the reasons the legislative body
26 believes that the draft element or draft amendment substantially
27 complies with this article despite the findings of the department.

28 (g) (1) Promptly following the adoption of its element or
29 amendment, the planning agency shall submit a copy of the adopted
30 element or amendment and any findings made pursuant to
31 paragraph (2) of subdivision (f) to the department.

32 (2) This subdivision shall not be construed to excuse a legislative
33 body from complying with subdivision (f). This paragraph does
34 not constitute a change in, but is declaratory of, existing law.

35 (h) The department shall, within 60 days, review adopted
36 housing elements or amendments and any findings pursuant to
37 paragraph (2) of subdivision (f), make a finding as to whether the
38 adopted element or amendment is in substantial compliance with
39 this article, and report its findings to the planning agency.

1 (i) (1) (A) The department shall review any action or failure
2 to act by the city, county, or city and county that it determines is
3 inconsistent with an adopted housing element or Section 65583,
4 including any failure to implement any program actions included
5 in the housing element pursuant to Section 65583. The department
6 shall issue written findings to the city, county, or city and county
7 as to whether the action or failure to act substantially complies
8 with this article, and provide a reasonable time no longer than 30
9 days for the city, county, or city and county to respond to the
10 findings before taking any other action authorized by this section,
11 including the action authorized by subparagraph (C).

12 (B) If the department finds that the city's, county's, or city and
13 county's action or failure to act does not substantially comply with
14 its adopted housing element or its obligations pursuant to Section
15 65583, there shall be a rebuttable presumption of invalidity in any
16 legal action challenging that action or failure to act.

17 (C) If the department finds that the action or failure to act by
18 the city, county, or city and county does not substantially comply
19 with this article, and if it has issued findings pursuant to this section
20 that an amendment to the housing element substantially complies
21 with this article, the department may revoke its findings until it
22 determines that the city, county, or city and county has come into
23 compliance with this article.

24 (2) The department may consult with any local government,
25 public agency, group, or person, and shall receive and consider
26 any written comments from any public agency, group, or person,
27 regarding the action or failure to act by the city, county, or city
28 and county described in paragraph (1), in determining whether the
29 housing element substantially complies with this article.

30 (j) The department shall notify the city, county, or city and
31 county and may notify the office of the Attorney General that the
32 city, county, or city and county is in violation of state law if the
33 department finds that the housing element or an amendment to this
34 element, or any action or failure to act described in subdivision
35 (i), does not substantially comply with this article or that any local
36 government has taken an action in violation of the following:

37 (1) Housing Accountability Act (Section 65589.5).

38 (2) Section 65863.

39 (3) Chapter 4.3 (commencing with Section 65915).

40 (4) Section 65008.

1 (5) Housing Crisis Act of 2019 (Chapter 654, Statutes of 2019,
2 Sections 65941.1, 65943, and 66300).
3 (6) Section 8899.50.
4 (7) Section 65913.4.
5 (8) Article 11 (commencing with Section 65650).
6 (9) Article 12 (commencing with Section 65660).
7 (10) Section 65913.11.
8 (11) Section 65400.
9 (12) Section 65863.2.
10 (13) Chapter 4.1 (commencing with Section 65912.100).
11 (14) Section 65905.5.
12 (15) Chapter 13 (commencing with Section 66310).
13 (16) Section 65852.21.
14 (17) Section 65852.24.
15 (18) Section 66411.7.
16 (19) Section 65913.16.
17 (20) Article 2 (commencing with Section 66300.5) of Chapter
18 12.
19 (21) Section 65852.28.
20 (22) Section 65913.4.5.
21 (23) Section 66499.41.
22 (24) Homeless Housing, Assistance, and Prevention program
23 (Chapter 6 (commencing with Section 50216) and Chapter 6.5
24 (commencing with Section 50230) of Part 1 of Division 31 of the
25 Health and Safety Code).
26 (25) Encampment Resolution Funding program (Chapter 7
27 (commencing with Section 50250) of Part 1 of Division 31 of the
28 Health and Safety Code).
29 (26) Family Homelessness Challenge Grants and Technical
30 Assistance Program (Chapter 8 (commencing with Section 50255)
31 of Part 1 of Division 31 of the Health and Safety Code).
32 (27) (A) Article 11.5 (commencing with Section 65658).
33 (B) This paragraph shall become operative only if Assembly
34 Bill 3068 of the 2023–24 Regular Session of the Legislature is
35 enacted and takes effect on or before January 1, 2025.
36 (k) Commencing July 1, 2019, prior to the Attorney General
37 bringing any suit for a violation of the provisions identified in
38 subdivision (j) related to housing element compliance and seeking
39 remedies available pursuant to this subdivision, the department
40 shall offer the jurisdiction the opportunity for two meetings in

1 person or via telephone to discuss the violation, and shall provide
2 the jurisdiction written findings regarding the violation. This
3 paragraph does not affect any action filed prior to the effective
4 date of this section. The requirements set forth in this subdivision
5 do not apply to any suits brought for a violation or violations of
6 paragraphs (1) and (3) to (9), inclusive, of subdivision (j).

7 (l) In any action or special proceeding brought by the Attorney
8 General relating to housing element compliance pursuant to a
9 notice or referral under subdivision (j), the Attorney General may
10 request, upon a finding of the court that the housing element does
11 not substantially comply with the requirements of this article
12 pursuant to this section, that the court issue an order or judgment
13 directing the jurisdiction to bring its housing element into
14 substantial compliance with the requirements of this article. The
15 court shall retain jurisdiction to ensure that its order or judgment
16 is carried out. If a court determines that the housing element of
17 the jurisdiction substantially complies with this article, it shall
18 have the same force and effect, for purposes of eligibility for any
19 financial assistance that requires a housing element in substantial
20 compliance and for purposes of any incentives provided under
21 Section 65589.9, as a determination by the department that the
22 housing element substantially complies with this article.

23 (1) If the jurisdiction has not complied with the order or
24 judgment after 12 months, the court shall conduct a status
25 conference. Following the status conference, upon a determination
26 that the jurisdiction failed to comply with the order or judgment
27 compelling substantial compliance with the requirements of this
28 article, the court shall impose fines on the jurisdiction, which shall
29 be deposited into the Building Homes and Jobs Trust Fund. Any
30 fine levied pursuant to this paragraph shall be in a minimum
31 amount of ten thousand dollars (\$10,000) per month, but shall not
32 exceed one hundred thousand dollars (\$100,000) per month, except
33 as provided in paragraphs (2) and (3). In the event that the
34 jurisdiction fails to pay fines imposed by the court in full and on
35 time, the court may require the Controller to intercept any available
36 state and local funds and direct such funds to the Building Homes
37 and Jobs Trust Fund to correct the jurisdiction's failure to pay.
38 The intercept of the funds by the Controller for this purpose shall
39 not violate any provision of the California Constitution.

(2) If the jurisdiction has not complied with the order or judgment after three months following the imposition of fees described in paragraph (1), the court shall conduct a status conference. Following the status conference, if the court finds that the fees imposed pursuant to paragraph (1) are insufficient to bring the jurisdiction into compliance with the order or judgment, the court may multiply the fine determined pursuant to paragraph (1) by a factor of three. In the event that the jurisdiction fails to pay fines imposed by the court in full and on time, the court may require the Controller to intercept any available state and local funds and direct such funds to the Building Homes and Jobs Trust Fund to correct the jurisdiction's failure to pay. The intercept of the funds by the Controller for this purpose shall not violate any provision of the California Constitution.

(3) If the jurisdiction has not complied with the order or judgment six months following the imposition of fees described in paragraph (1), the court shall conduct a status conference. Upon a determination that the jurisdiction failed to comply with the order or judgment, the court may impose the following:

(A) If the court finds that the fees imposed pursuant to paragraphs (1) and (2) are insufficient to bring the jurisdiction into compliance with the order or judgment, the court may multiply the fine determined pursuant to paragraph (1) by a factor of six. In the event that the jurisdiction fails to pay fines imposed by the court in full and on time, the court may require the Controller to intercept any available state and local funds and direct such funds to the Building Homes and Jobs Trust Fund to correct the jurisdiction's failure to pay. The intercept of the funds by the Controller for this purpose shall not violate any provision of the California Constitution.

(B) The court may order remedies available pursuant to Section 564 of the Code of Civil Procedure, under which the agent of the court may take all governmental actions necessary to bring the jurisdiction's housing element into substantial compliance pursuant to this article in order to remedy identified deficiencies. The court shall determine whether the housing element of the jurisdiction substantially complies with this article and, once the court makes that determination, it shall have the same force and effect, for all purposes, as the department's determination that the housing element substantially complies with this article. An agent appointed

pursuant to this paragraph shall have expertise in planning in California.

(4) This subdivision does not limit a court's discretion to apply any and all remedies in an action or special proceeding for a violation of any law identified in subdivision (j).

(m) In determining the application of the remedies available under subdivision (l), the court shall consider whether there are any mitigating circumstances delaying the jurisdiction from coming into compliance with state housing law. The court may consider whether a city, county, or city and county is making a good faith effort to come into substantial compliance or is facing substantial undue hardships.

(n) Nothing in this section shall limit the authority of the office of the Attorney General to bring a suit to enforce state law in an independent capacity. The office of the Attorney General may seek all remedies available under law including those set forth in this section.

(o) Notwithstanding Sections 11040 and 11042, if the Attorney General declines to represent the department in any action or special proceeding brought pursuant to a notice or referral under subdivision (j), the department may appoint or contract with other counsel for purposes of representing the department in the action or special proceeding.

(p) Notwithstanding any other provision of law, the statute of limitations set forth in subdivision (a) of Section 338 of the Code of Civil Procedure shall apply to any action or special proceeding brought by the office of the Attorney General or pursuant to a notice or referral under subdivision (j), or by the department pursuant to subdivision (o).

(q) The amendments to this section made by the act adding this subdivision shall not be construed to limit the department's ability to enforce programmatic requirements or remedies against cities, counties, and continuums of care pursuant to the Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216) and Chapter 6.5 (commencing with Section 50230) of Part 1 of Division 31 of the Health and Safety Code), the Encampment Resolution Funding program (Chapter 7 (commencing with Section ~~50250~~); 50250) of Part 1 of Division 31 of the Health and Safety Code), and the Family Homelessness Challenge Grants and Technical Assistance Program

(Chapter 8 (commencing with Section ~~50255~~); 50255) of Part 1 of Division 31 of the Health and Safety Code).

SEC. 104. Section 65588 of the Government Code is amended to read:

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(4) The effectiveness of the housing element goals, policies, and related actions to meet the community's needs, pursuant to paragraph (7) of subdivision (a) of Section 65583.

(b) The housing element shall be revised as appropriate, but no less often than required by subdivision (e), to reflect the results of this periodic review. Nothing in this section shall be construed to excuse the obligations of the local government to adopt a revised housing element in accordance with the schedule specified in this section.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(e) Each city, county, and city and county shall revise its housing element according to the following schedule:

(1) (A) Local governments within the regional jurisdiction of the Southern California Association of Governments: June 30, 2006, for the fourth revision.

(B) Local governments within the regional jurisdiction of the Association of Bay Area Governments: June 30, 2007, for the fourth revision.

(C) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, and the Sacramento Area Council of Governments: June 30, 2002, for the third revision, and June 30, 2008, for the fourth revision.

(D) Local governments within the regional jurisdiction of the Association of Monterey Bay Area Governments: December 31, 2002, for the third revision, and June 30, 2009, for the fourth revision.

(E) Local governments within the regional jurisdiction of the San Diego Association of Governments: June 30, 2005, for the fourth revision.

(F) All other local governments: December 31, 2003, for the third revision, and June 30, 2009, for the fourth revision.

(2) (A) All local governments within a metropolitan planning organization in a region classified as nonattainment for one or more pollutants regulated by the federal Clean Air Act (42 U.S.C. Sec. 7506; 7401), except those within the regional jurisdiction of the San Diego Association of Governments, shall adopt the fifth revision of the housing element no later than 18 months after adoption of the first regional transportation plan to be adopted after September 30, 2010.

(B) (i) All local governments within the regional jurisdiction of the San Diego Association of Governments shall adopt the fifth

1 revision of the housing element no later than 18 months after
2 adoption of the first regional transportation plan update to be
3 adopted after September 30, 2010.

4 (ii) Before or concurrent with the adoption of the fifth revision
5 of the housing element, each local government within the regional
6 jurisdiction of the San Diego Association of Governments shall
7 identify adequate sites in its inventory pursuant to Section 65583.2
8 or rezone adequate sites to accommodate a prorated portion of its
9 share of the regional housing need for the projection period
10 representing the period from July 1, 2010, to the deadline for
11 housing element adoption described in clause (i).

12 (I) For the fifth revision, a local government within the
13 jurisdiction of the San Diego Association of Governments that has
14 not adopted a housing element for the fourth revision by January
15 1, 2009, shall revise its housing element not less than every four
16 years, beginning on the date described in clause (i), in accordance
17 with paragraph (4), unless the local government does both of the
18 following:

19 (ia) Adopts a housing element for the fourth revision no later
20 than March 31, 2010, that is in substantial compliance with this
21 article.

22 (ib) Completes any rezoning contained in the housing element
23 program for the fourth revision by June 30, 2010.

24 (II) A local government within the jurisdiction of the San Diego
25 Association of Governments shall adopt the sixth revision of the
26 housing element on or before April 30, 2021, using the final
27 housing allocation adopted by the San Diego Association of
28 Governments on or before November 1, 2019, although such action
29 will not be carried out concurrently with adoption of an updated
30 regional transportation plan and sustainable communities strategy.

31 (III) All local governments within the jurisdiction of the San
32 Diego Association of Governments shall adopt the seventh revision
33 of the housing element no later than 18 months after the San Diego
34 Association of Governments adopts its first regional transportation
35 plan update in 2029.

36 (IV) For the eighth and subsequent revisions, a local government
37 within the jurisdiction of the San Diego Association of
38 Governments shall be subject to the dates described in clause (i),
39 in accordance with paragraph (4).

1 (C) All local governments within the regional jurisdiction of a
2 metropolitan planning organization or a regional transportation
3 planning agency that has made an election pursuant to
4 subparagraph ~~(L)~~ (M) of paragraph (2) of subdivision (b) of Section
5 65080 by June 1, 2009, shall adopt the fifth revision of the housing
6 element no later than 18 months after adoption of the first regional
7 transportation plan update following the election.

8 (D) All other local governments shall adopt the fifth revision
9 of the housing element five years after the date specified in
10 paragraph (1).

11 (3) Subsequent revisions of the housing element shall be due
12 as follows:

13 (A) (i) Except as otherwise provided in clause (ii), for local
14 governments described in subparagraphs (A), (B), and (C) of
15 paragraph (2), 18 months after adoption of every second regional
16 transportation plan update, provided that the deadline for adoption
17 is no more than eight years later than the deadline for adoption of
18 the previous eight-year housing element, or as otherwise provided
19 in law.

20 (ii) Notwithstanding clause (i), for local governments described
21 in subparagraphs (A) and (C) of paragraph (2) that are within the
22 regional jurisdiction of the Southern California Association of
23 Governments, except the County of Orange and all local
24 governments within the County of Orange, the County of Riverside
25 and all local governments within the County of Riverside, the
26 County of San Bernardino and all local governments within the
27 County of San Bernardino, and the County of Ventura and all local
28 governments within the County of Ventura, for the seventh revision
29 and subsequent revisions of the housing element, 24 months after
30 adoption of every second regional transportation plan update, or
31 as otherwise provided in law.

32 (B) For all other local governments, at five-year intervals after
33 the date specified in subparagraph (D) of paragraph (2).

34 (C) If a metropolitan planning organization or a regional
35 transportation planning agency subject to the five-year revision
36 interval in subparagraph (B) makes an election pursuant to
37 subparagraph (M) of paragraph (2) of subdivision (b) of Section
38 65080 after June 1, 2009, all local governments within the regional
39 jurisdiction of that entity shall adopt the next housing element
40 revision no later than 18 months after adoption of the first regional

1 transportation plan update following the election. Subsequent
2 revisions shall be due 18 months after adoption of every second
3 regional transportation plan update, provided that the deadline for
4 adoption is no more than eight years later than the deadline for
5 adoption of the previous eight-year housing element.

6 (4) (A) A local government that does not adopt a housing
7 element within 120 days of the applicable deadline described in
8 subparagraph (A), (B), or (C) of paragraph (2) or subparagraph
9 (A) or (C) of paragraph (3) shall revise its housing element not
10 less than every four years until the due date for the sixth revision.
11 The adoption of a sixth revision housing element that the
12 department finds to be in substantial compliance with this article
13 pursuant to Section 65585 shall be deemed to satisfy any obligation
14 to adopt a four-year housing element, and a four-year housing
15 element revision shall not be subsequently required.

16 (B) The deadline for adoption of every four-year revision shall
17 be the same as the deadline for adoption for other local
18 governments within the region.

19 (C) (i) For the adoption of the sixth revision, a local government
20 that does not adopt a housing element that the department has
21 found to be in substantial compliance with this article within 120
22 days of the applicable deadline described in subparagraph (A) or
23 (C) of paragraph (3) shall comply with subparagraph (A) of
24 paragraph (1) of subdivision (c) of Section 65583 and subdivision
25 (c) of Section 65583.2 within one year of the statutory deadline to
26 revise the housing element.

27 (ii) For the adoption of the seventh and each subsequent revision,
28 a local government shall comply with subparagraph (A) of
29 paragraph (1) of subdivision (c) of Section 65583 and subdivision
30 (c) of Section 65583.2 no later than one year from the statutory
31 deadline in this section for adoption of the housing element unless
32 the local government complies with all of the following:

33 (I) The local government submits a draft element or draft
34 amendment to the department for review pursuant to paragraph
35 (1) of subdivision (b) of Section 65585 at least 90 days before the
36 statutory deadline set forth in ~~Section 65588~~ *this section* for
37 adoption of the housing element.

38 (II) The local government receives from the department findings
39 that the draft element or draft amendment substantially complies
40 with this article pursuant to paragraph (3) of subdivision (b) of

1 Section 65585 on or before the statutory deadline set forth in
2 Section 65588 for adoption of the housing element.

3 (III) The local government adopts the draft element or draft
4 amendment that the department found to substantially comply with
5 this article no later than 120 days after the statutory deadline set
6 forth in ~~Section 65588~~. *this section*.

7 (iii) If a jurisdiction subject to this subparagraph fails to
8 complete the required rezoning within the time period required,
9 the jurisdiction's adopted housing element shall be subject to
10 subdivision (i) of Section 65585.

11 (iv) A jurisdiction that adopts a housing element more than one
12 year after the statutory deadline described in subparagraph (A) or
13 (C) of paragraph (3) shall not be found in substantial compliance
14 with this article until it has completed the rezoning required by
15 subparagraph (A) of paragraph (1) of subdivision (c) of Section
16 65583 and subdivision (c) of Section 65583.2.

17 (5) The metropolitan planning organization or a regional
18 transportation planning agency for a region that has an eight-year
19 revision interval pursuant to paragraph (3) shall notify the
20 department and the Department of Transportation in writing of the
21 estimated adoption date for its next regional transportation plan
22 update at least 12 months before the estimated adoption date. The
23 Department of Transportation shall maintain and publish on its
24 internet website a current schedule of the estimated regional
25 transportation plan adoption dates. The department shall maintain
26 and publish on its internet website a current schedule of the
27 estimated and actual housing element due dates. Each council of
28 governments shall publish on its internet website the estimated
29 and actual housing element due dates, as published by the
30 department, for the jurisdictions within its region and shall send
31 notice of these dates to interested parties. For purposes of
32 determining the existing and projected need for housing within a
33 region pursuant to Sections 65584 to 65584.07, inclusive, the date
34 of the next scheduled revision of the housing element shall be
35 deemed to be the estimated adoption date of the regional
36 transportation plan update described in the notice provided to the
37 Department of Transportation plus 18 months, provided that date
38 is no more than eight years later than the deadline for adoption of
39 the previous eight-year housing element.

(6) The new projection period shall begin on the date of December 31 or June 30 that most closely precedes the end of the previous projection period.

(f) For purposes of this article, the following terms have the following meanings:

(1) “Planning period” shall be the time period between the due date for one housing element and the due date for the next housing element for each revision according to the applicable schedule described in paragraphs (2) and (3) of subdivision (e).

(2) “Projection period” shall be the time period for which the regional housing need is calculated.

(g) For purposes of this section, “regional transportation plan update” shall mean a regional transportation plan adopted to satisfy the requirements of subdivision (d) of Section 65080.

SEC. 105. Section 65852.8 of the Government Code is amended to read:

65852.8. (a) An owner of an existing mobilehome park who is subject to, or intends to qualify for, a valid permit to operate issued pursuant to Section 18505 of the Health and Safety Code, whose permit to operate is not suspended pursuant to Section 18510 of the Health and Safety Code, may add either of the following types of lots to the mobilehome park, not to exceed 10 percent of the previously approved number of lots in the mobilehome park:

(1) A lot for a single-family manufactured home.

(2) A multifamily manufactured home, as defined in paragraph (1) of subdivision (a) of Section 18008.7 of the Health and Safety Code, on a lot previously occupied by a single-family mobilehome or manufactured home.

(A) A lot occupied by a multifamily manufactured home under this paragraph shall not be considered new construction, as defined in Section 798.7 of the Civil Code, for purposes of Section 798.45 of *the* Civil Code.

(B) The conversion of a portion of single-family manufactured home lots into multifamily manufactured home lots under this paragraph shall not be the basis for closing or converting that portion of the mobilehome park into another use under Sections 65863.7 or 66427.4, or for terminating the tenancy of a resident in a mobilehome park to facilitate the change of use of the mobilehome park, or any portion thereof, under subdivision (g) of Section 798.56 of the Civil Code.

1 (3) Any combination of lots authorized by paragraphs (1) and
2 (2).

3 (b) (1) Before adding any lot pursuant to subdivision (a), the
4 owner of the mobilehome park shall apply to the enforcement
5 agency for, and obtain from the enforcement agency, all permits
6 required by this part necessary to increase occupancy in the park.

7 (2) Before issuing the permits, the enforcement agency shall
8 require all reasonable information to ensure that the additional lots
9 do not substantially impact the provision of services to the existing
10 or new lots, including water, sewage, electrical, gas, and other
11 utilities. The enforcement agency may require evidence of
12 compliance with all local health, utility, and fire requirements, as
13 it deems necessary.

14 (3) Upon approval from the enforcement agency pursuant to
15 this section, the mobilehome park owner shall complete all
16 necessary processes with the enforcement agency to update their
17 permit to operate.

18 (c) (1) Lots added pursuant to this section shall not be subject
19 to any business tax, local registration fee, use permit fee, or other
20 fee, except those that are applicable to existing lots in the park.

21 (2) Pursuant to paragraph (1), a local agency may impose local
22 property taxes, fees for water and sewer services and garbage
23 collection, fees for normal inspections, local bond assessments,
24 and other fees, charges, and assessments that apply to the existing
25 lots in the park.

26 (d) Notwithstanding any law, the lots added pursuant to this
27 section shall be deemed to comply with the zoning and land use
28 approvals of the existing mobilehome park, including any special
29 use permit.

30 (e) For the purposes of local ordinances, lots added pursuant to
31 this section shall not be deemed a use that differs from the
32 mobilehome park's existing land use approvals.

33 (f) The enforcement agency, city, or county shall not require a
34 conditional use permit, zoning variance, or other zoning approval
35 for any lots added pursuant to this section.

36 (g) In adding lots pursuant to this section, the owner of a
37 mobilehome park shall not reduce the size of, or otherwise interfere
38 with, any in-use pools, dog parks, clubhouses, playgrounds, sports
39 facilities, exercise rooms, libraries, boat or recreational vehicle
40 (RV) storage, laundry facilities, community meeting spaces, or

1 any existing occupied mobilehome spaces without first complying
2 with the requirements for creating, moving, shifting, or altering
3 lot lines under Section 18610.5 of the Health and Safety Code.

4 (h) A lot added to a mobilehome park pursuant to this section
5 shall be considered new construction, as defined in Section 798.7
6 of the Civil Code, and the exemption of the lot from any ordinance,
7 rule, regulation, or initiative measure adopted by any city, county,
8 or city and county that establishes a maximum amount that the
9 owner of the mobilehome park may charge for rent shall be
10 determined according to Section 798.45 of the Civil Code.

11 (i) A lot added to a mobilehome park pursuant to this section
12 shall not increase, revise, or change the number or percentage of
13 lots within the park which are deemed to be, and shall not cause
14 any existing lots within the park to become, exempt from any
15 ordinance, rule, regulation, or initiative measure adopted by any
16 city, county, or city and county that establishes a maximum amount
17 that the owner of the mobilehome park may charge a tenant for
18 rent.

19 (j) This section shall not apply to a mobilehome park that is
20 located in an area of the coastal zone subject to paragraph (1) or
21 (2) of subdivision (a) of Section 30603 of the Public Resources
22 Code.

23 (k) The Legislature finds and declares that streamlining the
24 addition of new mobilehome lots in existing parks is a matter of
25 statewide concern and is not a municipal affair as that term is used
26 in Section 5 of Article XI of the California Constitution. Therefore,
27 this section applies to all cities, including charter cities.

28 SEC. 106. Section 65913.4 of the Government Code is amended
29 to read:

30 65913.4. (a) Except as provided in subdivision (r), a
31 development proponent may submit an application for a
32 development that is subject to the streamlined, ministerial approval
33 process provided by subdivision (c) and is not subject to a
34 conditional use permit or any other nonlegislative discretionary
35 approval if the development complies with subdivision (b) and
36 satisfies all of the following objective planning standards:

37 (1) The development is a multifamily housing development that
38 contains two or more residential units.

39 (2) The development and the site on which it is located satisfy
40 all of the following:

1 (A) It is a legal parcel or parcels located in a city if, and only
2 if, the city boundaries include some portion of either an urbanized
3 area or urban cluster, as designated by the United States Census
4 Bureau, or, for unincorporated areas, a legal parcel or parcels
5 wholly within the boundaries of an urbanized area or urban cluster,
6 as designated by the United States Census Bureau.

7 (B) At least 75 percent of the perimeter of the site adjoins parcels
8 that are developed with urban uses. For the purposes of this section,
9 parcels that are only separated by a street or highway shall be
10 considered to be adjoined.

11 (C) (i) A site that meets the requirements of clause (ii) and
12 satisfies any of the following:

13 (I) The site is zoned for residential use or residential mixed-use
14 development.

15 (II) The site has a general plan designation that allows residential
16 use or a mix of residential and nonresidential uses.

17 (III) The site meets the requirements of Section 65852.24.

18 (ii) At least two-thirds of the square footage of the development
19 is designated for residential use. Additional density, floor area,
20 and units, and any other concession, incentive, or waiver of
21 development standards granted pursuant to the Density Bonus Law
22 in Section 65915 shall be included in the square footage
23 calculation. The square footage of the development shall not
24 include underground space, such as basements or underground
25 parking garages.

26 (3) (A) The development proponent has committed to record,
27 prior to the issuance of the first building permit, a land use
28 restriction or covenant providing that any lower or
29 moderate-income housing units required pursuant to subparagraph
30 (B) of paragraph (4) shall remain available at affordable housing
31 costs or rent to persons and families of lower or moderate income
32 for no less than the following periods of time:

33 (i) Fifty-five years for units that are rented.

34 (ii) Forty-five years for units that are owned.

35 (B) The city or county shall require the recording of covenants
36 or restrictions implementing this paragraph for each parcel or unit
37 of real property included in the development.

38 (4) The development satisfies clause (i) or (ii) of subparagraph
39 (A) and satisfies subparagraph (B) below:

1 (A) (i) For a development located in a locality that is in its sixth
2 or earlier housing element cycle, the development is located in
3 either of the following:

4 (I) In a locality that the department has determined is subject
5 to this clause on the basis that the number of units that have been
6 issued building permits, as shown on the most recent production
7 report received by the department, is less than the locality's share
8 of the regional housing needs, by income category, for that
9 reporting period. A locality shall remain eligible under this
10 subclause until the department's determination for the next
11 reporting period.

12 (II) In a locality that the department has determined is subject
13 to this clause on the basis that the locality did not adopt a housing
14 element that has been found in substantial compliance with housing
15 element law (Article 10.6 (commencing with Section 65580) of
16 Chapter 3) by the department. A locality shall remain eligible under
17 this subclause until such time as the locality adopts a housing
18 element that has been found in substantial compliance with housing
19 element law (Article 10.6 (commencing with Section 65580) of
20 Chapter 3) by the department.

21 (ii) For a development located in a locality that is in its seventh
22 or later housing element cycle, is located in a locality that the
23 department has determined is subject to this clause on the basis
24 that the locality did not adopt a housing element that has been
25 found in substantial compliance with housing element law (Article
26 10.6 (commencing with Section 65580) of Chapter 3) by the
27 department by the statutory deadline, or that the number of units
28 that have been issued building permits, as shown on the most recent
29 production report received by the department, is less than the
30 locality's share of the regional housing needs, by income category,
31 for that reporting period. A locality shall remain eligible under
32 this subparagraph until the department's determination for the next
33 reporting period.

34 (B) The development is subject to a requirement mandating a
35 minimum percentage of below market rate housing based on one
36 of the following:

37 (i) The locality did not adopt a housing element pursuant to
38 Section 65588 that has been found in substantial compliance with
39 the housing element law (Article 10.6 (commencing with Section
40 65580) of Chapter 3) by the department, did not submit its latest

production report to the department by the time period required by Section 65400, or that production report submitted to the department reflects that there were fewer units of above moderate-income housing issued building permits than were required for the regional housing needs assessment cycle for that reporting period. In addition, if the project contains more than 10 units of housing, the project does one of the following:

(I) For for-rent projects, the project dedicates a minimum of 10 percent of the total number of units, before calculating any density bonus, to housing affordable to households making at or below 50 percent of the area median income. However, if the locality has adopted a local ordinance that requires that greater than 10 percent of the units be dedicated to housing affordable to households making below 50 percent of the area median income, that local ordinance applies.

(II) For for-sale projects, the project dedicates a minimum of 10 percent of the total number of units, before calculating any density bonus, to housing affordable to households making at or below 80 percent of the area median income. However, if the locality has adopted a local ordinance that requires that greater than 10 percent of the units be dedicated to housing affordable to households making below 80 percent of the area median income, that local ordinance applies.

(III) (ia) If the project is located within the San Francisco Bay area, the project, in lieu of complying with subclause (I) or (II), may opt to abide by this subclause. Projects utilizing this subclause shall dedicate 20 percent of the total number of units, before calculating any density bonus, to housing affordable to households making below 100 percent of the area median income with the average income of the units at or below 80 percent of the area median income. However, a local ordinance adopted by the locality applies if it requires greater than 20 percent of the units be dedicated to housing affordable to households making at or below 100 percent of the area median income, or requires that any of the units be dedicated at a level deeper than 100 percent. In order to comply with this subclause, the rent or sale price charged for units that are dedicated to housing affordable to households between 80 percent and 100 percent of the area median income shall not exceed 30 percent of the gross income of the household.

(ib) For purposes of this subclause, “San Francisco Bay area” means the entire area within the territorial boundaries of the Counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma, and the City and County of San Francisco.

(ii) (I) The locality’s latest production report reflects that there were fewer units of housing issued building permits affordable to either very low income or low-income households by income category than were required for the regional housing needs assessment cycle for that reporting period, and one of the following conditions exist:

(ia) The project seeking approval dedicates 50 percent of the total number of units, before calculating any density bonus, to housing affordable to households making at or below 80 percent of the area median income.

(ib) The project application was submitted prior to January 1, 2019, and the project includes at least 500 units of housing, the project seeking approval or seeking a modification to a prior approval dedicates 20 percent of the total number of units, before calculating any density bonus, as affordable units, with at least 9 percent affordable to households making at or below 50 percent of the area median income and the remainder affordable to households making at or below 80 percent of the area median income.

(II) Notwithstanding the conditions described in sub-subclauses (ia) and (ib) of subclause (I), if the locality has adopted a local ordinance that requires that greater than 50 percent, or greater than 20 percent as applicable, of the units be dedicated to housing affordable to households making at or below 80 percent of the area median income, that local ordinance applies.

(III) For purposes of this clause, the reference to units affordable to very low income households includes units affordable to acutely low income households, as defined in Section 50063.5 of the Health and Safety Code, and to extremely low income households, as defined in Section 50106 of the Health and Safety Code.

(iii) The locality did not submit its latest production report to the department by the time period required by Section 65400, or if the production report reflects that there were fewer units of housing affordable to both income levels described in clauses (i) and (ii) that were issued building permits than were required for

1 the regional housing needs assessment cycle for that reporting
2 period, the project seeking approval may choose between utilizing
3 clause (i) or (ii).

4 (C) (i) A development proponent that uses a unit of affordable
5 housing to satisfy the requirements of subparagraph (B) may also
6 satisfy any other local or state requirement for affordable housing,
7 including local ordinances or the Density Bonus Law in Section
8 65915, provided that the development proponent complies with
9 the applicable requirements in the state or local law. If a local
10 requirement for affordable housing requires units that are restricted
11 to households with incomes higher than the applicable income
12 limits required in subparagraph (B), then units that meet the
13 applicable income limits required in subparagraph (B) shall be
14 deemed to satisfy those local requirements for higher income units.

15 (ii) A development proponent that uses a unit of affordable
16 housing to satisfy any other state or local affordability requirement
17 may also satisfy the requirements of subparagraph (B), provided
18 that the development proponent complies with applicable
19 requirements of subparagraph (B).

20 (iii) A development proponent may satisfy the affordability
21 requirements of subparagraph (B) with a unit that is restricted to
22 households with incomes lower than the applicable income limits
23 required in subparagraph (B).

24 (D) The amendments to this subdivision made by the act adding
25 this subparagraph do not constitute a change in, but are declaratory
26 of, existing law.

27 (5) The development, excluding any additional density or any
28 other concessions, incentives, or waivers of development standards
29 for which the development is eligible pursuant to the Density Bonus
30 Law in Section 65915, is consistent with objective zoning
31 standards, objective subdivision standards, and objective design
32 review standards in effect at the time that the development is
33 submitted to the local government pursuant to this section, or at
34 the time a notice of intent is submitted pursuant to subdivision (b),
35 whichever occurs earlier. For purposes of this paragraph, “objective
36 zoning standards,” “objective subdivision standards,” and
37 “objective design review standards” mean standards that involve
38 no personal or subjective judgment by a public official and are
39 uniformly verifiable by reference to an external and uniform
40 benchmark or criterion available and knowable by both the

1 development applicant or proponent and the public official before
2 submittal. These standards may be embodied in alternative
3 objective land use specifications adopted by a city or county, and
4 may include, but are not limited to, housing overlay zones, specific
5 plans, inclusionary zoning ordinances, and density bonus
6 ordinances, subject to the following:

7 (A) A development shall be deemed consistent with the objective
8 zoning standards related to housing density, as applicable, if the
9 density proposed is compliant with the maximum density allowed
10 within that land use designation, notwithstanding any specified
11 maximum unit allocation that may result in fewer units of housing
12 being permitted.

13 (B) In the event that objective zoning, general plan, subdivision,
14 or design review standards are mutually inconsistent, a
15 development shall be deemed consistent with the objective zoning
16 and subdivision standards pursuant to this subdivision if the
17 development is consistent with the standards set forth in the general
18 plan.

19 (C) It is the intent of the Legislature that the objective zoning
20 standards, objective subdivision standards, and objective design
21 review standards described in this paragraph be adopted or
22 amended in compliance with the requirements of Chapter 905 of
23 the Statutes of 2004.

24 (D) The amendments to this subdivision made by the act adding
25 this subparagraph do not constitute a change in, but are declaratory
26 of, existing law.

27 (E) A project that satisfies the requirements of Section 65852.24
28 shall be deemed consistent with objective zoning standards,
29 objective design standards, and objective subdivision standards if
30 the project is consistent with the provisions of subdivision (b) of
31 Section 65852.24 and if none of the square footage in the project
32 is designated for hotel, motel, bed and breakfast inn, or other
33 transient lodging use, except for a residential hotel. For purposes
34 of this subdivision, “residential hotel” shall have the same meaning
35 as defined in Section 50519 of the Health and Safety Code.

36 (6) The development is not located on a site that is any of the
37 following:

38 (A) (i) An area of the coastal zone subject to paragraph (1) or
39 (2) of subdivision (a) of Section 30603 of the Public Resources
40 Code.

1 (ii) An area of the coastal zone that is not subject to a certified
2 local coastal program or a certified land use plan.

3 (iii) An area of the coastal zone that is vulnerable to five feet
4 of sea level rise, as determined by the National Oceanic and
5 Atmospheric Administration, the Ocean Protection Council, the
6 United States Geological Survey, the University of California, or
7 a local government's coastal hazards vulnerability assessment.

8 (iv) In a parcel within the coastal zone that is not zoned for
9 multifamily housing.

10 (v) In a parcel in the coastal zone and located on either of the
11 following:

12 (I) On, or within a 100-foot radius of, a wetland, as defined in
13 Section 30121 of the Public Resources Code.

14 (II) On prime agricultural land, as defined in Sections 30113
15 and 30241 of the Public Resources Code.

16 (B) Either prime farmland or farmland of statewide importance,
17 as defined pursuant to the United States Department of Agriculture
18 land inventory and monitoring criteria, as modified for California,
19 and designated on the maps prepared by the Farmland Mapping
20 and Monitoring Program of the Department of Conservation, or
21 land zoned or designated for agricultural protection or preservation
22 by a local ballot measure that was approved by the voters of that
23 jurisdiction.

24 (C) Wetlands, as defined in the United States Fish and Wildlife
25 Service Manual, Part 660 FW 2 (June 21, 1993).

26 (D) Within a very high fire hazard severity zone, as determined
27 by the Department of Forestry and Fire Protection pursuant to
28 Section 51178, or within the state responsibility area, as defined
29 in Section 4102 of the Public Resources Code. This subparagraph
30 does not apply to sites that have adopted fire hazard mitigation
31 measures pursuant to existing building standards or state fire
32 mitigation measures applicable to the development, including, but
33 not limited to, standards established under all of the following or
34 their successor provisions:

35 (i) Section 4291 of the Public Resources Code or Section 51182,
36 as applicable.

37 (ii) Section 4290 of the Public Resources Code.

38 (iii) Chapter 7A of the California Building Code (Title 24 of
39 the California Code of Regulations).

(E) A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless either of the following apply:

(i) The site is an underground storage tank site that received a uniform closure letter issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code based on closure criteria established by the State Water Resources Control Board for residential use or residential mixed uses. This section does not alter or change the conditions to remove a site from the list of hazardous waste sites listed pursuant to Section 65962.5.

(ii) The State Department of Public Health, State Water Resources Control Board, Department of Toxic Substances Control, or a local agency making a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code, has otherwise determined that the site is suitable for residential use or residential mixed uses.

(F) Within a delineated earthquake fault zone as determined by the State Geologist in any official maps published by the State Geologist, unless the development complies with applicable seismic protection building code standards adopted by the California Building Standards Commission under the California Building Standards Law (Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code), and by any local building department under Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2.

(G) Within a special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:

1 (i) The site has been subject to a Letter of Map Revision
2 prepared by the Federal Emergency Management Agency and
3 issued to the local jurisdiction.

4 (ii) The site meets Federal Emergency Management Agency
5 requirements necessary to meet minimum flood plain management
6 criteria of the National Flood Insurance Program pursuant to Part
7 59 (commencing with Section 59.1) and Part 60 (commencing
8 with Section 60.1) of Subchapter B of Chapter I of Title 44 of the
9 Code of Federal Regulations.

10 (H) Within a regulatory floodway as determined by the Federal
11 Emergency Management Agency in any official maps published
12 by the Federal Emergency Management Agency, unless the
13 development has received a no-rise certification in accordance
14 with Section 60.3(d)(3) of Title 44 of the Code of Federal
15 Regulations. If a development proponent is able to satisfy all
16 applicable federal qualifying criteria in order to provide that the
17 site satisfies this subparagraph and is otherwise eligible for
18 streamlined approval under this section, a local government shall
19 not deny the application on the basis that the development
20 proponent did not comply with any additional permit requirement,
21 standard, or action adopted by that local government that is
22 applicable to that site.

23 (I) Lands identified for conservation in an adopted natural
24 community conservation plan pursuant to the Natural Community
25 Conservation Planning Act (Chapter 10 (commencing with Section
26 2800) of Division 3 of the Fish and Game Code), habitat
27 conservation plan pursuant to the federal Endangered Species Act
28 of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural
29 resource protection plan.

30 (J) Habitat for protected species identified as candidate,
31 sensitive, or species of special status by state or federal agencies,
32 fully protected species, or species protected by the federal
33 Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.),
34 the California Endangered Species Act (Chapter 1.5 (commencing
35 with Section 2050) of Division 3 of the Fish and Game Code), or
36 the Native Plant Protection Act (Chapter 10 (commencing with
37 Section 1900) of Division 2 of the Fish and Game Code).

38 (K) Lands under conservation easement.

39 (7) The development is not located on a site where any of the
40 following apply:

1 (A) The development would require the demolition of the
2 following types of housing:

3 (i) Housing that is subject to a recorded covenant, ordinance,
4 or law that restricts rents to levels affordable to persons and
5 families of moderate, low, or very low income.

6 (ii) Housing that is subject to any form of rent or price control
7 through a public entity's valid exercise of its police power.

8 (iii) Housing that has been occupied by tenants within the past
9 10 years.

10 (B) The site was previously used for housing that was occupied
11 by tenants that was demolished within 10 years before the
12 development proponent submits an application under this section.

13 (C) The development would require the demolition of a historic
14 structure that was placed on a national, state, or local historic
15 register.

16 (D) The property contains housing units that are occupied by
17 tenants, and units at the property are, or were, subsequently offered
18 for sale to the general public by the subdivider or subsequent owner
19 of the property.

20 (8) Except as provided in paragraph (9), a proponent of a
21 development project approved by a local government pursuant to
22 this section shall require in contracts with construction contractors,
23 and shall certify to the local government, that the following
24 standards specified in this paragraph will be met in project
25 construction, as applicable:

26 (A) A development that is not in its entirety a public work for
27 purposes of Chapter 1 (commencing with Section 1720) of Part 7
28 of Division 2 of the Labor Code and approved by a local
29 government pursuant to Article 2 (commencing with Section
30 65912.110) or Article 3 (commencing with Section 65912.120)
31 shall be subject to all of the following:

32 (i) All construction workers employed in the execution of the
33 development shall be paid at least the general prevailing rate of
34 per diem wages for the type of work and geographic area, as
35 determined by the Director of Industrial Relations pursuant to
36 Sections 1773 and 1773.9 of the Labor Code, except that
37 apprentices registered in programs approved by the Chief of the
38 Division of Apprenticeship Standards may be paid at least the
39 applicable apprentice prevailing rate.

1 (ii) The development proponent shall ensure that the prevailing
2 wage requirement is included in all contracts for the performance
3 of the work, and shall also provide notice of all contracts for the
4 performance of the work to the Department of Industrial Relations,
5 in accordance with Section 1773.35 of the Labor Code, for those
6 portions of the development that are not a public work.

7 (iii) All contractors and subcontractors for those portions of the
8 development that are not a public work shall comply with all of
9 the following:

10 (I) Pay to all construction workers employed in the execution
11 of the work at least the general prevailing rate of per diem wages,
12 except that apprentices registered in programs approved by the
13 Chief of the Division of Apprenticeship Standards may be paid at
14 least the applicable apprentice prevailing rate.

15 (II) Maintain and verify payroll records pursuant to Section
16 1776 of the Labor Code and make those records available for
17 inspection and copying as provided in that section. This subclause
18 does not apply if all contractors and subcontractors performing
19 work on the development are subject to a project labor agreement
20 that requires the payment of prevailing wages to all construction
21 workers employed in the execution of the development and
22 provides for enforcement of that obligation through an arbitration
23 procedure. For purposes of this subclause, “project labor
24 agreement” has the same meaning as set forth in paragraph (1) of
25 subdivision (b) of Section 2500 of the Public Contract Code.

26 (III) Be registered in accordance with Section 1725.6 of the
27 Labor Code.

28 (B) (i) The obligation of the contractors and subcontractors to
29 pay prevailing wages pursuant to this paragraph may be enforced
30 by any of the following:

31 (I) The Labor Commissioner through the issuance of a civil
32 wage and penalty assessment pursuant to Section 1741 of the Labor
33 Code, which may be reviewed pursuant to Section 1742 of the
34 Labor Code, within 18 months after the completion of the
35 development.

36 (II) An underpaid worker through an administrative complaint
37 or civil action.

38 (III) A joint labor-management committee through a civil action
39 under Section 1771.2 of the Labor Code.

1 (ii) If a civil wage and penalty assessment is issued pursuant to
2 this paragraph, the contractor, subcontractor, and surety on a bond
3 or bonds issued to secure the payment of wages covered by the
4 assessment shall be liable for liquidated damages pursuant to
5 Section 1742.1 of the Labor Code.

6 (iii) This paragraph does not apply if all contractors and
7 subcontractors performing work on the development are subject
8 to a project labor agreement that requires the payment of prevailing
9 wages to all construction workers employed in the execution of
10 the development and provides for enforcement of that obligation
11 through an arbitration procedure. For purposes of this clause,
12 “project labor agreement” has the same meaning as set forth in
13 paragraph (1) of subdivision (b) of Section 2500 of the Public
14 Contract Code.

15 (C) Notwithstanding subdivision (c) of Section 1773.1 of the
16 Labor Code, the requirement that employer payments not reduce
17 the obligation to pay the hourly straight time or overtime wages
18 found to be prevailing does not apply to those portions of a
19 development that are not a public work if otherwise provided in a
20 bona fide collective bargaining agreement covering the worker.

21 (D) The requirement of this paragraph to pay at least the general
22 prevailing rate of per diem wages does not preclude use of an
23 alternative workweek schedule adopted pursuant to Section 511
24 or 514 of the Labor Code.

25 (E) A development of 50 or more housing units approved by a
26 local government pursuant to this section shall meet all of the
27 following labor standards:

28 (i) The development proponent shall require in contracts with
29 construction contractors and shall certify to the local government
30 that each contractor of any tier who will employ construction craft
31 employees or will let subcontracts for at least 1,000 hours shall
32 satisfy the requirements in clauses (ii) and (iii). A construction
33 contractor is deemed in compliance with clauses (ii) and (iii) if it
34 is signatory to a valid collective bargaining agreement that requires
35 utilization of registered apprentices and expenditures on health
36 care for employees and dependents.

37 (ii) A contractor with construction craft employees shall either
38 participate in an apprenticeship program approved by the California
39 Division of Apprenticeship Standards pursuant to Section 3075 of
40 the Labor Code, or request the dispatch of apprentices from a

1 state-approved apprenticeship program under the terms and
2 conditions set forth in Section 1777.5 of the Labor Code. A
3 contractor without construction craft employees shall show a
4 contractual obligation that its subcontractors comply with this
5 clause.

6 (iii) Each contractor with construction craft employees shall
7 make health care expenditures for each employee in an amount
8 per hour worked on the development equivalent to at least the
9 hourly pro rata cost of a Covered California Platinum level plan
10 for two adults 40 years of age and two dependents 0 to 14 years
11 of age for the Covered California rating area in which the
12 development is located. A contractor without construction craft
13 employees shall show a contractual obligation that its
14 subcontractors comply with this clause. Qualifying expenditures
15 shall be credited toward compliance with prevailing wage payment
16 requirements set forth in this paragraph.

17 (iv) (I) The development proponent shall provide to the local
18 government, on a monthly basis while its construction contracts
19 on the development are being performed, a report demonstrating
20 compliance with clauses (ii) and (iii). The reports shall be
21 considered public records under the California Public Records Act
22 (Division 10 (commencing with Section 7920.000) of Title 1) and
23 shall be open to public inspection.

24 (II) A development proponent that fails to provide the monthly
25 report shall be subject to a civil penalty for each month for which
26 the report has not been provided, in the amount of 10 percent of
27 the dollar value of construction work performed by that contractor
28 on the development in the month in question, up to a maximum
29 of ten thousand dollars (\$10,000). Any contractor or subcontractor
30 that fails to comply with clauses (ii) and (iii) shall be subject to a
31 civil penalty of two hundred dollars (\$200) per day for each worker
32 employed in contravention of clauses (ii) and (iii).

33 (III) Penalties may be assessed by the Labor Commissioner
34 within 18 months of completion of the development using the
35 procedures for issuance of civil wage and penalty assessments
36 specified in Section 1741 of the Labor Code, and may be reviewed
37 pursuant to Section 1742 of the Labor Code. Penalties shall be
38 deposited in the State Public Works Enforcement Fund established
39 pursuant to Section 1771.3 of the Labor Code.

(v) Each construction contractor shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code. Each construction contractor shall submit payroll records directly to the Labor Commissioner at least monthly in a format prescribed by the Labor Commissioner in accordance with subparagraph (A) of paragraph (3) of subdivision (a) of Section 1771.4 of the Labor Code. The records shall include a statement of fringe benefits. Upon request by a joint labor-management cooperation committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), the records shall be provided pursuant to subdivision (e) of Section 1776 of the Labor Code.

(vi) All construction contractors shall report any change in apprenticeship program participation or health care expenditures to the local government within 10 business days, and shall reflect those changes on the monthly report. The reports shall be considered public records pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) and shall be open to public inspection.

(vii) A joint labor-management cooperation committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall have standing to sue a construction contractor for failure to make health care expenditures pursuant to clause (iii) in accordance with Section 218.7 or 218.8 of the Labor Code.

(F) For any project over 85 feet in height above grade, the following skilled and trained workforce provisions apply:

(i) Except as provided in clause (ii), the developer shall enter into construction contracts with prime contractors only if all of the following are satisfied:

(I) The contract contains an enforceable commitment that the prime contractor and subcontractors at every tier will use a skilled and trained workforce, as defined in Section 2601 of the Public Contract Code, to perform work on the project that falls within an apprenticeable occupation in the building and construction trades. However, this enforceable commitment requirement shall not apply to any scopes of work where new bids are accepted pursuant to subclause (I) of clause (ii).

(II) The developer or prime contractor shall establish minimum bidding requirements for subcontractors that are objective to the maximum extent possible. The developer or prime contractor shall

1 not impose any obstacles in the bid process for subcontractors that
2 go beyond what is reasonable and commercially customary. The
3 developer or prime contractor must accept bids submitted by any
4 bidder that meets the minimum criteria set forth in the bid
5 solicitation.

6 (III) The prime contractor has provided an affidavit under
7 penalty of perjury that, in compliance with this subparagraph, it
8 will use a skilled and trained workforce and will obtain from its
9 subcontractors an enforceable commitment to use a skilled and
10 trained workforce for each scope of work in which it receives at
11 least three bids attesting to satisfaction of the skilled and trained
12 workforce requirements.

13 (IV) When a prime contractor or subcontractor is required to
14 provide an enforceable commitment that a skilled and trained
15 workforce will be used to complete a contract or project, the
16 commitment shall be made in an enforceable agreement with the
17 developer that provides the following:

18 (ia) The prime contractor and subcontractors at every tier will
19 comply with this chapter.

20 (ib) The prime contractor will provide the developer, on a
21 monthly basis while the project or contract is being performed, a
22 report demonstrating compliance by the prime contractor.

23 (ic) The prime contractor shall provide the developer, on a
24 monthly basis while the project or contract is being performed,
25 the monthly reports demonstrating compliance submitted to the
26 prime contractor by the affected subcontractors.

27 (ii) (I) If a prime contractor fails to receive at least three bids
28 in a scope of construction work from subcontractors that attest to
29 satisfying the skilled and trained workforce requirements as
30 described in this subparagraph, the prime contractor may accept
31 new bids for that scope of work. The prime contractor need not
32 require that a skilled and trained workforce be used by the
33 subcontractors for that scope of work.

34 (II) The requirements of this subparagraph shall not apply if all
35 contractors, subcontractors, and craft unions performing work on
36 the development are subject to a multicraft project labor agreement
37 that requires the payment of prevailing wages to all construction
38 workers employed in the execution of the development and
39 provides for enforcement of that obligation through an arbitration
40 procedure. The multicraft project labor agreement shall include

1 all construction crafts with applicable coverage determinations for
2 the specified scopes of work on the project pursuant to Section
3 1773 of the Labor Code and shall be executed by all applicable
4 labor organizations regardless of affiliation. For purposes of this
5 clause, “project labor agreement” means a prehire collective
6 bargaining agreement that establishes terms and conditions of
7 employment for a specific construction project or projects and is
8 an agreement described in Section 158(f) of Title 29 of the United
9 States Code.

10 (III) Requirements set forth in this subparagraph shall not apply
11 to projects where 100 percent of the units, exclusive of a manager’s
12 unit or units, are dedicated to lower income households, as defined
13 in Section 50079.5 of the Health and Safety Code.

14 (iii) If the skilled and trained workforce requirements of this
15 subparagraph apply, the prime contractor shall require
16 subcontractors to provide, and subcontractors on the project shall
17 provide, the following to the prime contractor:

18 (I) An affidavit signed under penalty of perjury that a skilled
19 and trained workforce shall be employed on the project.

20 (II) Reports on a monthly basis, while the project or contract is
21 being performed, demonstrating compliance with this chapter.

22 (iv) Upon issuing any invitation or bid solicitation for the
23 project, but no less than seven days before the bid is due, the
24 developer shall send a notice of the invitation or solicitation that
25 describes the project to the following entities within the jurisdiction
26 of the proposed project site:

27 (I) Any bona fide labor organization representing workers in
28 the building and construction trades who may perform work
29 necessary to complete the project and the local building and
30 construction trades council.

31 (II) Any organization representing contractors that may perform
32 work necessary to complete the project, including any contractors’
33 association or regional builders’ exchange.

34 (v) The developer or prime contractor shall, within three
35 business days of a request by a joint labor-management cooperation
36 committee established pursuant to the federal Labor Management
37 Cooperation Act of 1978 (29 U.S.C. Sec. 175a), provide all of the
38 following:

(I) The names and Contractors State License Board numbers of the prime contractor and any subcontractors that submitted a proposal or bid for the development project.

(II) The names and Contractors State License Board numbers of contractors and subcontractors that are under contract to perform construction work.

(vi) (I) For all projects subject to this subparagraph, the development proponent shall provide to the locality, on a monthly basis while the project or contract is being performed, a report demonstrating that the self-performing prime contractor and all subcontractors used a skilled and trained workforce, as defined in Section 2601 of the Public Contract Code, unless otherwise exempt under this subparagraph. A monthly report provided to the locality pursuant to this subclause shall be a public record under the California Public Records Act ~~Division~~ (Division 10 (commencing with Section 7920.000) of Title 4 1) and shall be open to public inspection. A developer that fails to provide a complete monthly report shall be subject to a civil penalty of 10 percent of the dollar value of construction work performed by that contractor on the project in the month in question, up to a maximum of ten thousand dollars (\$10,000) per month for each month for which the report has not been provided.

(II) Any subcontractors or prime contractor self-performing work subject to the skilled and trained workforce requirements under this subparagraph that fail to use a skilled and trained workforce shall be subject to a civil penalty of two hundred dollars (\$200) per day for each worker employed in contravention of the skilled and trained workforce requirement. Penalties may be assessed by the Labor Commissioner within 18 months of completion of the project using the same issuance of civil wage and penalty assessments pursuant to Section 1741 of the Labor Code and may be reviewed pursuant to the same procedures in Section 1742 of the Labor Code. Prime contractors shall not be jointly liable for violations of this subparagraph by subcontractors. Penalties shall be paid to the State Public Works Enforcement Fund or the locality or its labor standards enforcement agency, depending on the lead entity performing the enforcement work.

(III) Any provision of a contract or agreement of any kind between a developer and a prime contractor that purports to delegate, transfer, or assign to a prime contractor any obligations

1 of or penalties incurred by a developer shall be deemed contrary
2 to public policy and shall be void and unenforceable.

3 (G) A locality, and any labor standards enforcement agency the
4 locality lawfully maintains, shall have standing to take
5 administrative action or sue a construction contractor for failure
6 to comply with this paragraph. A prevailing locality or labor
7 standards enforcement agency shall distribute any wages and
8 penalties to workers in accordance with law and retain any fees,
9 additional penalties, or assessments.

10 (9) Notwithstanding paragraph (8), a development that is subject
11 to approval pursuant to this section is exempt from any requirement
12 to pay prevailing wages, use a workforce participating in an
13 apprenticeship, or provide health care expenditures if it satisfies
14 both of the following:

15 (A) The project consists of 10 or fewer units.

16 (B) The project is not a public work for purposes of Chapter 1
17 (commencing with Section 1720) of Part 7 of Division 2 of the
18 Labor Code.

19 (10) The development shall not be upon an existing parcel of
20 land or site that is governed under the Mobilehome Residency Law
21 (Chapter 2.5 (commencing with Section 798) of Title 2 of Part 2
22 of Division 2 of the Civil Code), the Recreational Vehicle Park
23 Occupancy Law (Chapter 2.6 (commencing with Section 799.20)
24 of Title 2 of Part 2 of Division 2 of the Civil Code), the
25 Mobilehome Parks Act (Part 2.1 (commencing with Section 18200)
26 of Division 13 of the Health and Safety Code), or the Special
27 Occupancy Parks Act (Part 2.3 (commencing with Section 18860)
28 of Division 13 of the Health and Safety Code).

29 (b) (1) (A) (i) Before submitting an application for a
30 development subject to the streamlined, ministerial approval
31 process described in subdivision (c), the development proponent
32 shall submit to the local government a notice of its intent to submit
33 an application. The notice of intent shall be in the form of a
34 preliminary application that includes all of the information
35 described in Section 65941.1, as that section read on January 1,
36 2020.

37 (ii) Upon receipt of a notice of intent to submit an application
38 described in clause (i), the local government shall engage in a
39 scoping consultation regarding the proposed development with
40 any California Native American tribe that is traditionally and

1 culturally affiliated with the geographic area, as described in
2 Section 21080.3.1 of the Public Resources Code, of the proposed
3 development. In order to expedite compliance with this subdivision,
4 the local government shall contact the Native American Heritage
5 Commission for assistance in identifying any California Native
6 American tribe that is traditionally and culturally affiliated with
7 the geographic area of the proposed development.

8 (iii) The timeline for noticing and commencing a scoping
9 consultation in accordance with this subdivision shall be as follows:

10 (I) The local government shall provide a formal notice of a
11 development proponent's notice of intent to submit an application
12 described in clause (i) to each California Native American tribe
13 that is traditionally and culturally affiliated with the geographic
14 area of the proposed development within 30 days of receiving that
15 notice of intent. The formal notice provided pursuant to this
16 subclause shall include all of the following:

17 (ia) A description of the proposed development.

18 (ib) The location of the proposed development.

19 (ic) An invitation to engage in a scoping consultation in
20 accordance with this subdivision.

21 (II) Each California Native American tribe that receives a formal
22 notice pursuant to this clause shall have 30 days from the receipt
23 of that notice to accept the invitation to engage in a scoping
24 consultation.

25 (III) If the local government receives a response accepting an
26 invitation to engage in a scoping consultation pursuant to this
27 subdivision, the local government shall commence the scoping
28 consultation within 30 days of receiving that response.

29 (B) The scoping consultation shall recognize that California
30 Native American tribes traditionally and culturally affiliated with
31 a geographic area have knowledge and expertise concerning the
32 resources at issue and shall take into account the cultural
33 significance of the resource to the culturally affiliated California
34 Native American tribe.

35 (C) The parties to a scoping consultation conducted pursuant
36 to this subdivision shall be the local government and any California
37 Native American tribe traditionally and culturally affiliated with
38 the geographic area of the proposed development. More than one
39 California Native American tribe traditionally and culturally
40 affiliated with the geographic area of the proposed development

1 may participate in the scoping consultation. However, the local
2 government, upon the request of any California Native American
3 tribe traditionally and culturally affiliated with the geographic area
4 of the proposed development, shall engage in a separate scoping
5 consultation with that California Native American tribe. The
6 development proponent and its consultants may participate in a
7 scoping consultation process conducted pursuant to this subdivision
8 if all of the following conditions are met:

9 (i) The development proponent and its consultants agree to
10 respect the principles set forth in this subdivision.

11 (ii) The development proponent and its consultants engage in
12 the scoping consultation in good faith.

13 (iii) The California Native American tribe participating in the
14 scoping consultation approves the participation of the development
15 proponent and its consultants. The California Native American
16 tribe may rescind its approval at any time during the scoping
17 consultation, either for the duration of the scoping consultation or
18 with respect to any particular meeting or discussion held as part
19 of the scoping consultation.

20 (D) The participants to a scoping consultation pursuant to this
21 subdivision shall comply with all of the following confidentiality
22 requirements:

23 (i) Section 7927.000.

24 (ii) Section 7927.005.

25 (iii) Subdivision (c) of Section 21082.3 of the Public Resources
26 Code.

27 (iv) Subdivision (d) of Section 15120 of Title 14 of the
28 California Code of Regulations.

29 (v) Any additional confidentiality standards adopted by the
30 California Native American tribe participating in the scoping
31 consultation.

32 (E) The California Environmental Quality Act (Division 13
33 (commencing with Section 21000) of the Public Resources Code)
34 shall not apply to a scoping consultation conducted pursuant to
35 this subdivision.

36 (2) (A) If, after concluding the scoping consultation, the parties
37 find that no potential tribal cultural resource would be affected by
38 the proposed development, the development proponent may submit
39 an application for the proposed development that is subject to the

streamlined, ministerial approval process described in subdivision (c).

(B) If, after concluding the scoping consultation, the parties find that a potential tribal cultural resource could be affected by the proposed development and an enforceable agreement is documented between the California Native American tribe and the local government on methods, measures, and conditions for tribal cultural resource treatment, the development proponent may submit the application for a development subject to the streamlined, ministerial approval process described in subdivision (c). The local government shall ensure that the enforceable agreement is included in the requirements and conditions for the proposed development.

(C) If, after concluding the scoping consultation, the parties find that a potential tribal cultural resource could be affected by the proposed development and an enforceable agreement is not documented between the California Native American tribe and the local government regarding methods, measures, and conditions for tribal cultural resource treatment, the development shall not be eligible for the streamlined, ministerial approval process described in subdivision (c).

(D) For purposes of this paragraph, a scoping consultation shall be deemed to be concluded if either of the following occur:

(i) The parties to the scoping consultation document an enforceable agreement concerning methods, measures, and conditions to avoid or address potential impacts to tribal cultural resources that are or may be present.

(ii) One or more parties to the scoping consultation, acting in good faith and after reasonable effort, conclude that a mutual agreement on methods, measures, and conditions to avoid or address impacts to tribal cultural resources that are or may be present cannot be reached.

(E) If the development or environmental setting substantially changes after the completion of the scoping consultation, the local government shall notify the California Native American tribe of the changes and engage in a subsequent scoping consultation if requested by the California Native American tribe.

(3) A local government may only accept an application for streamlined, ministerial approval pursuant to this section if one of the following applies:

1 (A) A California Native American tribe that received a formal
2 notice of the development proponent's notice of intent to submit
3 an application pursuant to subclause (I) of clause (iii) of
4 subparagraph (A) of paragraph (1) did not accept the invitation to
5 engage in a scoping consultation.

6 (B) The California Native American tribe accepted an invitation
7 to engage in a scoping consultation pursuant to subclause (II) of
8 clause (iii) of subparagraph (A) of paragraph (1) but substantially
9 failed to engage in the scoping consultation after repeated
10 documented attempts by the local government to engage the
11 California Native American tribe.

12 (C) The parties to a scoping consultation pursuant to this
13 subdivision find that no potential tribal cultural resource will be
14 affected by the proposed development pursuant to subparagraph
15 (A) of paragraph (2).

16 (D) A scoping consultation between a California Native
17 American tribe and the local government has occurred in
18 accordance with this subdivision and resulted in agreement
19 pursuant to subparagraph (B) of paragraph (2).

20 (4) A project shall not be eligible for the streamlined, ministerial
21 approval process described in subdivision (c) if any of the
22 following apply:

23 (A) There is a tribal cultural resource that is on a national, state,
24 tribal, or local historic register list located on the site of the project.

25 (B) There is a potential tribal cultural resource that could be
26 affected by the proposed development and the parties to a scoping
27 consultation conducted pursuant to this subdivision do not
28 document an enforceable agreement on methods, measures, and
29 conditions for tribal cultural resource treatment, as described in
30 subparagraph (C) of paragraph (2).

31 (C) The parties to a scoping consultation conducted pursuant
32 to this subdivision do not agree as to whether a potential tribal
33 cultural resource will be affected by the proposed development.

34 (5) (A) If, after a scoping consultation conducted pursuant to
35 this subdivision, a project is not eligible for the streamlined,
36 ministerial approval process described in subdivision (c) for any
37 or all of the following reasons, the local government shall provide
38 written documentation of that fact, and an explanation of the reason
39 for which the project is not eligible, to the development proponent

1 and to any California Native American tribe that is a party to that
2 scoping consultation:

3 (i) There is a tribal cultural resource that is on a national, state,
4 tribal, or local historic register list located on the site of the project,
5 as described in subparagraph (A) of paragraph (4).

6 (ii) The parties to the scoping consultation have not documented
7 an enforceable agreement on methods, measures, and conditions
8 for tribal cultural resource treatment, as described in subparagraph
9 (C) of paragraph (2) and subparagraph (B) of paragraph (4).

10 (iii) The parties to the scoping consultation do not agree as to
11 whether a potential tribal cultural resource will be affected by the
12 proposed development, as described in subparagraph (C) of
13 paragraph (4).

14 (B) The written documentation provided to a development
15 proponent pursuant to this paragraph shall include information on
16 how the development proponent may seek a conditional use permit
17 or other discretionary approval of the development from the local
18 government.

19 (6) This section is not intended, and shall not be construed, to
20 limit consultation and discussion between a local government and
21 a California Native American tribe pursuant to other applicable
22 law, confidentiality provisions under other applicable law, the
23 protection of religious exercise to the fullest extent permitted under
24 state and federal law, or the ability of a California Native American
25 tribe to submit information to the local government or participate
26 in any process of the local government.

27 (7) For purposes of this subdivision:

28 (A) "Consultation" means the meaningful and timely process
29 of seeking, discussing, and considering carefully the views of
30 others, in a manner that is cognizant of all parties' cultural values
31 and, where feasible, seeking agreement. Consultation between
32 local governments and Native American tribes shall be conducted
33 in a way that is mutually respectful of each party's sovereignty.
34 Consultation shall also recognize the tribes' potential needs for
35 confidentiality with respect to places that have traditional tribal
36 cultural importance. A lead agency shall consult the tribal
37 consultation best practices described in the "State of California
38 Tribal Consultation Guidelines: Supplement to the General Plan
39 Guidelines" prepared by the Office of Planning and Research.

(B) “Scoping” means the act of participating in early discussions or investigations between the local government and California Native American tribe, and the development proponent if authorized by the California Native American tribe, regarding the potential effects a proposed development could have on a potential tribal cultural resource, as defined in Section 21074 of the Public Resources Code, or California Native American tribe, as defined in Section 21073 of the Public Resources Code.

(8) This subdivision shall not apply to any project that has been approved under the streamlined, ministerial approval process provided under this section before the effective date of the act adding this subdivision.

(c) (1) Notwithstanding any local law, if a local government’s planning director or equivalent position determines that a development submitted pursuant to this section is consistent with the objective planning standards specified in subdivision (a) and pursuant to paragraph (3) of this subdivision, the local government shall approve the development. Upon a determination that a development submitted pursuant to this section is in conflict with any of the objective planning standards specified in subdivision (a), the local government staff or relevant local planning and permitting department that made the determination shall provide the development proponent written documentation of which standard or standards the development conflicts with, and an explanation for the reason or reasons the development conflicts with that standard or standards, as follows:

(A) Within 60 days of submittal of the development to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 90 days of submittal of the development to the local government pursuant to this section if the development contains more than 150 housing units.

(C) Within 30 days of submittal of any development proposal that was resubmitted to address written feedback provided by the local government pursuant to this paragraph.

(2) If the local government’s planning director or equivalent position fails to provide the required documentation pursuant to paragraph (1), the development shall be deemed to satisfy the objective planning standards specified in subdivision (a).

(3) For purposes of this section, a development is consistent with the objective planning standards specified in subdivision (a) if there is substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards. The local government shall not determine that a development, including an application for a modification under subdivision (h), is in conflict with the objective planning standards on the basis that application materials are not included, if the application contains substantial evidence that would allow a reasonable person to conclude that the development is consistent with the objective planning standards.

(4) Upon submittal of an application for streamlined, ministerial approval pursuant to this section to the local government, all departments of the local government that are required to issue an approval of the development prior to the granting of an entitlement shall comply with the requirements of this section within the time periods specified in paragraph (1).

(d) (1) Any design review of the development may be conducted by the local government's planning commission or any equivalent board or commission responsible for design review. That design review shall be objective and be strictly focused on assessing compliance with criteria required for streamlined projects, as well as any reasonable objective design standards published and adopted by ordinance or resolution by a local jurisdiction before submission of a development application, and shall be broadly applicable to development within the jurisdiction. That design review shall be completed, and if the development is consistent with all objective standards, the local government shall approve the development as follows and shall not in any way inhibit, chill, or preclude the ministerial approval provided by this section or its effect, as applicable:

(A) Within 90 days of submittal of the development to the local government pursuant to this section if the development contains 150 or fewer housing units.

(B) Within 180 days of submittal of the development to the local government pursuant to this section if the development contains more than 150 housing units.

(2) An application for a subdivision pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410)) shall be exempt from the requirements of the California Environmental

1 Quality Act (Division 13 (commencing with Section 21000) of
2 the Public Resources Code) and shall be subject to the public
3 oversight timelines set forth in paragraph (1) if the development
4 is consistent with the requirements of this section, including, but
5 not limited to, paragraph (8) of subdivision (a), and all objective
6 subdivision standards in the local subdivision ordinance, and meets
7 at least one of the following requirements:

8 (A) The development has received or will receive financing or
9 funding by means of a low-income housing tax credit.

10 (B) The development is located on a legal parcel or parcels
11 within either of the following:

12 (i) An incorporated city, the boundaries of which include some
13 portion of an urbanized area.

14 (ii) An urbanized area or urban cluster in a county with a
15 population greater than 250,000 based on the most recent United
16 States Census Bureau data.

17 (iii) For purposes of this subparagraph, the following definitions
18 apply:

19 (I) "Urbanized area" means an urbanized area designated by
20 the United States Census Bureau, as published in the Federal
21 Register, Volume 77, Number 59, on March 27, 2012.

22 (II) "Urban cluster" means an urban cluster designated by the
23 United States Census Bureau, as published in the Federal Register,
24 Volume 77, Number 59, on March 27, 2012.

25 (3) If a local government determines that a development
26 submitted pursuant to this section is in conflict with any of the
27 standards imposed pursuant to paragraph (1), it shall provide the
28 development proponent written documentation of which objective
29 standard or standards the development conflicts with, and an
30 explanation for the reason or reasons the development conflicts
31 with that objective standard or standards consistent with the
32 timelines described in paragraph (1) of subdivision (c).

33 (e) (1) Notwithstanding any other law, a local government,
34 whether or not it has adopted an ordinance governing automobile
35 parking requirements in multifamily developments, shall not
36 impose automobile parking standards for a streamlined
37 development that was approved pursuant to this section in any of
38 the following instances:

39 (A) The development is located within one-half mile of public
40 transit.

1 (B) The development is located within an architecturally and
2 historically significant historic district.

3 (C) When on-street parking permits are required but not offered
4 to the occupants of the development.

5 (D) When there is a car share vehicle located within one block
6 of the development.

7 (2) If the development does not fall within any of the categories
8 described in paragraph (1), the local government shall not impose
9 automobile parking requirements for streamlined developments
10 approved pursuant to this section that exceed one parking space
11 per unit.

12 (f) Notwithstanding any law, a local government shall not
13 require any of the following prior to approving a development that
14 meets the requirements of this section:

15 (1) Studies, information, or other materials that do not pertain
16 directly to determining whether the development is consistent with
17 the objective planning standards applicable to the development.

18 (2) (A) Compliance with any standards necessary to receive a
19 postentitlement permit.

20 (B) This paragraph does not prohibit a local agency from
21 requiring compliance with any standards necessary to receive a
22 postentitlement permit after a permit has been issued pursuant to
23 this section.

24 (C) For purposes of this paragraph, “postentitlement permit”
25 has the same meaning as provided in subparagraph (A) of
26 paragraph (3) of subdivision (j) of Section 65913.3.

27 (g) (1) If a local government approves a development pursuant
28 to this section, then, notwithstanding any other law, that approval
29 shall not expire if the project satisfies both of the following
30 requirements:

31 (A) The project includes public investment in housing
32 affordability, beyond tax credits.

33 (B) At least 50 percent of the units are affordable to households
34 making at or below 80 percent of the area median income.

35 (2) (A) If a local government approves a development pursuant
36 to this section, and the project does not satisfy the requirements
37 of subparagraphs (A) and (B) of paragraph (1), that approval shall
38 remain valid for three years from the date of the final action
39 establishing that approval, or if litigation is filed challenging that
40 approval, from the date of the final judgment upholding that

1 approval. Approval shall remain valid for a project provided
2 construction activity, including demolition and grading activity,
3 on the development site that has begun pursuant to a permit issued
4 by the local jurisdiction and is in progress. For purposes of this
5 subdivision, “in progress” means one of the following:

6 (i) The construction has begun and has not ceased for more than
7 180 days.

8 (ii) If the development requires multiple building permits, an
9 initial phase has been completed, and the project proponent has
10 applied for and is diligently pursuing a building permit for a
11 subsequent phase, provided that once it has been issued, the
12 building permit for the subsequent phase does not lapse.

13 (B) Notwithstanding subparagraph (A), a local government may
14 grant a project a one-time, one-year extension if the project
15 proponent can provide documentation that there has been
16 significant progress toward getting the development construction
17 ready, such as filing a building permit application.

18 (3) If the development proponent requests a modification
19 pursuant to subdivision (h), then the time during which the approval
20 shall remain valid shall be extended for the number of days
21 between the submittal of a modification request and the date of its
22 final approval, plus an additional 180 days to allow time to obtain
23 a building permit. If litigation is filed relating to the modification
24 request, the time shall be further extended during the pendency of
25 the litigation. The extension required by this paragraph shall only
26 apply to the first request for a modification submitted by the
27 development proponent.

28 (4) The amendments made to this subdivision by the act that
29 added this paragraph shall also be retroactively applied to
30 developments approved prior to January 1, 2022.

31 (h) (1) (A) A development proponent may request a
32 modification to a development that has been approved under the
33 streamlined, ministerial approval process provided in subdivision
34 (c) if that request is submitted to the local government before the
35 issuance of the final building permit required for construction of
36 the development.

37 (B) Except as provided in paragraph (3), the local government
38 shall approve a modification if it determines that the modification
39 is consistent with the objective planning standards specified in

1 subdivision (a) that were in effect when the original development
2 application was first submitted.

3 (C) The local government shall evaluate any modifications
4 requested pursuant to this subdivision for consistency with the
5 objective planning standards using the same assumptions and
6 analytical methodology that the local government originally used
7 to assess consistency for the development that was approved for
8 streamlined, ministerial approval pursuant to subdivision (c).

9 (D) A guideline that was adopted or amended by the department
10 pursuant to subdivision (n) after a development was approved
11 through the streamlined, ministerial approval process described in
12 subdivision (c) shall not be used as a basis to deny proposed
13 modifications.

14 (2) Upon receipt of the development proponent's application
15 requesting a modification, the local government shall determine
16 if the requested modification is consistent with the objective
17 planning standard and either approve or deny the modification
18 request within 60 days after submission of the modification, or
19 within 90 days if design review is required.

20 (3) Notwithstanding paragraph (1), the local government may
21 apply objective planning standards adopted after the development
22 application was first submitted to the requested modification in
23 any of the following instances:

24 (A) The development is revised such that the total square footage
25 of construction increases by 15 percent or more or the total number
26 of residential units decreases by 15 percent or more. The calculation
27 of the square footage of construction increases shall not include
28 underground space.

29 (B) The development is revised such that the total square footage
30 of construction increases by 5 percent or more or the total number
31 of residential units decreases by 5 percent or more and it is
32 necessary to subject the development to an objective standard
33 beyond those in effect when the development application was
34 submitted in order to mitigate or avoid a specific, adverse impact,
35 as that term is defined in subparagraph (A) of paragraph (1) of
36 subdivision (j) of Section 65589.5, upon the public health or safety
37 and there is no feasible alternative method to satisfactorily mitigate
38 or avoid the adverse impact. The calculation of the square footage
39 of construction increases shall not include underground space.

(C) (i) Objective building standards contained in the California Building Standards Code (Title 24 of the California Code of Regulations), including, but not limited to, building plumbing, electrical, fire, and grading codes, may be applied to all modification applications that are submitted prior to the first building permit application. Those standards may be applied to modification applications submitted after the first building permit application if agreed to by the development proponent.

(ii) The amendments made to clause (i) by the act that added clause (i) shall also be retroactively applied to modification applications submitted prior to January 1, 2022.

(4) The local government's review of a modification request pursuant to this subdivision shall be strictly limited to determining whether the modification, including any modification to previously approved density bonus concessions or waivers, modify the development's consistency with the objective planning standards and shall not reconsider prior determinations that are not affected by the modification.

(i) (1) A local government shall not adopt or impose any requirement, including, but not limited to, increased fees or inclusionary housing requirements, that applies to a project solely or partially on the basis that the project is eligible to receive ministerial or streamlined approval pursuant to this section.

(2) (A) A local government shall issue a subsequent permit required for a development approved under this section if the application substantially complies with the development as it was approved pursuant to subdivision (c). Upon receipt of an application for a subsequent permit, the local government shall process the permit without unreasonable delay and shall not impose any procedure or requirement that is not imposed on projects that are not approved pursuant to this section. The local government shall consider the application for subsequent permits based upon the objective standards specified in any state or local laws that were in effect when the original development application was submitted, unless the development proponent agrees to a change in objective standards. Issuance of subsequent permits shall implement the approved development, and review of the permit application shall not inhibit, chill, or preclude the development. For purposes of this paragraph, a "subsequent permit" means a permit required subsequent to receiving approval under subdivision

1 (c), and includes, but is not limited to, demolition, grading,
2 encroachment, and building permits and final maps, if necessary.

3 (B) The amendments made to subparagraph (A) by the act that
4 added this subparagraph shall also be retroactively applied to
5 subsequent permit applications submitted prior to January 1, 2022.

6 (3) (A) If a public improvement is necessary to implement a
7 development that is subject to the streamlined, ministerial approval
8 pursuant to this section, including, but not limited to, a bicycle
9 lane, sidewalk or walkway, public transit stop, driveway, street
10 paving or overlay, a curb or gutter, a modified intersection, a street
11 sign or street light, landscape or hardscape, an above-ground or
12 underground utility connection, a water line, fire hydrant, storm
13 or sanitary sewer connection, retaining wall, and any related work,
14 and that public improvement is located on land owned by the local
15 government, to the extent that the public improvement requires
16 approval from the local government, the local government shall
17 not exercise its discretion over any approval relating to the public
18 improvement in a manner that would inhibit, chill, or preclude the
19 development.

20 (B) If an application for a public improvement described in
21 subparagraph (A) is submitted to a local government, the local
22 government shall do all of the following:

23 (i) Consider the application based upon any objective standards
24 specified in any state or local laws that were in effect when the
25 original development application was submitted.

26 (ii) Conduct its review and approval in the same manner as it
27 would evaluate the public improvement if required by a project
28 that is not eligible to receive ministerial or streamlined approval
29 pursuant to this section.

30 (C) If an application for a public improvement described in
31 subparagraph (A) is submitted to a local government, the local
32 government shall not do either of the following:

33 (i) Adopt or impose any requirement that applies to a project
34 solely or partially on the basis that the project is eligible to receive
35 ministerial or streamlined approval pursuant to this section.

36 (ii) Unreasonably delay in its consideration, review, or approval
37 of the application.

38 (j) (1) This section shall not affect a development proponent's
39 ability to use any alternative streamlined by right permit processing

1 adopted by a local government, including the provisions of
2 subdivision (i) of Section 65583.2.

3 (2) This section shall not prevent a development from also
4 qualifying as a housing development project entitled to the
5 protections of Section 65589.5. This paragraph does not constitute
6 a change in, but is declaratory of, existing law.

7 (k) The California Environmental Quality Act (Division 13
8 (commencing with Section 21000) of the Public Resources Code)
9 does not apply to actions taken by a state agency, local government,
10 or the San Francisco Bay Area Rapid Transit District to:

11 (1) Lease, convey, or encumber land owned by the local
12 government or the San Francisco Bay Area Rapid Transit District
13 or to facilitate the lease, conveyance, or encumbrance of land
14 owned by the local government, or for the lease of land owned by
15 the San Francisco Bay Area Rapid Transit District in association
16 with an eligible TOD project, as defined pursuant to Section
17 29010.1 of the Public Utilities Code, nor to any decisions
18 associated with that lease, or to provide financial assistance to a
19 development that receives streamlined approval pursuant to this
20 section that is to be used for housing for persons and families of
21 very low, low, or moderate income, as defined in Section 50093
22 of the Health and Safety Code.

23 (2) Approve improvements located on land owned by the local
24 government or the San Francisco Bay Area Rapid Transit District
25 that are necessary to implement a development that receives
26 streamlined approval pursuant to this section that is to be used for
27 housing for persons and families of very low, low, or moderate
28 income, as defined in Section 50093 of the Health and Safety Code.

29 (l) For purposes of establishing the total number of units in a
30 development under this chapter, a development or development
31 project includes both of the following:

32 (1) All projects developed on a site, regardless of when those
33 developments occur.

34 (2) All projects developed on sites adjacent to a site developed
35 pursuant to this chapter if, after January 1, 2023, the adjacent site
36 had been subdivided from the site developed pursuant to this
37 chapter.

38 (m) For purposes of this section, the following terms have the
39 following meanings:

1 (1) “Affordable housing cost” has the same meaning as set forth
2 in Section 50052.5 of the Health and Safety Code.

3 (2) (A) Subject to the qualification provided by subparagraphs
4 (B) and (C), “affordable rent” has the same meaning as set forth
5 in Section 50053 of the Health and Safety Code.

6 (B) For a development for which an application pursuant to this
7 section was submitted prior to January 1, 2019, that includes 500
8 units or more of housing, and that dedicates 20 percent of the total
9 number of units, before calculating any density bonus, to housing
10 affordable to households making at, or below, 80 percent of the
11 area median income, affordable rent for at least 30 percent of these
12 units shall be set at an affordable rent as defined in subparagraph
13 (A) and “affordable rent” for the remainder of these units shall
14 mean a rent that is consistent with the maximum rent levels for a
15 housing development that receives an allocation of state or federal
16 low-income housing tax credits from the California Tax Credit
17 Allocation Committee.

18 (C) For a development that dedicates 100 percent of units,
19 exclusive of a manager’s unit or units, to lower income households,
20 “affordable rent” shall mean a rent that is consistent with the
21 maximum rent levels stipulated by the public program providing
22 financing for the development.

23 (3) “Department” means the Department of Housing and
24 Community Development.

25 (4) “Development proponent” means the developer who submits
26 a housing development project application to a local government
27 under the ~~streamlined~~ *streamlined*, ministerial review process
28 pursuant to this section.

29 (5) “Completed entitlements” means a housing development
30 that has received all the required land use approvals or entitlements
31 necessary for the issuance of a building permit.

32 (6) “Health care expenditures” include contributions under
33 Section 401(a), 501(c), or 501(d) of the Internal Revenue Code
34 and payments toward “medical care,” as defined in Section
35 213(d)(1) of the Internal Revenue Code.

36 (7) “Housing development project” has the same meaning as in
37 Section 65589.5.

38 (8) “Locality” or “local government” means a city, including a
39 charter city, a county, including a charter county, or a city and
40 county, including a charter city and county.

(9) “Moderate-income housing units” means housing units with an affordable housing cost or affordable rent for persons and families of moderate income, as that term is defined in Section 50093 of the Health and Safety Code.

(10) “Production report” means the information reported pursuant to subparagraph (H) of paragraph (2) of subdivision (a) of Section 65400.

(11) “State agency” includes every state office, officer, department, division, bureau, board, and commission, but does not include the California State University or the University of California.

(12) (A) “Reporting period” means either of the following:

(i) The first half of the regional housing needs assessment cycle.

(ii) The last half of the regional housing needs assessment cycle.

(B) Notwithstanding subparagraph (A), “reporting period” means annually for the City and County of San Francisco.

(13) “Urban uses” means any current or former residential, commercial, public institutional, public park that is surrounded by other urban uses, parking lot or structure, transit or transportation passenger facility, or retail use, or any combination of those uses.

(n) The department may review, adopt, amend, and repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth in this section. Any guidelines or terms adopted pursuant to this subdivision shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(o) The determination of whether an application for a development is subject to the ~~streamlined~~ *streamlined*, ministerial approval process provided by subdivision (c) is not a “project” as defined in Section 21065 of the Public Resources Code.

(p) Notwithstanding any other law, for purposes of this section and for development in compliance with the requirements of this section on property owned by or leased to the state, the Department of General Services may act in the place of a locality or local government, at the discretion of the department.

(q) (1) For developments proposed in a census tract that is designated either as a moderate resource area, low resource area, or an area of high segregation and poverty on the most recent “CTCAC/HCD Opportunity Map” published by the California

1 Tax Credit Allocation Committee and the Department of Housing
2 and Community Development, within 45 days after receiving a
3 notice of intent, as described in subdivision (b), and before the
4 development proponent submits an application for the proposed
5 development that is subject to the streamlined, ministerial approval
6 process described in subdivision (c), the local government shall
7 provide for a public meeting to be held by the city council or
8 county board of supervisors to provide an opportunity for the public
9 and the local government to comment on the development.

10 (2) The public meeting shall be held at a regular meeting and
11 be subject to the Ralph M. Brown Act (Chapter 9 (commencing
12 with Section 54950) of Part 1 of Division 2 of Title 5).

13 (3) If the development proposal is located within a city with a
14 population of greater than 250,000 or the unincorporated area of
15 a county with a population of greater than 250,000, the public
16 meeting shall be held by the jurisdiction's planning commission.

17 (4) Comments may be provided by testimony during the meeting
18 or in writing at any time before the meeting concludes.

19 (5) The development proponent shall attest in writing that it
20 attended the meeting described in paragraph (1) and reviewed the
21 public testimony and written comments from the meeting in its
22 application for the proposed development that is subject to the
23 streamlined, ministerial approval process described in subdivision
24 (c).

25 (6) If the local government fails to hold the hearing described
26 in paragraph (1) within 45 days after receiving the notice of intent,
27 the development proponent shall hold a public meeting on the
28 proposed development before submitting an application pursuant
29 to this section.

30 (r) (1) This section shall not apply to applications for
31 developments proposed on qualified sites that are submitted on or
32 after January 1, 2024, but before July 1, 2025.

33 (2) For purposes of this subdivision, "qualified site" means a
34 site that meets the following requirements:

35 (A) The site is located within an equine or equestrian district
36 designated by a general plan or specific or master plan, which may
37 include a specific narrative reference to a geographically
38 determined area or map of the same. Parcels adjoined and only
39 separated by a street or highway shall be considered to be within
40 an equestrian district.

1 (B) As of January 1, 2024, the general plan applicable to the
2 site contains, and has contained for five or more years, an equine
3 or equestrian district designation where the site is located.

4 (C) As of January 1, 2024, the equine or equestrian district
5 applicable to the site is not zoned to include residential uses, but
6 authorizes residential uses with a conditional use permit.

7 (D) The applicable local government has an adopted housing
8 element that is compliant with applicable law.

9 (3) The Legislature finds and declares that the purpose of this
10 subdivision is to allow local governments to conduct general plan
11 updates to align their general plan with applicable zoning changes.

12 (s) The provisions of clause (iii) of subparagraph (E) of
13 paragraph (8) of subdivision (a) relating to health care expenditures
14 are distinct and severable from the remaining provisions of this
15 section. However, the remaining portions of paragraph (8) of
16 subdivision (a) are a material and integral part of this section and
17 are not severable. If any provision or application of paragraph (8)
18 of subdivision (a) is held invalid, this entire section shall be null
19 and void.

20 (t) (1) The changes made to this section by the act adding this
21 subdivision shall apply in a coastal zone, as defined in Division
22 20 (commencing with Section 30000) of the Public Resources
23 Code, on and after January 1, 2025.

24 (2) In an area of the coastal zone not excluded under paragraph
25 (6) of subdivision (a), a development that satisfies the requirements
26 of subdivision (a) shall require a coastal development permit
27 pursuant to Chapter 7 (commencing with Section 30600) of
28 Division 20 of the Public Resources Code. A public agency with
29 coastal development permitting authority shall approve a coastal
30 development permit if it determines that the development is
31 consistent with all objective standards of the local government's
32 certified local coastal program or, for areas that are not subject to
33 a fully certified local coastal program, the certified land use plan
34 of that area.

35 (3) For purposes of this section, receipt of any density bonus,
36 concessions, incentives, waivers or reductions of development
37 standards, and parking ratios to which the applicant is entitled
38 under Section 65915 shall not constitute a basis to find the project
39 inconsistent with the local coastal program.

1 (u) It is the policy of the state that this section be interpreted
2 and implemented in a manner to afford the fullest possible weight
3 to the interest of, and the approval and provision of, increased
4 housing supply.

5 (v) This section shall remain in effect only until January 1, 2036,
6 and as of that date is repealed.

7 SEC. 107. Section 65915 of the Government Code is amended
8 to read:

9 65915. (a) (1) When an applicant seeks a density bonus for
10 a housing development within, or for the donation of land for
11 housing within, the jurisdiction of a city, county, or city and county,
12 that local government shall comply with this section. A city,
13 county, or city and county shall adopt an ordinance that specifies
14 how compliance with this section will be implemented. Except as
15 otherwise provided in subdivision (s), failure to adopt an ordinance
16 shall not relieve a city, county, or city and county from complying
17 with this section.

18 (2) A local government shall not condition the submission,
19 review, or approval of an application pursuant to this chapter on
20 the preparation of an additional report or study that is not otherwise
21 required by state law, including this section. This subdivision does
22 not prohibit a local government from requiring an applicant to
23 provide reasonable documentation to establish eligibility for a
24 requested density bonus, as described in subdivision (b), and
25 parking ratios, as described in subdivision (p).

26 (3) In order to provide for the expeditious processing of a density
27 bonus application, the local government shall do all of the
28 following:

29 (A) Adopt procedures and timelines for processing a density
30 bonus application.

31 (B) Provide a list of all documents and information required to
32 be submitted with the density bonus application in order for the
33 density bonus application to be deemed complete. This list shall
34 be consistent with this chapter.

35 (C) Notify the applicant for a density bonus whether the
36 application is complete in a manner consistent with the timelines
37 specified in Section 65943.

38 (D) (i) If the local government notifies the applicant that the
39 application is deemed complete pursuant to subparagraph (C),

1 provide the applicant with a determination as to the following
2 matters:

3 (I) The amount of density bonus, calculated pursuant to
4 subdivision (f), for which the applicant is eligible.

5 (II) If the applicant requests a parking ratio pursuant to
6 subdivision (p), the parking ratio for which the applicant is eligible.

7 (III) If the applicant requests incentives or concessions pursuant
8 to subdivision (d) or waivers or reductions of development
9 standards pursuant to subdivision (e), whether the applicant has
10 provided adequate information for the local government to make
11 a determination as to those incentives, concessions, waivers, or
12 reductions of development standards.

13 (ii) Any determination required by this subparagraph shall be
14 based on the development project at the time the application is
15 deemed complete. The local government shall adjust the amount
16 of density bonus and parking ratios awarded pursuant to this section
17 based on any changes to the project during the course of
18 development.

19 (b) (1) A city, county, or city and county shall grant one density
20 bonus, the amount of which shall be as specified in subdivision
21 (f), and, if requested by the applicant and consistent with the
22 applicable requirements of this section, incentives or concessions,
23 as described in subdivision (d), waivers or reductions of
24 development standards, as described in subdivision (e), and parking
25 ratios, as described in subdivision (p), if an applicant for a housing
26 development seeks and agrees to construct a housing development,
27 excluding any units permitted by the density bonus awarded
28 pursuant to this section, that will contain at least any one of the
29 following:

30 (A) Ten percent of the total units of a housing development,
31 including a shared housing building development, for rental or
32 sale to lower income households, as defined in Section 50079.5
33 of the Health and Safety Code.

34 (B) Five percent of the total units of a housing development,
35 including a shared housing building development, for rental or
36 sale to very low income households, as defined in Section 50105
37 of the Health and Safety Code.

38 (C) A senior citizen housing development, as defined in Sections
39 51.3 and 51.12 of the Civil Code, or a mobilehome park that limits
40 residency based on age requirements for housing for older persons

1 pursuant to Section 798.76 or 799.5 of the Civil Code. For purposes
2 of this subparagraph, “development” includes a shared housing
3 building development and a residential care facility for the elderly,
4 as defined in Section 1569.2 of the Health and Safety Code.

5 (D) Ten percent of the total dwelling units of a housing
6 development are sold to persons and families of moderate income,
7 as defined in Section 50093 of the Health and Safety Code,
8 provided that all units in the development are offered to the public
9 for purchase.

10 (E) Ten percent of the total units of a housing development for
11 transitional foster youth, as defined in Section 66025.9 of the
12 Education Code, disabled veterans, as defined in Section 18541,
13 or homeless persons, as defined in the federal McKinney-Vento
14 Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.). The units
15 described in this subparagraph are subject to a recorded
16 affordability restriction of 55 years and shall be provided at the
17 same affordability level as very low income units.

18 (F) (i) Twenty percent of the total units for lower income
19 students in a student housing development that meets the following
20 requirements:

21 (I) All units in the student housing development shall be used
22 exclusively for undergraduate, graduate, or professional students
23 enrolled currently or in the past six months in at least six units at
24 an institution of higher education accredited by the Western
25 Association of Schools and Colleges or the Accrediting
26 Commission for Community and Junior Colleges. In order to be
27 eligible under this subclause, the developer shall, as a condition
28 of receiving a certificate of occupancy, provide evidence to the
29 city, county, or city and county that the developer has done any
30 one of the following:

31 (ia) Entered into an operating agreement or master lease with
32 one or more institutions of higher education for the institution or
33 institutions to occupy all units of the student housing development
34 with students from that institution or institutions. An operating
35 agreement or master lease entered into pursuant to this subclause
36 is not violated or breached if, in any subsequent year, there are
37 insufficient students enrolled in an institution of higher education
38 to fill all units in the student housing development.

1 (ib) Established a system for confirming its renters' status as
2 students to ensure that all units of the student housing development
3 are occupied with students from an institution of higher education.

4 (II) The applicable units in the student housing development
5 for lower income students shall be used for and occupied by lower
6 income students.

7 (III) The rent provided in the applicable units of the development
8 for lower income students shall be calculated at 30 percent of 65
9 percent of the area median income for a single-room occupancy
10 unit type.

11 (IV) The development shall provide priority for the applicable
12 affordable units for lower income students experiencing
13 homelessness. A homeless service provider, as defined in paragraph
14 (3) of subdivision (e) of Section 103577 of the Health and Safety
15 Code, or institution of higher education that has knowledge of a
16 person's homeless status may verify a person's status as homeless
17 for purposes of this subclause.

18 (V) The student housing development is not located on a site
19 that pursuant to paragraph (3) of subdivision (c) would require
20 replacement units for projects with greater than a 35 percent density
21 bonus.

22 (ii) For purposes of calculating a density bonus granted pursuant
23 to this subparagraph, the term "unit" as used in this section means
24 one rental bed and its pro rata share of associated common area
25 facilities. The units described in this subparagraph are subject to
26 a recorded affordability restriction of 55 years, which shall not tie
27 any rental bed reserved for lower income students to a specific
28 bedroom. Notwithstanding any other law, an affordability
29 restriction provision, state or county law or policy, or property
30 management policy shall not prevent a lower income student from
31 sharing a room or unit with a nonlower income student. Any
32 attempted waiver of the requirements of this clause is void as
33 against public policy.

34 (G) One hundred percent of all units in the development,
35 including total units and density bonus units, but exclusive of a
36 manager's unit or units, are for lower income households, as
37 defined by Section 50079.5 of the Health and Safety Code, except
38 that up to 20 percent of the units in the development, including
39 total units and density bonus units, may be for moderate-income
40 households, as defined in Section 50053 of the Health and Safety

1 Code. For purposes of this subparagraph, “development” includes
2 a shared housing building development.

3 (2) For purposes of calculating the amount of the density bonus
4 pursuant to subdivision (f), an applicant who requests a density
5 bonus pursuant to this subdivision shall elect whether the bonus
6 shall be awarded on the basis of subparagraph (A), (B), (C), (D),
7 (E), (F), or (G) of paragraph (1).

8 (c) (1) (A) An applicant shall agree to, and the city, county,
9 or city and county shall ensure, the continued affordability of all
10 very low and low-income rental units that qualified the applicant
11 for the award of the density bonus for 55 years or a longer period
12 of time if required by the construction or mortgage financing
13 assistance program, mortgage insurance program, or rental subsidy
14 program.

15 (B) (i) Except as otherwise provided in clause (ii), rents for the
16 lower income density bonus units shall be set at an affordable rent,
17 as defined in Section 50053 of the Health and Safety Code.

18 (ii) For housing developments meeting the criteria of
19 subparagraph (G) of paragraph (1) of subdivision (b), rents for all
20 units in the development, including both base density and density
21 bonus units, shall be as follows:

22 (I) The rent for at least 20 percent of the units in the
23 development shall be set at an affordable rent, as defined in Section
24 50053 of the Health and Safety Code.

25 (II) The rent for the remaining units in the development shall
26 be set at an amount consistent with the maximum rent levels for
27 lower income households, as those rents and incomes are
28 determined by the California Tax Credit Allocation Committee.

29 (2) (A) An applicant shall agree to ensure, and the city, county,
30 or city and county shall ensure, that a for-sale unit that qualified
31 the applicant for the award of the density bonus meets one of the
32 following conditions:

33 (i) The unit is initially sold to and occupied by a person or family
34 of very low, low, or moderate income, as required, and it is offered
35 at an affordable housing cost, as that cost is defined in Section
36 50052.5 of the Health and Safety Code and is subject to an equity
37 sharing agreement.

38 (ii) If the unit is not purchased by an income-qualified person
39 or family within 180 days after the issuance of the certificate of
40 occupancy, the unit is purchased by a qualified nonprofit housing

1 corporation that meets all of the following requirements pursuant
2 to a recorded contract that satisfies all of the requirements specified
3 in paragraph (10) of subdivision (a) of Section 402.1 of the
4 Revenue and Taxation Code:

5 (I) The nonprofit corporation has a determination letter from
6 the Internal Revenue Service affirming its tax-exempt status
7 pursuant to Section 501(c)(3) of the Internal Revenue Code and
8 is not a private foundation as that term is defined in Section 509
9 of the Internal Revenue Code.

10 (II) The nonprofit corporation is based in California.

11 (III) All of the board members of the nonprofit corporation have
12 their primary residence in California.

13 (IV) The primary activity of the nonprofit corporation is the
14 development and preservation of affordable home ownership
15 housing in California that incorporates within their contracts for
16 initial purchase a repurchase option that requires a subsequent
17 purchaser of the property that desires to resell or convey the
18 property to offer the qualified nonprofit corporation the right to
19 repurchase the property prior to selling or conveying that property
20 to any other purchaser pursuant to an equity sharing agreement or
21 affordability restrictions on the sale and conveyance of the property
22 that ensure that the property will be preserved for lower income
23 housing for at least 45 years for owner-occupied housing units and
24 will be sold or resold only to persons or families of very low, low,
25 or moderate income, as defined in Section 50052.5 of the Health
26 and Safety Code.

27 (B) For purposes of this paragraph, a “qualified nonprofit
28 housing corporation” is a nonprofit housing corporation organized
29 pursuant to Section 501(c)(3) of the Internal Revenue Code that
30 has received a welfare exemption under Section 214.15 of the
31 Revenue and Taxation Code for properties intended to be sold to
32 low-income families who participate in a special no-interest loan
33 program.

34 (C) The local government shall enforce an equity sharing
35 agreement required pursuant to clause (i) or (ii) of subparagraph
36 (A), unless it is in conflict with the requirements of another public
37 funding source or law or may defer to the recapture provisions of
38 the public funding source. The following apply to the equity
39 sharing agreement:

(i) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation.

(ii) Except as provided in clause (v), the local government shall recapture any initial subsidy, as defined in clause (iii), and its proportionate share of appreciation, as defined in clause (iv), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote ~~homeownership~~ *home ownership*.

(iii) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(iv) For purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the ratio of the local government's initial subsidy to the fair market value of the home at the time of initial sale.

(v) If the unit is purchased or developed by a qualified nonprofit housing corporation pursuant to clause (ii) of subparagraph (A) the local government may enter into a contract with the qualified nonprofit housing corporation under which the qualified nonprofit housing corporation would recapture any initial subsidy and its proportionate share of appreciation if the qualified nonprofit housing corporation is required to use 100 percent of the proceeds to promote ~~homeownership~~ *home ownership* for lower income households as defined by Section 50079.5 of the Health and Safety Code within the jurisdiction of the local government.

(3) (A) Except as provided in subclause (V) of clause (i) of subparagraph (F) of paragraph (1) of subdivision (b), an applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing development is proposed on any property that includes a parcel or parcels on which rental dwelling units are located or, if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form

1 of rent or price control through a public entity's valid exercise of
2 its police power; or occupied by lower or very low income
3 households, unless the proposed housing development replaces
4 those units, and either of the following applies:

5 (i) The proposed housing development, inclusive of the units
6 replaced pursuant to this paragraph, contains affordable units at
7 the percentages set forth in subdivision (b).

8 (ii) Each unit in the development, exclusive of a manager's unit
9 or units, is affordable to, and occupied by, either a lower or very
10 low income household.

11 (B) For the purposes of this paragraph, "replace" shall mean
12 either of the following:

13 (i) If any dwelling units described in subparagraph (A) are
14 occupied on the date of application, the proposed housing
15 development shall provide at least the same number of units of
16 equivalent size to be made available at affordable rent or affordable
17 housing cost to, and occupied by, persons and families in the same
18 or lower income category as those households in occupancy. If
19 the income category of the household in occupancy is not known,
20 it shall be rebuttably presumed that lower income renter households
21 occupied these units in the same proportion of lower income renter
22 households to all renter households within the jurisdiction, as
23 determined by the most recently available data from the United
24 States Department of Housing and Urban Development's
25 Comprehensive Housing Affordability Strategy database. For
26 unoccupied dwelling units described in subparagraph (A) in a
27 development with occupied units, the proposed housing
28 development shall provide units of equivalent size to be made
29 available at affordable rent or affordable housing cost to, and
30 occupied by, persons and families in the same or lower income
31 category as the last household in occupancy. If the income category
32 of the last household in occupancy is not known, it shall be
33 rebuttably presumed that lower income renter households occupied
34 these units in the same proportion of lower income renter
35 households to all renter households within the jurisdiction, as
36 determined by the most recently available data from the United
37 States Department of Housing and Urban Development's
38 Comprehensive Housing Affordability Strategy database. All
39 replacement calculations resulting in fractional units shall be
40 rounded up to the next whole number. If the replacement units will

1 be rental dwelling units, these units shall be subject to a recorded
2 affordability restriction for at least 55 years. If the proposed
3 development is for-sale units, the units replaced shall be subject
4 to paragraph (2).

5 (ii) If all dwelling units described in subparagraph (A) have
6 been vacated or demolished within the five-year period preceding
7 the application, the proposed housing development shall provide
8 at least the same number of units of equivalent size as existed at
9 the highpoint of those units in the five-year period preceding the
10 application to be made available at affordable rent or affordable
11 housing cost to, and occupied by, persons and families in the same
12 or lower income category as those persons and families in
13 occupancy at that time, if known. If the incomes of the persons
14 and families in occupancy at the highpoint is not known, it shall
15 be rebuttably presumed that low-income and very low income
16 renter households occupied these units in the same proportion of
17 low-income and very low income renter households to all renter
18 households within the jurisdiction, as determined by the most
19 recently available data from the United States Department of
20 Housing and Urban Development's Comprehensive Housing
21 Affordability Strategy database. All replacement calculations
22 resulting in fractional units shall be rounded up to the next whole
23 number. If the replacement units will be rental dwelling units,
24 these units shall be subject to a recorded affordability restriction
25 for at least 55 years. If the proposed development is for-sale units,
26 the units replaced shall be subject to paragraph (2).

27 (C) Notwithstanding subparagraph (B), for any dwelling unit
28 described in subparagraph (A) that is or was, within the five-year
29 period preceding the application, subject to a form of rent or price
30 control through a local government's valid exercise of its police
31 power and that is or was occupied by persons or families above
32 lower income, the city, county, or city and county may do either
33 of the following:

34 (i) Require that the replacement units be made available at
35 affordable rent or affordable housing cost to, and occupied by,
36 low-income persons or families. If the replacement units will be
37 rental dwelling units, these units shall be subject to a recorded
38 affordability restriction for at least 55 years. If the proposed
39 development is for-sale units, the units replaced shall be subject
40 to paragraph (2).

1 (ii) Require that the units be replaced in compliance with the
2 jurisdiction's rent or price control ordinance, provided that each
3 unit described in subparagraph (A) is replaced. Unless otherwise
4 required by the jurisdiction's rent or price control ordinance, these
5 units shall not be subject to a recorded affordability restriction.

6 (D) For purposes of this paragraph, "equivalent size" means
7 that the replacement units contain at least the same total number
8 of bedrooms as the units being replaced.

9 (E) Subparagraph (A) does not apply to an applicant seeking a
10 density bonus for a proposed housing development if the
11 applicant's application was submitted to, or processed by, a city,
12 county, or city and county before January 1, 2015.

13 (d) (1) An applicant for a density bonus pursuant to subdivision
14 (b) may submit to a city, county, or city and county a proposal for
15 the specific incentives or concessions that the applicant requests
16 pursuant to this section, and may request a meeting with the city,
17 county, or city and county. The city, county, or city and county
18 shall grant the concession or incentive requested by the applicant
19 unless the city, county, or city and county makes a written finding,
20 based upon substantial evidence, of any of the following:

21 (A) The concession or incentive does not result in identifiable
22 and actual cost reductions, consistent with subdivision (k), to
23 provide for affordable housing costs, as defined in Section 50052.5
24 of the Health and Safety Code, or for rents for the targeted units
25 to be set as specified in subdivision (c).

26 (B) The concession or incentive would have a specific, adverse
27 impact, as defined in paragraph (2) of subdivision (d) of Section
28 65589.5, upon public health and safety or on any real property that
29 is listed in the California Register of Historical Resources and for
30 which there is no feasible method to satisfactorily mitigate or avoid
31 the specific, adverse impact without rendering the development
32 unaffordable to low-income and moderate-income households.

33 (C) The concession or incentive would be contrary to state or
34 federal law.

35 (2) The applicant shall receive the following number of
36 incentives or concessions:

37 (A) One incentive or concession for projects that include at least
38 10 percent of the total units for lower income households, at least
39 5 percent for very low income households, or at least 10 percent

1 for persons and families of moderate income in a development in
2 which the units are for sale.

3 (B) Two incentives or concessions for projects that include at
4 least 17 percent of the total units for lower income households, at
5 least 10 percent for very low income households, or at least 20
6 percent for persons and families of moderate income in a
7 development in which the units are for sale.

8 (C) Three incentives or concessions for projects that include at
9 least 24 percent of the total units for lower income households, at
10 least 15 percent for very low income households, or at least 30
11 percent for persons and families of moderate income in a
12 development in which the units are for sale.

13 (D) Five incentives or concessions for a project meeting the
14 criteria of subparagraph (G) of paragraph (1) of subdivision (b).
15 If the project is located within one-half mile of a major transit stop
16 or is located in a very low vehicle travel area in a designated
17 county, the applicant shall also receive a height increase of up to
18 three additional stories, or 33 feet.

19 (E) One incentive or concession for projects that include at least
20 20 percent of the total units for lower income students in a student
21 housing development. If a project includes at least 23 percent of
22 the total units for lower income students in a student housing
23 project, the applicant shall instead receive two incentives or
24 concessions.

25 (F) Four incentives or concessions for projects that include at
26 least 16 percent of the units for very low income households or at
27 least 45 percent for persons and families of moderate income in a
28 development in which the units are for sale.

29 (3) The applicant may initiate judicial proceedings if the city,
30 county, or city and county refuses to grant a requested density
31 bonus, incentive, or concession. If a court finds that the refusal to
32 grant a requested density bonus, incentive, or concession is in
33 violation of this section, the court shall award the plaintiff
34 reasonable attorney's fees and costs of suit. This subdivision shall
35 not be interpreted to require a local government to grant an
36 incentive or concession that has a specific, adverse impact, as
37 defined in paragraph (2) of subdivision (d) of Section 65589.5,
38 upon health or safety, and for which there is no feasible method
39 to satisfactorily mitigate or avoid the specific, adverse impact.
40 This subdivision shall not be interpreted to require a local

1 government to grant an incentive or concession that would have
2 an adverse impact on any real property that is listed in the
3 California Register of Historical Resources. The city, county, or
4 city and county shall establish procedures for carrying out this
5 section that shall include legislative body approval of the means
6 of compliance with this section.

7 (4) The city, county, or city and county shall bear the burden
8 of proof for the denial of a requested concession or incentive.

9 (e) (1) In no case may a city, county, or city and county apply
10 any development standard that will have the effect of physically
11 precluding the construction of a development meeting the criteria
12 of subdivision (b) at the densities or with the concessions or
13 incentives permitted by this section. Subject to paragraph (3), an
14 applicant may submit to a city, county, or city and county a
15 proposal for the waiver or reduction of development standards that
16 will have the effect of physically precluding the construction of a
17 development meeting the criteria of subdivision (b) at the densities
18 or with the concessions or incentives permitted under this section,
19 and may request a meeting with the city, county, or city and county.
20 If a court finds that the refusal to grant a waiver or reduction of
21 development standards is in violation of this section, the court
22 shall award the plaintiff reasonable attorney's fees and costs of
23 suit. This subdivision shall not be interpreted to require a local
24 government to waive or reduce development standards if the waiver
25 or reduction would have a specific, adverse impact, as defined in
26 paragraph (2) of subdivision (d) of Section 65589.5, upon health
27 or safety, and for which there is no feasible method to satisfactorily
28 mitigate or avoid the specific, adverse impact. This subdivision
29 shall not be interpreted to require a local government to waive or
30 reduce development standards that would have an adverse impact
31 on any real property that is listed in the California Register of
32 Historical Resources, or to grant any waiver or reduction that would
33 be contrary to state or federal law.

34 (2) A proposal for the waiver or reduction of development
35 standards pursuant to this subdivision shall neither reduce nor
36 increase the number of incentives or concessions to which the
37 applicant is entitled pursuant to subdivision (d).

38 (3) A housing development that receives a waiver from any
39 maximum controls on density pursuant to clause (ii) of
40 subparagraph (D) of paragraph (3) of subdivision (f) shall only be

eligible for a waiver or reduction of development standards as provided in subparagraph (D) of paragraph (2) of subdivision (d) and clause (ii) of subparagraph (D) of paragraph (3) of subdivision (f), unless the city, county, or city and county agrees to additional waivers or reductions of development standards.

(f) For the purposes of this chapter, “density bonus” means a density increase over the otherwise maximum allowable gross residential density, as of the date of application by the applicant to the city, county, or city and county, or, if elected by the applicant, a lesser percentage of density increase, including, but not limited to, no increase in density. The amount of density increase to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5
16	29
17	30.5
18	32
19	33.5
20	35
21	38.75
22	42.5
23	46.25
24	50

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

1	Percentage Very Low Income Units	Percentage Density Bonus
2	5	20
3	6	22.5
4	7	25
5	8	27.5
6	9	30
7	10	32.5
8	11	35
9	12	38.75
10	13	42.5
11	14	46.25
12	15	50

13
14 (3) (A) For housing developments meeting the criteria of
15 subparagraph (C) of paragraph (1) of subdivision (b), the density
16 bonus shall be 20 percent of the number of senior housing units.

17 (B) For housing developments meeting the criteria of
18 subparagraph (E) of paragraph (1) of subdivision (b), the density
19 bonus shall be 20 percent of the number of the type of units giving
20 rise to a density bonus under that subparagraph.

21 (C) For housing developments meeting the criteria of
22 subparagraph (F) of paragraph (1) of subdivision (b), the density
23 bonus shall be calculated as follows:

24	Percentage Lower Income Units	Percentage Density Bonus
25	20	35
26	21	38.75
27	22	42.5
28	23	46.25
29	24	50

30
31
32 (D) For housing developments meeting the criteria of
33 subparagraph (G) of paragraph (1) of subdivision (b), the following
34 shall apply:

35 (i) Except as otherwise provided in clauses (ii) and (iii), the
36 density bonus shall be 80 percent of the number of units for lower
37 income households.

38 (ii) If the housing development is located within one-half mile
39 of a major transit stop, the city, county, or city and county shall
40 not impose any maximum controls on density.

(iii) If the housing development is located in a very low vehicle travel area within a designated county, the city, county, or city and county shall not impose any maximum controls on density.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
26	21
27	22
28	23
29	24
30	25
31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35
41	38.75

1	42	42.5
2	43	46.25
3	44	50

4

5 (5) All density calculations resulting in fractional units shall be
6 rounded up to the next whole number. The granting of a density
7 bonus shall not require, or be interpreted, in and of itself, to require
8 a general plan amendment, local coastal plan amendment, zoning
9 change, or other discretionary approval.

10 (g) (1) When an applicant for a tentative subdivision map,
11 parcel map, or other residential development approval donates
12 land to a city, county, or city and county in accordance with this
13 subdivision, the applicant shall be entitled to a 15-percent increase
14 above the otherwise maximum allowable residential density for
15 the entire development, as follows:

16

17	Percentage Very Low Income	Percentage Density Bonus
18	10	15
19	11	16
20	12	17
21	13	18
22	14	19
23	15	20
24	16	21
25	17	22
26	18	23
27	19	24
28	20	25
29	21	26
30	22	27
31	23	28
32	24	29
33	25	30
34	26	31
35	27	32
36	28	33
37	29	34
38	30	35

39

(2) This increase shall be in addition to any increase in density mandated by subdivision (b), up to a maximum combined mandated density increase of 35 percent if an applicant seeks an increase pursuant to both this subdivision and subdivision (b). All density calculations resulting in fractional units shall be rounded up to the next whole number. Nothing in this subdivision shall be construed to enlarge or diminish the authority of a city, county, or city and county to require a developer to donate land as a condition of development. An applicant shall be eligible for the increased density bonus described in this subdivision if all of the following conditions are met:

(A) The applicant donates and transfers the land no later than the date of approval of the final subdivision map, parcel map, or residential development application.

(B) The developable acreage and zoning classification of the land being transferred are sufficient to permit construction of units affordable to very low income households in an amount not less than 10 percent of the number of residential units of the proposed development.

(C) The transferred land is at least one acre in size or of sufficient size to permit development of at least 40 units, has the appropriate general plan designation, is appropriately zoned with appropriate development standards for development at the density described in paragraph (3) of subdivision (c) of Section 65583.2, and is or will be served by adequate public facilities and infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government before the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.

1 (F) The land is transferred to the local agency or to a housing
2 developer approved by the local agency. The local agency may
3 require the applicant to identify and transfer the land to the
4 developer.

5 (G) The transferred land shall be within the boundary of the
6 proposed development or, if the local agency agrees, within
7 one-quarter mile of the boundary of the proposed development.

8 (H) A proposed source of funding for the very low income units
9 shall be identified not later than the date of approval of the final
10 subdivision map, parcel map, or residential development
11 application.

12 (h) (1) When an applicant proposes to construct a housing
13 development that conforms to the requirements of subdivision (b)
14 and includes a childcare facility that will be located on the premises
15 of, as part of, or adjacent to, the project, the city, county, or city
16 and county shall grant either of the following:

17 (A) An additional density bonus that is an amount of square
18 feet of residential space that is equal to or greater than the amount
19 of square feet in the childcare facility.

20 (B) An additional concession or incentive that contributes
21 significantly to the economic feasibility of the construction of the
22 childcare facility.

23 (2) The city, county, or city and county shall require, as a
24 condition of approving the housing development, that the following
25 occur:

26 (A) The childcare facility shall remain in operation for a period
27 of time that is as long as or longer than the period of time during
28 which the density bonus units are required to remain affordable
29 pursuant to subdivision (c).

30 (B) Of the children who attend the childcare facility, the children
31 of very low income households, lower income households, or
32 families of moderate income shall equal a percentage that is equal
33 to or greater than the percentage of dwelling units that are required
34 for very low income households, lower income households, or
35 families of moderate income pursuant to subdivision (b).

36 (3) Notwithstanding any requirement of this subdivision, a city,
37 county, or city and county shall not be required to provide a density
38 bonus or concession for a childcare facility if it finds, based upon
39 substantial evidence, that the community has adequate childcare
40 facilities.

1 (4) “Childcare facility,” as used in this section, means a child
2 daycare facility other than a family daycare home, including, but
3 not limited to, infant centers, preschools, extended daycare
4 facilities, and schoolage childcare centers.

5 (i) “Housing development,” as used in this section, means a
6 development project for five or more residential units, including
7 mixed-use developments. For the purposes of this section, “housing
8 development” also includes a subdivision or common interest
9 development, as defined in Section 4100 of the Civil Code,
10 approved by a city, county, or city and county and consists of
11 residential units or unimproved residential lots and either a project
12 to substantially rehabilitate and convert an existing commercial
13 building to residential use or the substantial rehabilitation of an
14 existing multifamily dwelling, as defined in subdivision (d) of
15 Section 65863.4, where the result of the rehabilitation would be a
16 net increase in available residential units. For the purpose of
17 calculating a density bonus, the residential units shall be on
18 contiguous sites that are the subject of one development
19 application, but do not have to be based upon individual
20 subdivision maps or parcels. The density bonus shall be permitted
21 in geographic areas of the housing development other than the
22 areas where the units for the lower income households are located.

23 (j) (1) The granting of a concession or incentive shall not require
24 or be interpreted, in and of itself, to require a general plan
25 amendment, local coastal plan amendment, zoning change, study,
26 or other discretionary approval. For purposes of this subdivision,
27 “study” does not include reasonable documentation to establish
28 eligibility for the concession or incentive or to demonstrate that
29 the incentive or concession meets the definition set forth in
30 subdivision (k). This provision is declaratory of existing law.

31 (2) Except as provided in subdivisions (d) and (e), the granting
32 of a density bonus shall not require or be interpreted to require the
33 waiver of a local ordinance or provisions of a local ordinance
34 unrelated to development standards.

35 (k) For the purposes of this chapter, concession or incentive
36 means any of the following:

37 (1) A reduction in site development standards or a modification
38 of zoning code requirements or architectural design requirements
39 that exceed the minimum building standards approved by the
40 California Building Standards Commission as provided in Part 2.5

(commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable and actual cost reductions, to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(2) Approval of mixed-use zoning in conjunction with the housing project if commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located.

(3) Other regulatory incentives or concessions proposed by the developer or the city, county, or city and county that result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(l) Subdivision (k) does not limit or require the provision of direct financial incentives for the housing development, including the provision of publicly owned land, by the city, county, or city and county, or the waiver of fees or dedication requirements.

(m) This section does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code). Any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled under this section shall be permitted in a manner that is consistent with this section and Division 20 (commencing with Section 30000) of the Public Resources Code.

(n) If permitted by local ordinance, nothing in this section shall be construed to prohibit a city, county, or city and county from granting a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.

1 (o) For purposes of this section, the following definitions shall
2 apply:

3 (1) “Designated county” includes the Counties of Alameda,
4 Contra Costa, Los Angeles, Marin, Napa, Orange, Riverside,
5 Sacramento, San Bernardino, San Diego, San Mateo, Santa
6 Barbara, Santa Clara, Solano, Sonoma, and Ventura, and the City
7 and County of San Francisco.

8 (2) “Development standard” includes a site or construction
9 condition, including, but not limited to, a height limitation, a
10 setback requirement, a floor area ratio, an onsite open-space
11 requirement, a minimum lot area per unit requirement, or a parking
12 ratio that applies to a residential development pursuant to any
13 ordinance, general plan element, specific plan, charter, or other
14 local condition, law, policy, resolution, or regulation that is adopted
15 by the local government or that is enacted by the local
16 government’s electorate exercising its local initiative or referendum
17 power, whether that power is derived from the California
18 Constitution, statute, or the charter or ordinances of the local
19 government.

20 (3) “Located within one-half mile of a major transit stop” means
21 that any point on a proposed development, for which an applicant
22 seeks a density bonus, other incentives or concessions, waivers or
23 reductions of development standards, or a vehicular parking ratio
24 pursuant to this section, is within one-half mile of any point on
25 the property on which a major transit stop is located, including
26 any parking lot owned by the transit authority or other local agency
27 operating the major transit stop.

28 (4) “Lower income student” means a student who has a
29 household income and asset level that does not exceed the level
30 for Cal Grant A or Cal Grant B award recipients as set forth in
31 subdivision (k) of Section 69432.7 of the Education Code. The
32 eligibility of a student to occupy a unit for lower income students
33 under this section shall be verified by an affidavit, award letter, or
34 letter of eligibility provided by the institution of higher education
35 in which the student is enrolled or by the California Student Aid
36 Commission that the student receives or is eligible for financial
37 aid, including an institutional grant or fee waiver from the college
38 or university, the California Student Aid Commission, or the
39 federal government.

(5) “Major transit stop” has the same meaning as defined in subdivision (b) of Section 21155 of the Public Resources Code.

(6) “Maximum allowable residential density” or “base density” means the greatest number of units allowed under the zoning ordinance, specific plan, or land use element of the general plan, or, if a range of density is permitted, means the greatest number of units allowed by the specific zoning range, specific plan, or land use element of the general plan applicable to the project. Density shall be determined using dwelling units per acre. However, if the applicable zoning ordinance, specific plan, or land use element of the general plan does not provide a dwelling-units-per-acre standard for density, then the local agency shall calculate the number of units by:

(A) Estimating the realistic development capacity of the site based on the objective development standards applicable to the project, including, but not limited to, floor area ratio, site coverage, maximum building height and number of stories, building setbacks and stepbacks, public and private open-space requirements, minimum percentage or square footage of any nonresidential component, and parking requirements, unless not required for the base project. Parking requirements shall include considerations regarding number of spaces, location, design, type, and circulation. A developer may provide a base density study and the local agency shall accept it, provided that it includes all applicable objective development standards.

(B) Maintaining the same average unit size and other project details relevant to the base density study, excepting those that may be modified by waiver or concession to accommodate the bonus units, in the proposed project as in the study.

(7) (A) (i) “Shared housing building” means a residential or mixed-use structure, with five or more shared housing units and one or more common kitchens and dining areas designed for permanent residence of more than 30 days by its tenants. The kitchens and dining areas within the shared housing building shall be able to adequately accommodate all residents. If a local ordinance further restricts the attributes of a shared housing building beyond the requirements established in this section, the local definition shall apply to the extent that it does not conflict with the requirements of this section.

1 (ii) A “shared housing building” may include other dwelling
2 units that are not shared housing units, provided that those dwelling
3 units do not occupy more than 25 percent of the floor area of the
4 shared housing building. A shared housing building may include
5 100 percent shared housing units.

6 (B) (i) “Shared housing unit” means one or more habitable
7 rooms, not within another dwelling unit, that includes a bathroom,
8 sink, refrigerator, and microwave, is used for permanent residence,
9 that meets the “minimum room area” specified in Section R304
10 of the California Residential Code (Part 2.5 of Title 24 of the
11 California Code of Regulations), and complies with the definition
12 of “guestroom” in Section R202 of the California Residential Code.
13 If a local ordinance further restricts the attributes of a shared
14 housing building beyond the requirements established in this
15 section, the local definition shall apply to the extent that it does
16 not conflict with the requirements of this section.

17 (ii) “Shared housing unit” for purposes of a residential care
18 facility for the elderly, as defined in Section 1569.2 of the Health
19 and Safety Code, includes a unit without an individual kitchen
20 where a unit may be shared by unrelated persons, and a unit where
21 a room that may be shared by unrelated persons meets the
22 “minimum room area” requirements of clause (i).

23 (8) “Student housing development” means a development that
24 contains bedrooms containing two or more bedspaces that have a
25 shared or private bathroom, access to a shared or private living
26 room and laundry facilities, and access to a shared or private
27 kitchen.

28 (9) (A) “Total units” or “total dwelling units” means a
29 calculation of the number of units that:

30 (i) Excludes a unit added by a density bonus awarded pursuant
31 to this section or any local law granting a greater density bonus.

32 (ii) Includes a unit designated to satisfy an inclusionary zoning
33 requirement of a city, county, or city and county.

34 (B) For purposes of calculating a density bonus granted pursuant
35 to this section for a shared housing building, “unit” means one
36 shared housing unit and its pro rata share of associated common
37 area facilities.

38 (10) “Very low vehicle travel area” means an urbanized area,
39 as designated by the United States Census Bureau, where the
40 existing residential development generates vehicle miles traveled

1 per capita that is below 85 percent of either regional vehicle miles
2 traveled per capita or city vehicle miles traveled per capita. For
3 purposes of this paragraph, “area” may include a travel analysis
4 zone, hexagon, or grid. For the purposes of determining “regional
5 vehicle miles traveled per capita” pursuant to this paragraph, a
6 “region” is the entirety of incorporated and unincorporated areas
7 governed by a multicounty or single-county metropolitan planning
8 organization, or the entirety of the incorporated and unincorporated
9 areas of an individual county that is not part of a metropolitan
10 planning organization.

11 (p) (1) Except as provided in paragraphs (2), (3), and (4), upon
12 the request of the developer, a city, county, or city and county shall
13 not require a vehicular parking ratio, inclusive of parking for
14 persons with a disability and guests, of a development meeting the
15 criteria of subdivisions (b) and (c), that exceeds the following
16 ratios:

17 (A) Zero to one bedroom: one onsite parking space.

18 (B) Two to three bedrooms: one and one-half onsite parking
19 spaces.

20 (C) Four and more bedrooms: two and one-half parking spaces.

21 (D) One bedspace in a student housing development: zero
22 parking spaces.

23 (2) (A) Notwithstanding paragraph (1), if a development
24 includes at least 20 percent low-income units for housing
25 developments meeting the criteria of subparagraph (A) of paragraph
26 (1) of subdivision (b) or at least 11 percent very low income units
27 for housing developments meeting the criteria of subparagraph
28 (B) of paragraph (1) of subdivision (b), is located within one-half
29 mile of a major transit stop, and there is unobstructed access to
30 the major transit stop from the development, then, upon the request
31 of the developer, a city, county, or city and county shall not impose
32 a vehicular parking ratio, inclusive of parking for persons with a
33 disability and guests, that exceeds 0.5 spaces per unit.
34 Notwithstanding paragraph (1), if a development includes at least
35 40 percent moderate-income units for housing developments
36 meeting the criteria of subparagraph (D) of paragraph (1) of
37 subdivision (b), is located within one-half mile of a major transit
38 stop, as defined in subdivision (b) of Section 21155 of the Public
39 Resources Code, and the residents of the development have
40 unobstructed access to the major transit stop from the development

1 then, upon the request of the developer, a city, county, or city and
2 county shall not impose a vehicular parking ratio, inclusive of
3 parking for persons with a disability and guests, that exceeds 0.5
4 spaces per bedroom.

5 (B) For purposes of this subdivision, “unobstructed access to
6 the major transit stop” means a resident is able to access the major
7 transit stop without encountering natural or constructed
8 impediments. For purposes of this subparagraph, “natural or
9 constructed impediments” includes, but is not limited to, freeways,
10 rivers, mountains, and bodies of water, but does not include
11 residential structures, shopping centers, parking lots, or rails used
12 for transit.

13 (3) Notwithstanding paragraph (1), if a development meets the
14 criteria of subparagraph (G) of paragraph (1) of subdivision (b),
15 then, upon the request of the developer, a city, county, or city and
16 county shall not impose vehicular parking standards if the
17 development meets any of the following criteria:

18 (A) The development is located within one-half mile of a major
19 transit stop and there is unobstructed access to the major transit
20 stop from the development.

21 (B) The development is a for-rent housing development for
22 individuals who are 55 years of age or older that complies with
23 Sections 51.2 and 51.3 of the Civil Code and the development has
24 either paratransit service or unobstructed access, within one-half
25 mile, to fixed bus route service that operates at least eight times
26 per day.

27 (C) The development is either a special needs housing
28 development, as defined in Section 51312 of the Health and Safety
29 Code, or a supportive housing development, as defined in Section
30 50675.14 of the Health and Safety Code. A development that is a
31 special needs housing development shall have either paratransit
32 service or unobstructed access, within one-half mile, to fixed bus
33 route service that operates at least eight times per day.

34 (4) If the total number of parking spaces required for a
35 development is other than a whole number, the number shall be
36 rounded up to the next whole number. For purposes of this
37 subdivision, a development may provide onsite parking through
38 tandem parking or uncovered parking, but not through onstreet
39 parking.

1 (5) This subdivision shall apply to a development that meets
2 the requirements of subdivisions (b) and (c), but only at the request
3 of the applicant. An applicant may request parking incentives or
4 concessions beyond those provided in this subdivision pursuant
5 to subdivision (d).

6 (6) This subdivision does not preclude a city, county, or city
7 and county from reducing or eliminating a parking requirement
8 for development projects of any type in any location.

9 (7) Notwithstanding paragraphs (2) and (3), if a city, county,
10 city and county, or an independent consultant has conducted an
11 areawide or jurisdictionwide parking study in the last seven years,
12 then the city, county, or city and county may impose a higher
13 vehicular parking ratio not to exceed the ratio described in
14 paragraph (1), based upon substantial evidence found in the parking
15 study, that includes, but is not limited to, an analysis of parking
16 availability, differing levels of transit access, walkability access
17 to transit services, the potential for shared parking, the effect of
18 parking requirements on the cost of market-rate and subsidized
19 developments, and the lower rates of car ownership for low-income
20 and very low income individuals, including seniors and special
21 needs individuals. The city, county, or city and county shall pay
22 the costs of any new study. The city, county, or city and county
23 shall make findings, based on a parking study completed in
24 conformity with this paragraph, supporting the need for the higher
25 parking ratio.

26 (8) A request pursuant to this subdivision shall neither reduce
27 nor increase the number of incentives or concessions to which the
28 applicant is entitled pursuant to subdivision (d).

29 (q) Each component of any density calculation, including base
30 density and bonus density, resulting in fractional units shall be
31 separately rounded up to the next whole number. The Legislature
32 finds and declares that this provision is declaratory of existing law.

33 (r) This chapter shall be interpreted liberally in favor of
34 producing the maximum number of total housing units.

35 (s) Notwithstanding any other law, if a city, including a charter
36 city, county, or city and county has adopted an ordinance or a
37 housing program, or both an ordinance and a housing program,
38 that incentivizes the development of affordable housing that allows
39 for density bonuses that exceed the density bonuses required by
40 the version of this section effective through December 31, 2020,

1 that city, county, or city and county is not required to amend or
2 otherwise update its ordinance or corresponding affordable housing
3 incentive program to comply with the amendments made to this
4 section by the act adding this subdivision, and is exempt from
5 complying with the incentive and concession calculation
6 amendments made to this section by the act adding this subdivision
7 as set forth in subdivision (d), particularly subparagraphs (B) and
8 (C) of paragraph (2) of that subdivision, and the amendments made
9 to the density tables under subdivision (f).

10 (t) When an applicant proposes to construct a housing
11 development that conforms to the requirements of subparagraph
12 (A) or (B) of paragraph (1) of subdivision (b) that is a shared
13 housing building, the city, county, or city and county shall not
14 require any minimum unit size requirements or minimum bedroom
15 requirements that are in conflict with paragraph (7) of subdivision
16 (o).

17 (u) (1) The Legislature finds and declares that the intent behind
18 the Density Bonus Law is to allow public entities to reduce or even
19 eliminate subsidies for a particular project by allowing a developer
20 to include more total units in a project than would otherwise be
21 allowed by the local zoning ordinance in exchange for affordable
22 units. It further reaffirms that the intent is to cover at least some
23 of the financing gap of affordable housing with regulatory
24 incentives, rather than additional public subsidy.

25 (2) It is therefore the intent of the Legislature to make
26 modifications to the Density Bonus Law by the act adding this
27 subdivision to further incentivize the construction of very low,
28 low-, and moderate-income housing units. It is further the intent
29 of the Legislature in making these modifications to the Density
30 Bonus Law to ensure that any additional benefits conferred upon
31 a developer are balanced with the receipt of a public benefit in the
32 form of adequate levels of affordable housing. The Legislature
33 further intends that these modifications will ensure that the Density
34 Bonus Law creates incentives for the construction of more housing
35 across all areas of the state.

36 (v) (1) Provided that the resulting housing development would
37 not restrict more than 50 percent of the total units to
38 moderate-income, lower income, or very low income households,
39 a city, county, or city and county shall grant an additional density
40 bonus calculated pursuant to paragraph (2) when an applicant

proposes to construct a housing development that conforms to the requirements of paragraph (1) of subdivision (b), agrees to include additional rental or for-sale units affordable to very low income households or ~~moderate income~~ *moderate-income* households, and meets any of the following requirements:

(A) The housing development conforms to the requirements of subparagraph (A) of paragraph (1) of subdivision (b) and provides 24 percent of the total units to lower income households.

(B) The housing development conforms to the requirements of subparagraph (B) of paragraph (1) of subdivision (b) and provides 15 percent of the total units to very low income households.

(C) The housing development conforms to the requirements of subparagraph (D) of paragraph (1) of subdivision (b) and provides 44 percent of the total units to moderate-income households.

(2) A city, county, or city and county shall grant an additional density bonus for a housing development that meets the requirements of paragraph (1), calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	23.75
7	27.5
8	31.25
9	35
10	38.75

Percentage Moderate-Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

1 (3) The increase required by paragraphs (1) and (2) shall be in
2 addition to any increase in density granted by subdivision (b).

3 (4) The additional density bonus required under this subdivision
4 shall be calculated using the number of units excluding any density
5 bonus awarded by this section.

6 SEC. 108. Section 65915.3 of the Government Code is amended
7 to read:

8 65915.3. (a) As used in this section, the following terms have
9 the following meanings:

10 (1) "Housing development" has the same meaning as defined
11 in subdivision (i) of Section 65915.

12 (2) "Monitoring fee" means a fee charged by a city, county, or
13 city and county on a recurring basis to oversee and ensure the
14 continued affordability of a housing development pursuant to either
15 of the following:

16 (A) Section 65915.

17 (B) Any applicable local inclusionary housing ordinance.

18 (b) Except as provided in subdivision (d), a city, county, or city
19 and county shall not charge a monitoring fee on a housing
20 development if all of the following conditions are met:

21 (1) The housing development meets the criteria of subparagraph
22 (G) of paragraph (1) of subdivision (b) of Section 65915.

23 (2) The applicant received a density bonus pursuant to Section
24 65915 for the housing development.

25 (3) The housing development is subject to a recorded regulatory
26 agreement with the California Tax Credit Allocation Committee,
27 the California Housing Finance Agency, or the Department of
28 Housing and Community Development that requires compliance
29 with subparagraph (G) of paragraph (1) of subdivision (b) of
30 Section 65915.

31 (4) Prior to receiving a building permit, the applicant provides
32 to the local government a fully executed Tax Credit Reservation
33 Letter indicating that the applicant accepted the award.

34 (5) The applicant provides to the local government a copy of a
35 recorded regulatory agreement with the California Tax Credit
36 Allocation Committee, the California Housing Finance Agency,
37 or the Department of Housing and Community Development.

38 (6) The applicant agreed to provide to the local government the
39 compliance monitoring document required pursuant to the
40 California Tax Credit Allocation Committee, the California

1 Housing Finance Agency, or the Department of Housing and
2 Community Development regulations.

3 (c) Beginning on January 1, 2025, a housing development that
4 is currently placed in service, is subject to a monitoring fee, and
5 meets the requirements of subdivision (b) shall no longer be subject
6 to that fee.

7 (d) Notwithstanding subdivisions (b) and (c), a city, county, or
8 city and county may charge a monitoring fee on a housing
9 development that meets the criteria of subparagraph (G) of
10 paragraph (1) of subdivision (b) of Section 65915 if any of the
11 following conditions are met:

12 (1) The applicant utilizes a local incentive program that results
13 in the development of units with deeper affordability, including a
14 higher number of affordable units than what is monitored for by
15 the California Tax *Credit* Allocation Committee, the California
16 Housing Finance Agency, or the Department of Housing and
17 Community Development.

18 (2) The applicant uses a local incentive program that results in
19 the development of units that are affordable to and occupied by
20 moderate income households.

21 (3) The applicant accepts a local funding source that results in
22 the development of units with different affordability, measured
23 through higher or lower area median income or through higher or
24 lower rents, than what is monitored for by the California Tax *Credit*
25 Allocation Committee, the California Housing Finance Agency,
26 or the Department of Housing and Community Development.

27 (4) The applicant accepts funding from a regional, state, or
28 federal agency other than the California Tax Credit Allocation
29 Committee, the California Debt Limit Allocation Committee, the
30 California Housing Finance Agency, or the Department of Housing
31 and Community Development that requires local monitoring
32 activities that would not otherwise be conducted by the California
33 Tax *Credit* Allocation Committee, the Department of Housing and
34 Community Development, or the public agency issuing the funding.

35 (e) A city, county, or city and county that is not collecting a
36 monitoring fee pursuant to this section shall not have any obligation
37 to monitor a housing development for compliance with Section
38 65915.

39 SEC. 109. Section 66314 of the Government Code is amended
40 to read:

1 66314. A local agency may, by ordinance, provide for the
2 creation of accessory dwelling units in areas zoned to allow
3 single-family or multifamily dwelling residential use. The
4 ordinance shall do all of the following:

5 (a) Designate areas within the jurisdiction of the local agency
6 where accessory dwelling units may be permitted. The designation
7 of areas may be based on the adequacy of water and sewer services
8 and the impact of accessory dwelling units on traffic flow and
9 public safety. A local agency that does not provide water or sewer
10 services shall consult with the local water or sewer service provider
11 regarding the adequacy of water and sewer services before
12 designating an area where accessory dwelling units may be
13 permitted.

14 (b) (1) Impose objective standards on accessory dwelling units
15 that include, but are not limited to, parking, height, setback,
16 landscape, architectural review, maximum size of a unit, and
17 standards that prevent adverse impacts on any real property that
18 is listed in the California Register of Historical Resources. These
19 standards shall not include requirements on minimum lot size.

20 (2) Notwithstanding paragraph (1), a local agency may reduce
21 or eliminate parking requirements for any accessory dwelling unit
22 located within its jurisdiction.

23 (c) Provide that accessory dwelling units do not exceed the
24 allowable density for the lot upon which the accessory dwelling
25 unit is located, and that accessory dwelling units are a residential
26 use that is consistent with the existing general plan and zoning
27 designation for the lot.

28 (d) Require the accessory dwelling units to comply with all of
29 the following:

30 (1) Except as provided in Article 4 (commencing with Section
31 66340), the accessory dwelling unit may be rented separate from
32 the primary residence, but shall not be sold or otherwise conveyed
33 separate from the primary residence.

34 (2) The lot is zoned to allow single-family or multifamily
35 dwelling residential use and includes a proposed or existing
36 dwelling.

37 (3) The accessory dwelling unit is either attached to, or located
38 within, the proposed or existing primary dwelling, including
39 attached garages, storage areas or similar uses, or an accessory
40 structure or detached from the proposed or existing primary

1 dwelling and located on the same lot as the proposed or existing
2 primary dwelling, including detached garages.

3 (4) If there is an existing primary dwelling, the total floor area
4 of an attached accessory dwelling unit shall not exceed 50 percent
5 of the existing primary dwelling.

6 (5) The total floor area for a detached accessory dwelling unit
7 shall not exceed 1,200 square feet.

8 (6) No passageway shall be required in conjunction with the
9 construction of an accessory dwelling unit.

10 (7) No setback shall be required for an existing living area or
11 accessory structure or a structure constructed in the same location
12 and to the same dimensions as an existing structure that is
13 converted to an accessory dwelling unit or to a portion of an
14 accessory dwelling unit, and a setback of no more than four feet
15 from the side and rear lot lines shall be required for an accessory
16 dwelling unit that is not converted from an existing structure or a
17 new structure constructed in the same location and to the same
18 dimensions as an existing structure.

19 (8) Local building code requirements that apply to detached
20 dwellings, except that the construction of an accessory dwelling
21 unit shall not constitute a Group R occupancy change under the
22 local building code, as described in Section 310 of the California
23 Building Code (Title 24 of the California Code of Regulations),
24 unless the building official or enforcement agency of the local
25 agency makes a written finding based on substantial evidence in
26 the record that the construction of the accessory dwelling unit
27 could have a specific, adverse impact on public health and safety.
28 Nothing in this paragraph shall be interpreted to prevent a local
29 agency from changing the occupancy code of a space that was
30 ~~unhabitable~~ *uninhabitable* space or was only permitted for
31 nonresidential use and was subsequently converted for residential
32 use pursuant to this article.

33 (9) Approval by the local health officer where a private sewage
34 disposal system is being used, if required.

35 (10) (A) Parking requirements for accessory dwelling units
36 shall not exceed one parking space per accessory dwelling unit or
37 per bedroom, whichever is less. These spaces may be provided as
38 tandem parking on a driveway.

39 (B) Offstreet parking shall be permitted in setback areas in
40 locations determined by the local agency or through tandem

1 parking, unless specific findings are made that parking in setback
2 areas or tandem parking is not feasible based upon specific site or
3 regional topographical or fire and life safety conditions.

4 (C) This subparagraph shall not apply to an accessory dwelling
5 unit that is described in Section 66322.

6 (11) When a garage, carport, covered parking structure, or
7 uncovered parking space is demolished in conjunction with the
8 construction of an accessory dwelling unit or converted to an
9 accessory dwelling unit, the local agency shall not require that
10 those offstreet parking spaces be replaced.

11 (12) Accessory dwelling units shall not be required to provide
12 fire sprinklers if they are not required for the primary residence.
13 The construction of an accessory dwelling unit shall not trigger a
14 requirement for fire sprinklers to be installed in the existing primary
15 dwelling.

16 (e) Require that a demolition permit for a detached garage that
17 is to be replaced with an accessory dwelling unit be reviewed with
18 the application for the accessory dwelling unit and issued at the
19 same time.

20 (f) An accessory dwelling unit ordinance shall not require, and
21 the applicant shall not be otherwise required, to provide written
22 notice or post a placard for the demolition of a detached garage
23 that is to be replaced with an accessory dwelling unit, unless the
24 property is located within an architecturally and historically
25 significant historic district.

26 SEC. 110. Section 66499.41 of the Government Code, as
27 amended by Section 23 of Chapter 7 of the Statutes of 2024, is
28 amended to read:

29 66499.41. (a) A local agency shall ministerially consider,
30 without discretionary review or a hearing, a parcel map or a
31 tentative and final map for a housing development project that
32 meets all of the following requirements:

33 (1) The proposed subdivision will result in 10 or fewer parcels
34 and the housing development project on the lot proposed to be
35 subdivided will contain 10 or fewer residential units.

36 (2) The lot proposed to be subdivided meets all of the following
37 sets of requirements:

38 (A) The lot is zoned for multifamily residential development.

(B) The lot is no larger than five acres and is substantially surrounded by qualified urban uses. For purposes of this subparagraph, the following definitions apply:

(i) “Qualified urban use” has the same meaning as defined in Section 21072 of the Public Resources Code.

(ii) “Substantially surrounded” has the same meaning as defined in paragraph (2) of subdivision (a) of Section 21159.25 of the Public Resources Code.

(C) The lot is a legal parcel located within either of the following:

(i) An incorporated city, the boundaries of which include some portion of an urbanized area.

(ii) An urbanized area or urban cluster in a county with a population greater than 600,000 based on the most recent United States Census Bureau data.

(iii) For purposes of this subparagraph, the following definitions apply:

(I) “Urbanized area” means an urbanized area designated by the United States Census Bureau, as published in the Federal Register, Volume 77, Number 59, on March 27, 2012.

(II) “Urban cluster” means an urbanized area designated by the United States Census Bureau, as published in the Federal Register, Volume 77, Number 59, on March 27, 2012.

(D) The lot was not established pursuant to this section or Section 66411.7.

(3) (A) Except as specified in subparagraph (B), the newly created parcels are no smaller than 600 square feet.

(B) A local agency may, by ordinance, adopt a smaller minimum parcel size subject to ministerial approval under this subdivision.

(4) The housing units on the lot proposed to be subdivided are one of the following:

(A) Constructed on fee simple ownership lots.

(B) Part of a common interest development.

(C) Part of a housing cooperative, as defined in Section 817 of the Civil Code.

(D) Owned by a community land trust. For the purpose of this subparagraph, “community land trust” means a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that satisfies all of the following:

1 (i) Has as its primary purposes the creation and maintenance of
2 permanently affordable single-family or multifamily residences.

3 (ii) All dwellings and units located on the land owned by the
4 nonprofit corporation are sold to qualified owners to be occupied
5 as the qualified owner's primary residence or rented to persons
6 and families of low or moderate income. For the purpose of this
7 subparagraph, "qualified owner" means a person or family of low
8 or moderate income, including a person or family of low or
9 moderate income who owns a dwelling or unit collectively as a
10 member occupant or resident shareholder of a limited-equity
11 housing cooperative.

12 (iii) The land owned by the nonprofit corporation, on which a
13 dwelling or unit sold to a qualified owner is situated, is leased by
14 the nonprofit corporation to the qualified owner for the convenient
15 occupation and use of that dwelling or unit for a renewable term
16 of 99 years.

17 (5) The proposed development will, pursuant to the requirements
18 of this division, meet one of the following, as applicable:

19 (A) If the parcel is identified in the jurisdiction's housing
20 element for the current planning period that is in substantial
21 compliance with Article 10.6 (commencing with Section 65580)
22 of Chapter 3 of Division 1, the development will result in at least
23 as many units as projected for that parcel in the housing element.
24 If the parcel is identified to accommodate any portion of the
25 jurisdiction's share of the regional housing need for low- or very
26 low income households, the development will result in at least as
27 many low- or very low income units as projected in the housing
28 element. These units shall be subject to a recorded affordability
29 restriction of at least 45 years.

30 (B) If the parcel is not identified in the jurisdiction's housing
31 element for the current planning period that is in substantial
32 compliance with Article 10.6 (commencing with Section 65580)
33 of Chapter 3 of Division 1, the development will result in at least
34 as many units as the maximum allowable residential density.

35 (6) The average total area of floorspace for the proposed housing
36 units on the lot proposed to be subdivided does not exceed 1,750
37 net habitable square feet.

38 (7) The housing development project on the lot proposed to be
39 subdivided complies with any local inclusionary housing
40 ordinances adopted by the local agency.

1 (8) The development of a housing development project on the
2 lot proposed to be subdivided does not require the demolition or
3 alteration of any of the following types of housing:

4 (A) Housing that is subject to a recorded covenant, ordinance,
5 or law that restricts rent to levels affordable to persons and families
6 of low, very low, or extremely low income.

7 (B) Housing that is subject to any form of rent or price control
8 through a local public entity's valid exercise of its police power.

9 (C) Housing occupied by tenants within the five years preceding
10 the date of the application, including housing that has been
11 demolished or that tenants have vacated prior to the submission
12 of the application for a development permit.

13 (D) A parcel on which an owner of residential real property has
14 exercised the owner's rights under Chapter 12.75 (commencing
15 with Section 7060) of Division 7 of Title 1 to withdraw
16 accommodations from rent or lease within 15 years before the date
17 that the development proponent submits an application.

18 (9) The lot proposed to be subdivided is not located on a site
19 that is any of the following:

20 (A) Either prime farmland or farmland of statewide importance,
21 as defined pursuant to United States Department of Agriculture
22 land inventory and monitoring criteria, as modified for California,
23 and designated on the maps prepared by the Farmland Mapping
24 and Monitoring Program of the Department of Conservation, or
25 land zoned or designated for agricultural protection or preservation
26 by a local ballot measure that was approved by the voters of that
27 jurisdiction.

28 (B) Wetlands, as defined in the United States Fish and Wildlife
29 Service Manual, Part 660 FW 2 (June 21, 1993).

30 (C) Within a very high fire hazard severity zone, as determined
31 by the Department of Forestry and Fire Protection pursuant to
32 Section 51178, or within a high or very high fire hazard severity
33 zone as indicated on maps adopted by the Department of Forestry
34 and Fire Protection pursuant to Section 4202 of the Public
35 Resources Code.

36 (D) A hazardous waste site that is listed pursuant to Section
37 65962.5 or a hazardous waste site designated by the Department
38 of Toxic Substances Control pursuant to Section 25356 of the
39 Health and Safety Code, unless either of the following apply:

1 (i) The site is an underground storage tank site that received a
2 uniform closure letter issued pursuant to subdivision (g) of Section
3 25296.10 of the Health and Safety Code based on closure criteria
4 established by the State Water Resources Control Board for
5 residential use or residential mixed uses. This section does not
6 alter or change the conditions to remove a site from the list of
7 hazardous waste sites listed pursuant to Section 65962.5.

8 (ii) The State Department of Public Health, State Water
9 Resources Control Board, Department of Toxic Substances Control,
10 or a local agency making a determination pursuant to subdivision
11 (c) of Section 25296.10 of the Health and Safety Code, has
12 otherwise determined that the site is suitable for residential use or
13 residential mixed uses.

14 (E) Within a delineated earthquake fault zone as determined by
15 the State Geologist in any official maps published by the State
16 Geologist, unless the development complies with applicable seismic
17 protection building code standards adopted by the California
18 Building Standards Commission under the California Building
19 Standards Law (Part 2.5 (commencing with Section 18901) of
20 Division 13 of the Health and Safety Code), and by any local
21 building department under Chapter 12.2 (commencing with Section
22 8875) of Division 1 of Title 2.

23 (F) Within a special flood hazard area subject to inundation by
24 the 1-percent annual chance flood (100-year flood) as determined
25 by the Federal Emergency Management Agency in any official
26 maps published by the Federal Emergency Management Agency.
27 If a development proponent is able to satisfy all applicable federal
28 qualifying criteria in order to provide that the site satisfies this
29 paragraph and is otherwise eligible for streamlined approval under
30 this section, a local government shall not deny the application on
31 the basis that the development proponent did not comply with any
32 additional permit requirement, standard, or action adopted by that
33 local government that is applicable to that site. A development
34 may be located on a site described in this subparagraph if either
35 of the following ~~are~~ is met:

36 (i) The site has been subject to a Letter of Map Revision
37 prepared by the Federal Emergency Management Agency and
38 issued to the local jurisdiction.

39 (ii) The site meets Federal Emergency Management Agency
40 requirements necessary to meet minimum flood plain management

1 criteria of the National Flood Insurance Program pursuant to Part
2 59 (commencing with Section 59.1) and Part 60 (commencing
3 with Section 60.1) of Subchapter B of Chapter I of Title 44 of the
4 Code of Federal Regulations.

5 (G) Within a regulatory floodway as determined by the Federal
6 Emergency Management Agency in any official maps published
7 by the Federal Emergency Management Agency, unless the
8 development has received a no-rise certification in accordance
9 with Section 60.3(d)(3) of Title 44 of the Code of Federal
10 Regulations. If a development proponent is able to satisfy all
11 applicable federal qualifying criteria in order to provide that the
12 site satisfies this subparagraph and is otherwise eligible for
13 streamlined approval under this section, a local government shall
14 not deny the application on the basis that the development
15 proponent did not comply with any additional permit requirement,
16 standard, or action adopted by that local government that is
17 applicable to that site.

18 (H) Land identified for conservation in an adopted natural
19 community conservation plan pursuant to the Natural Community
20 Conservation Planning Act (Chapter 10 (commencing with Section
21 2800) of Division 3 of the Fish and Game Code), habitat
22 conservation plan pursuant to the federal Endangered Species Act
23 of 1973 (16 U.S.C. Sec. 1531 et seq.), or another adopted natural
24 resource protection plan.

25 (I) Habitat for protected species identified as candidate,
26 sensitive, or species of special status by state or federal agencies,
27 fully protected species, or species protected by the federal
28 Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.),
29 the California Endangered Species Act (Chapter 1.5 (commencing
30 with Section 2050) of Division 3 of the Fish and Game Code), or
31 the Native Plant Protection Act (Chapter 10 (commencing with
32 Section 1900) of Division 2 of the Fish and Game Code).

33 (J) Land under conservation easement.

34 (10) The proposed subdivision conforms to all applicable
35 objective requirements of the Subdivision Map Act (Division 2
36 (commencing with Section 66410)), except as otherwise expressly
37 provided in this section.

38 (11) The proposed subdivision complies with all applicable
39 standards established pursuant to Section 65852.28.

1 (12) Any parcels proposed to be created pursuant to this section
2 will be served by a public water system and a municipal sewer
3 system.

4 (b) A housing development project on a proposed site to be
5 subdivided pursuant to this section is not required to comply with
6 any of the following requirements:

7 (1) A minimum requirement on the size, width, depth, or
8 dimensions of an individual parcel created by the development
9 beyond the minimum parcel size specified in, or established
10 pursuant to, paragraph (3) of subdivision (a).

11 (2) (A) The formation of a homeowners' association, except
12 as required by the Davis-Stirling Common Interest Development
13 Act (Part 5 (commencing with Section 4000) of Division 4 of the
14 Civil Code).

15 (B) Subparagraph (A) shall not be construed to prohibit a local
16 agency from requiring a mechanism for the maintenance of
17 common space within the subdivision, including, but not limited
18 to, a road maintenance agreement.

19 (c) A local agency shall approve or deny an application for a
20 parcel map or a tentative map for a housing development project
21 submitted to a local agency pursuant to this section within 60 days
22 from the date the local agency receives a completed application.
23 If the local agency does not approve or deny a completed
24 application within 60 days, the application shall be deemed
25 approved. If the local agency denies the application, the local
26 agency shall, within 60 days from the date the local agency receives
27 the completed application, return in writing a full set of comments
28 to the applicant with a list of items that are defective or deficient
29 and a description of how the applicant can remedy the application.

30 (d) Any housing development project constructed on the lot
31 proposed to be subdivided pursuant to this section shall comply
32 with all applicable objective zoning standards, objective
33 subdivision standards, and objective design standards as established
34 by the local agency that are not inconsistent with this section and
35 paragraph (2) of subdivision (a) of Section 65852.28.

36 (e) A local agency may condition the approval and recordation
37 of a subdivision map upon the completion of a residential structure
38 in compliance with all applicable provisions of the California
39 Building Standards Code that contains at least one dwelling unit
40 on each resulting parcel that does not already contain an existing

1 legally permitted residential structure or is reserved for internal
2 circulation, open space, or common area.

3 (f) A local agency may deny the issuance of a parcel map, a
4 tentative map, or a final map if it makes a written finding, based
5 upon a preponderance of the evidence, that the proposed housing
6 development project would have a specific, adverse impact, as
7 defined and determined in paragraph (2) of subdivision (d) of
8 Section 65589.5, upon public health and safety and for which there
9 is no feasible method to satisfactorily mitigate or avoid the specific,
10 adverse impact.

11 (g) Notwithstanding Article 2 (commencing with Section 66314)
12 or Article 3 (commencing with Section 66333) of Chapter 13 of
13 Division 1, a local agency is not required to permit an accessory
14 dwelling unit or a junior accessory dwelling unit on parcels created
15 through the exercise of the authority contained within this section.

16 (h) (1) Notwithstanding Section 66411.7, a local agency is not
17 required to permit an urban lot split on a parcel created through
18 the exercise of the authority contained within this section.

19 (2) Notwithstanding Sections 65852.21 and 66411.7, those
20 sections shall not apply to a site that ~~meet~~ *meets* both of the
21 following requirements:

22 (A) The site is located within a single-family residential
23 horsekeeping zone designated in a master plan, adopted before
24 January 1, 1994, that regulates land zoned single-family
25 horsekeeping, commercial, commercial-recreational, and existing
26 industrial within the plan area.

27 (B) The applicable local government has an adopted housing
28 element that is compliant with applicable law.

29 (i) A local agency may adopt an ordinance to implement the
30 provisions of this section. An ordinance adopted to implement this
31 section shall not be considered a project under Division 13
32 (commencing with Section 21000) of the Public Resources Code.

33 (j) Paragraph (2) of subdivision (h) shall become operative on
34 January 1, 2024. Subdivisions (a) to (g), inclusive, paragraph (1)
35 of subdivision (h), and subdivision (i) shall become operative on
36 July 1, 2024.

37 SEC. 111. Section 66499.41 of the Government Code, as
38 amended by Section 3 of Chapter 294 of the Statutes of 2024, is
39 amended to read:

1 66499.41. (a) A local agency shall ministerially consider,
2 without discretionary review or a hearing, a parcel map or a
3 tentative and final map for a housing development project that
4 meets all of the following requirements:

5 (1) The proposed subdivision will result in 10 or fewer parcels
6 and the housing development project on the lot proposed to be
7 subdivided will contain 10 or fewer residential units, except as
8 provided in subdivision (g).

9 (2) The lot proposed to be subdivided meets all of the following
10 sets of requirements:

11 (A) The lot is one of the following:

12 (i) Zoned to allow multifamily residential dwelling use.

13 (ii) Vacant and zoned for single-family residential development.
14 For purposes of this paragraph, “vacant” means having no
15 permanent structure, unless the permanent structure is abandoned
16 and uninhabitable. All of the following types of housing shall not
17 be defined as “vacant”:

18 (I) Housing that is subject to a recorded covenant, ordinance,
19 or law that restricts rent or sales price to levels affordable to
20 persons and families of low, very low, or extremely low income.

21 (II) Housing that is subject to any form of rent or sales price
22 control through a local public entity’s valid exercise of its police
23 power.

24 (III) Housing occupied by tenants within the five years preceding
25 the date of the application, including housing that has been
26 demolished or that tenants have vacated prior to the submission
27 of the application for a development permit.

28 (B) (i) A lot zoned to allow multifamily residential dwelling
29 use is no larger than five acres and is substantially surrounded by
30 qualified urban uses.

31 (ii) A vacant lot zoned for single-family residential development
32 is no larger than one and one-half acres and is substantially
33 surrounded by qualified urban uses.

34 (iii) For purposes of this subparagraph, the following definitions
35 apply:

36 (I) “Qualified urban use” has the same meaning as defined in
37 Section 21072 of the Public Resources Code.

38 (II) “Substantially surrounded” has the same meaning as defined
39 in paragraph (2) of subdivision (a) of Section 21159.25 of the
40 Public Resources Code.

1 (C) The lot is a legal parcel located within one of the following:

2 (i) An incorporated city, the boundaries of which include some
3 portion of an urbanized area.

4 (ii) An urbanized area or urban cluster in a county with a
5 population greater than 600,000 based on the most recent United
6 States Census Bureau data.

7 (iii) For purposes of this subparagraph, the following definitions
8 apply:

9 (I) “Urbanized area” means an urbanized area designated by
10 the United States Census Bureau, as published in the Federal
11 Register, Volume 77, Number 59, on March 27, 2012.

12 (II) “Urban cluster” means an urbanized area designated by the
13 United States Census Bureau, as published in the Federal Register,
14 Volume 77, Number 59, on March 27, 2012.

15 (D) The lot was not established pursuant to this section or
16 Section 66411.7.

17 (3) (A) Except as specified in subparagraphs (B) and (C), the
18 newly created parcels are no smaller than 600 square feet.

19 (B) If the parcels are zoned for single-family residential use,
20 the newly created parcels are no smaller than 1,200 square feet.

21 (C) A local agency may, by ordinance, adopt a smaller minimum
22 parcel size subject to ministerial approval under this subdivision.

23 (4) The housing units on the lot proposed to be subdivided are
24 one of the following:

25 (A) Constructed on fee simple ownership lots.

26 (B) Part of a common interest development.

27 (C) Part of a housing cooperative, as defined in Section 817 of
28 the Civil Code.

29 (D) Constructed on land owned by a community land trust. For
30 the purpose of this subparagraph, “community land trust” means
31 a nonprofit corporation organized pursuant to Section 501(c)(3)
32 of the Internal Revenue Code that satisfies all of the following:

33 (i) Has as its primary purposes the creation and maintenance of
34 permanently affordable single-family or multifamily residences.

35 (ii) All dwellings and units located on the land owned by the
36 nonprofit corporation are sold to qualified owners to be occupied
37 as the qualified owner’s primary residence or rented to persons
38 and families of low or moderate income. For the purpose of this
39 subparagraph, “qualified owner” means a person or family of low
40 or moderate income, including a person or family of low or

1 moderate income who owns a dwelling or unit collectively as a
2 member occupant or resident shareholder of a limited-equity
3 housing cooperative.

4 (iii) The land owned by the nonprofit corporation, on which a
5 dwelling or unit sold to a qualified owner is situated, is leased by
6 the nonprofit corporation to the qualified owner for the convenient
7 occupation and use of that dwelling or unit for a renewable term
8 of 99 years.

9 (E) Part of a tenancy in common, as described in Section 685
10 of the Civil Code.

11 (5) The proposed development will, pursuant to the requirements
12 of this division, meet one of the following, as applicable:

13 (A) If the parcel is identified in the jurisdiction's housing
14 element for the current planning period that is in substantial
15 compliance with Article 10.6 (commencing with Section 65580)
16 of Chapter 3 of Division 1, the development will result in at least
17 as many units as projected for that parcel in the housing element.
18 If the parcel is identified to accommodate any portion of the
19 jurisdiction's share of the regional housing need for low- or very
20 low income households, the development will result in at least as
21 many low- or very low income units as projected in the housing
22 element. These units shall be subject to a recorded affordability
23 restriction of at least 45 years.

24 (B) (i) If the parcel is not identified in the jurisdiction's housing
25 element for the current planning period that is in substantial
26 compliance with Article 10.6 (commencing with Section 65580)
27 of Chapter 3 of Division 1, the development will result in at least
28 66 percent of the maximum allowable residential density as
29 specified by local zoning or 66 percent of the applicable residential
30 density specified in subparagraph (B) of paragraph (3) of
31 subdivision (c) of Section 65583.2, whichever is greater.

32 (ii) Where local zoning does not specify a maximum allowable
33 residential density, the development will result in at least 66 percent
34 of the applicable residential density as specified in subparagraph
35 (B) of paragraph (3) of subdivision (c) of Section 65583.2.

36 (6) The average total area of floorspace for the proposed housing
37 units on the lot proposed to be subdivided does not exceed 1,750
38 net habitable square feet. For purposes of this paragraph, "net
39 habitable square feet" means the finished and heated floor area
40 fully enclosed by the inside surface of walls, windows, doors, and

1 partitions, and having a headroom of at least six and one-half feet,
2 including working, living, eating, cooking, sleeping, stair, hall,
3 service, and storage areas, but excluding garages, carports, parking
4 spaces, cellars, half-stories, and unfinished attics and basements.

5 (7) The housing development project on the lot proposed to be
6 subdivided complies with any local inclusionary housing
7 ordinances adopted by the local agency.

8 (8) The development of a housing development project on the
9 lot proposed to be subdivided does not require the demolition or
10 alteration of any of the following types of housing:

11 (A) Housing that is subject to a recorded covenant, ordinance,
12 or law that restricts rent to levels affordable to persons and families
13 of low, very low, or extremely low income.

14 (B) Housing that is subject to any form of rent or price control
15 through a local public entity's valid exercise of its police power.

16 (C) Housing occupied by tenants within the five years preceding
17 the date of the application, including housing that has been
18 demolished or that tenants have vacated prior to the submission
19 of the application for a development permit.

20 (D) A parcel on which an owner of residential real property has
21 exercised the owner's rights under Chapter 12.75 (commencing
22 with Section 7060) of Division 7 of Title 1 to withdraw
23 accommodations from rent or lease within 15 years before the date
24 that the development proponent submits an application.

25 (9) The lot proposed to be subdivided is not located on a site
26 that is any of the following:

27 (A) Either prime farmland or farmland of statewide importance,
28 as defined pursuant to United States Department of Agriculture
29 land inventory and monitoring criteria, as modified for California,
30 and designated on the maps prepared by the Farmland Mapping
31 and Monitoring Program of the Department of Conservation, or
32 land zoned or designated for agricultural protection or preservation
33 by a local ballot measure that was approved by the voters of that
34 jurisdiction.

35 (B) Wetlands, as defined in the United States Fish and Wildlife
36 Service Manual, Part 660 FW 2 (June 21, 1993).

37 (C) Within a very high fire hazard severity zone, as determined
38 by the Department of Forestry and Fire Protection pursuant to
39 Section 51178, or within a high or very high fire hazard severity
40 zone as indicated on maps adopted by the Department of Forestry

1 and Fire Protection pursuant to Section 4202 of the Public
2 Resources Code.

3 (D) A hazardous waste site that is listed pursuant to Section
4 65962.5 or a hazardous waste site designated by the Department
5 of Toxic Substances Control pursuant to former Section 25356 of
6 the Health and Safety Code, unless either of the following applies:

7 (i) The site is an underground storage tank site that received a
8 uniform closure letter issued pursuant to subdivision (g) of Section
9 25296.10 of the Health and Safety Code based on closure criteria
10 established by the State Water Resources Control Board for
11 residential use or residential mixed uses. This section does not
12 alter or change the conditions to remove a site from the list of
13 hazardous waste sites listed pursuant to Section 65962.5.

14 (ii) The State Department of Public Health, State Water
15 Resources Control Board, Department of Toxic Substances Control,
16 or a local agency making a determination pursuant to subdivision
17 (c) of Section 25296.10 of the Health and Safety Code, has
18 otherwise determined that the site is suitable for residential use or
19 residential mixed uses.

20 (E) Within a delineated earthquake fault zone as determined by
21 the State Geologist in any official maps published by the State
22 Geologist, unless the development complies with applicable seismic
23 protection building code standards adopted by the California
24 Building Standards Commission under the California Building
25 Standards Law (Part 2.5 (commencing with Section 18901) of
26 Division 13 of the Health and Safety Code), and by any local
27 building department under Chapter 12.2 (commencing with Section
28 8875) of Division 1 of Title 2.

29 (F) Within a special flood hazard area subject to inundation by
30 the 1-percent annual chance flood (100-year flood) as determined
31 by the Federal Emergency Management Agency in any official
32 maps published by the Federal Emergency Management Agency.
33 If a development proponent is able to satisfy all applicable federal
34 qualifying criteria in order to provide that the site satisfies this
35 paragraph and is otherwise eligible for streamlined approval under
36 this section, a local government shall not deny the application on
37 the basis that the development proponent did not comply with any
38 additional permit requirement, standard, or action adopted by that
39 local government that is applicable to that site. A development

1 may be located on a site described in this subparagraph if either
2 of the following is met:

3 (i) The site has been subject to a Letter of Map Revision
4 prepared by the Federal Emergency Management Agency and
5 issued to the local jurisdiction.

6 (ii) The site meets Federal Emergency Management Agency
7 requirements necessary to meet minimum flood plain management
8 criteria of the National Flood Insurance Program pursuant to Part
9 59 (commencing with Section 59.1) and Part 60 (commencing
10 with Section 60.1) of Subchapter B of Chapter I of Title 44 of the
11 Code of Federal Regulations.

12 (G) Within a regulatory floodway as determined by the Federal
13 Emergency Management Agency in any official maps published
14 by the Federal Emergency Management Agency, unless the
15 development has received a no-rise certification in accordance
16 with Section 60.3(d)(3) of Title 44 of the Code of Federal
17 Regulations. If a development proponent is able to satisfy all
18 applicable federal qualifying criteria in order to provide that the
19 site satisfies this subparagraph and is otherwise eligible for
20 streamlined approval under this section, a local government shall
21 not deny the application on the basis that the development
22 proponent did not comply with any additional permit requirement,
23 standard, or action adopted by that local government that is
24 applicable to that site.

25 (H) Land identified for conservation in an adopted natural
26 community conservation plan pursuant to the Natural Community
27 Conservation Planning Act (Chapter 10 (commencing with Section
28 2800) of Division 3 of the Fish and Game Code), habitat
29 conservation plan pursuant to the federal Endangered Species Act
30 of 1973 (16 U.S.C. Sec. 1531 et seq.), or another adopted natural
31 resource protection plan.

32 (I) Habitat for protected species identified as candidate,
33 sensitive, or species of special status by state or federal agencies,
34 fully protected species, or species protected by the federal
35 Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.),
36 the California Endangered Species Act (Chapter 1.5 (commencing
37 with Section 2050) of Division 3 of the Fish and Game Code), or
38 the Native Plant Protection Act (Chapter 10 (commencing with
39 Section 1900) of Division 2 of the Fish and Game Code).

40 (J) Land under conservation easement.

1 (10) The proposed subdivision conforms to all applicable
2 objective requirements of the Subdivision Map Act (Division 2
3 (commencing with Section 66410)), except as otherwise expressly
4 provided in this section.

5 (11) The proposed subdivision complies with all applicable
6 standards established pursuant to Section 65852.28.

7 (12) Any parcels proposed to be created pursuant to this section
8 will be served by a public water system and a municipal sewer
9 system.

10 (13) The proposed subdivision will not result in any existing
11 dwelling unit being alienable separate from the title to any other
12 existing dwelling unit on the lot.

13 (b) A housing development project on a proposed site to be
14 subdivided pursuant to this section is not required to comply with
15 either of the following requirements:

16 (1) A minimum requirement on the size, width, depth, frontage,
17 or dimensions of an individual parcel created by the development
18 beyond the minimum parcel size specified in, or established
19 pursuant to, paragraph (3) of subdivision (a).

20 (2) (A) The formation of a homeowners' association, except
21 as required by the Davis-Stirling Common Interest Development
22 Act (Part 5 (commencing with Section 4000) of Division 4 of the
23 Civil Code).

24 (B) Subparagraph (A) shall not be construed to prohibit a local
25 agency from requiring a mechanism for the maintenance of
26 common space within the subdivision, including, but not limited
27 to, a road maintenance agreement.

28 (c) A local agency shall approve or deny an application for a
29 parcel map or a tentative map for a housing development project
30 submitted to a local agency pursuant to this section within 60 days
31 from the date the local agency receives a completed application.
32 If the local agency does not approve or deny a completed
33 application within 60 days, the application shall be deemed
34 approved. If the local agency denies the application, the local
35 agency shall, within 60 days from the date the local agency receives
36 the completed application, return in writing a full set of comments
37 to the applicant with a list of items that are defective or deficient
38 and a description of how the applicant can remedy the application.

39 (d) Any housing development project constructed on the lot
40 proposed to be subdivided pursuant to this section shall comply

1 with all applicable objective zoning standards, objective
2 subdivision standards, and objective design standards as established
3 by the local agency that are not inconsistent with this section and
4 paragraph (2) of subdivision (a) of Section 65852.28.

5 (e) A local agency may condition the approval and recordation
6 of a subdivision map upon the completion of a residential structure
7 in compliance with all applicable provisions of the California
8 Building Standards Code that contains at least one dwelling unit
9 on each resulting parcel that does not already contain an existing
10 legally permitted residential structure or is reserved for internal
11 circulation, open space, or common area.

12 (f) A local agency may deny the issuance of a parcel map, a
13 tentative map, or a final map if it makes a written finding, based
14 upon a preponderance of the evidence, that the proposed housing
15 development project would have a specific, adverse impact, as
16 defined and determined in paragraph (2) of subdivision (d) of
17 Section 65589.5, upon public health and safety and for which there
18 is no feasible method to satisfactorily mitigate or avoid the specific,
19 adverse impact.

20 (g) Notwithstanding Article 2 (commencing with Section 66314)
21 or Article 3 (commencing with Section 66333) of Chapter 13 of
22 Division 1, a local agency is not required to permit an accessory
23 dwelling unit or a junior accessory dwelling unit on parcels created
24 through the exercise of the authority contained within this section.
25 If a local agency chooses to permit accessory dwelling units or
26 junior accessory dwelling units, the units shall not count as
27 residential units for the purposes of paragraph (1) of subdivision
28 (a).

29 (h) (1) Notwithstanding Section 66411.7, a local agency is not
30 required to permit an urban lot split on a parcel created through
31 the exercise of the authority contained within this section.

32 (2) Notwithstanding Sections 65852.21 and 66411.7, those
33 sections shall not apply to a site that ~~meet~~ *meets* both of the
34 following requirements:

35 (A) The site is located within a single-family residential
36 horsekeeping zone designated in a master plan, adopted before
37 January 1, 1994, that regulates land zoned single-family
38 horsekeeping, commercial, commercial-recreational, and existing
39 industrial within the plan area.

1 (B) The applicable local government has an adopted housing
2 element that is compliant with applicable law.

3 (i) A local agency may adopt an ordinance to implement the
4 provisions of this section. An ordinance adopted to implement this
5 section shall not be considered a project under Division 13
6 (commencing with Section 21000) of the Public Resources Code.

7 (j) Paragraph (2) of subdivision (h) shall become operative on
8 January 1, 2024. Subdivisions (a) to (g), inclusive, paragraph (1)
9 of subdivision (h), and subdivision (i) shall become operative on
10 July 1, 2024.

11 (k) The amendments made to this section by the act adding this
12 subdivision shall become operative on July 1, 2025.

13 SEC. 112. The heading of Title 8.5 of the Government Code
14 is repealed.

15
16 ~~TITLE 8.5. LOCAL PENALTIES~~

17
18 SEC. 113. Section 89517.5 of the Government Code is amended
19 to read:

20 89517.5. (a) (1) For purposes of this section, “security
21 expenses” include all of the following:

22 (A) The reasonable costs of installing and monitoring a home
23 or office electronic security *system* for a candidate, elected officer,
24 or the immediate family or staff of a candidate or elected officer.

25 (B) The reasonable costs of providing personal security to a
26 candidate, elected officer, or the immediate family or staff of a
27 candidate or elected officer.

28 (C) Any other tangible item related to security for a candidate,
29 elected officer, or the immediate family or staff of a candidate or
30 elected officer.

31 (2) “Security expenses” do not include either of the following:

32 (A) Payments to a relative, within the third degree of
33 consanguinity, of a candidate or elected officer.

34 (B) Payments for a firearm.

35 (b) (1) Notwithstanding Section 89517, campaign funds may
36 be used to pay, or reimburse the state, for security expenses to
37 protect a candidate, an elected officer, or the immediate family or
38 staff of a candidate or elected officer, provided that the threat or
39 potential threat to safety arises from the candidate’s or elected

1 officer's activities, duties, or status as a candidate or elected officer
2 or from staff's position as staff of the candidate or elected officer.

3 (2) Expenditures of campaign funds pursuant to this section
4 shall be limited to a lifetime maximum of ten thousand dollars
5 (\$10,000) for a person who is a candidate or elected officer. This
6 lifetime maximum shall apply regardless of whether the person is
7 a candidate or an elected officer for multiple offices.

8 (c) (1) If a committee uses campaign funds to pay, or reimburse
9 the state, for the costs of installing a home or office electronic
10 security system or for any other tangible item related to security,
11 either the security system or other item shall be returned to the
12 committee or reimbursement for the security system or other item
13 shall be made to the campaign fund account of the committee that
14 paid for the security system or other item, pursuant to the
15 requirements of paragraphs (2) and (3).

16 (2) (A) Except as provided in subparagraph (B), return or
17 reimbursement is due within one year of when the elected officer
18 leaves the office for which the security system or other tangible
19 item related to security was purchased or when the candidate is
20 no longer a candidate for the office for which the security system
21 or other item was purchased, or, if applicable, upon sale of the
22 property on which the security system is installed, whichever
23 occurs sooner.

24 (B) If there is a continuing threat to the physical safety of the
25 candidate or elected officer, the threat arises from the candidate's
26 or elected officer's activities, duties, or status as a candidate or
27 elected officer, and the threat has been reported to and verified by
28 an appropriate law enforcement agency, return or reimbursement
29 is due within one year of when the threat verified by the law
30 enforcement agency ceases, or, if applicable, upon sale of the
31 property on which the security system is installed, whichever
32 occurs sooner.

33 (3) The amount of the reimbursement shall be the fair market
34 value of the security system or other tangible item related to
35 security at the time that reimbursement is paid or due pursuant to
36 paragraph (2), whichever occurs sooner. For a security system
37 installed at the home or office of, or for an item purchased for, a
38 candidate or elected officer, the candidate or elected officer shall
39 pay the reimbursement. For a security system installed at the home
40 or office of, or for an item purchased for, immediate family or

1 staff, either the candidate or elected officer, or the immediate
2 family or staff, shall pay the reimbursement.

3 (d) The immediate family or staff of the candidate or elected
4 officer shall not be personally liable for reimbursement for
5 expenditures for security expenses pursuant to this section.

6 (e) (1) The candidate or elected officer shall report an
7 expenditure pursuant to subdivision (b) and a reimbursement
8 pursuant to subdivision (c) on the candidate's or elected officer's
9 campaign statement filed pursuant to Article 2 (commencing with
10 Section 84200) of Chapter 4.

11 (2) With each report described in paragraph (1), the candidate
12 or elected officer shall also submit a form to the Commission, in
13 a manner prescribed by the Commission and signed under penalty
14 of perjury, that describes and verifies the threat or potential threat
15 to the candidate or elected officer, or to their immediate family or
16 staff, that arose from the candidate's or elected officer's activities,
17 duties, or status as a candidate or elected officer and that
18 necessitated the expenditure or reimbursement.

19 (3) As part of the recordkeeping requirements in Section 84104,
20 the candidate or elected officer shall maintain detailed accounts,
21 records, bills, and receipts relating to an expenditure or
22 reimbursement described in paragraph (1), including records
23 providing evidence of the threat or potential threat to safety that
24 gave rise to the need for the expenditure.

25 SEC. 114. Section 1317.2a of the Health and Safety Code is
26 amended to read:

27 1317.2a. (a) A hospital that has a legal obligation, whether
28 imposed by statute or by contract, to the extent of that contractual
29 obligation, to any third-party ~~payor~~, *payer*, including, but not
30 limited to, a health maintenance organization, health care service
31 plan, nonprofit hospital service plan, insurer, or preferred provider
32 organization, a county, or an employer to provide care for a patient
33 under the circumstances specified in Section 1317.2 shall receive
34 that patient to the extent required by the applicable statute or by
35 the terms of the contract, or, when the hospital is unable to accept
36 a patient for whom it has a legal obligation to provide care whose
37 transfer will not create a medical hazard as specified in Section
38 1317.2, it shall make appropriate arrangements for the patient's
39 care.

1 (b) A county hospital shall accept a patient whose transfer will
2 not create a medical hazard as specified in Section 1317.2 and who
3 is determined by the county to be eligible to receive health care
4 services required under Part 5 (commencing with Section 17000)
5 of Division 9 of the Welfare and Institutions Code, unless the
6 hospital does not have appropriate bed capacity, medical personnel,
7 or equipment required to provide care to the patient in accordance
8 with accepted medical practice. When a county hospital is unable
9 to accept a patient whose transfer will not create a medical hazard
10 as specified in Section 1317.2, it shall make appropriate
11 arrangements for the patient's care. The obligation to make
12 appropriate arrangements as set forth in this subdivision does not
13 mandate a level of service or payment, modify the county's
14 obligations under Part 5 (commencing with Section 17000) of
15 Division 9 of the Welfare and Institutions Code, create a cause of
16 action, or limit a county's flexibility to manage county health
17 systems within available resources. However, the county's
18 flexibility shall not diminish a county's responsibilities under Part
19 5 (commencing with Section 17000) of Division 9 of the Welfare
20 and Institutions Code or the requirements contained in Chapter
21 2.5 (commencing with Section 1440).

22 (c) The receiving hospital shall provide personnel and equipment
23 reasonably required in the exercise of good medical practice for
24 the care of the transferred patient.

25 (d) Any third-party ~~payer~~, *payer*, including, but not limited to,
26 a health maintenance organization, health care service plan,
27 nonprofit hospital service plan, insurer, or preferred provider
28 organization, or employer that has a statutory or contractual
29 obligation to provide or indemnify emergency medical services
30 on behalf of a patient shall be liable, to the extent of the statutory
31 or contractual obligation to the patient, for the reasonable charges
32 of the transferring hospital and the treating physicians for the
33 emergency services provided pursuant to this article, except that
34 the patient shall be responsible for uncovered services, or any
35 deductible or copayment obligation. Notwithstanding this section,
36 the liability of a third-party ~~payer~~ *payer* that has contracted with
37 health care providers for the provision of these emergency services
38 shall be set by the terms of that contract. Notwithstanding this
39 section, the liability of a third-party ~~payer~~ *payer* that is licensed
40 by the Insurance Commissioner or the Director of the Department

1 of Managed Health Care and has a contractual obligation to provide
2 or indemnify emergency medical services under a contract that
3 covers a subscriber or an enrollee shall be determined in accordance
4 with the terms of that contract and shall remain under the sole
5 jurisdiction of that licensing agency.

6 (e) A hospital that has a legal obligation to provide care for a
7 patient as specified by subdivision (a) of Section 1317.2a to the
8 extent of its legal obligation, imposed by statute or by contract to
9 the extent of that contractual obligation, which does not accept
10 transfers of, or make other appropriate arrangements for, medically
11 stable patients in violation of this article or regulations adopted
12 pursuant thereto shall be liable for the reasonable charges of the
13 transferring hospital and treating physicians for providing services
14 and care that should have been provided by the receiving hospital.

15 (f) Subdivisions (d) and (e) do not apply to county obligations
16 under Section 17000 of the Welfare and Institutions Code.

17 (g) This section does not require a hospital to make arrangements
18 for the care of a patient for whom the hospital does not have a
19 legal obligation to provide care.

20 SEC. 115. Section 1343.3 of the Health and Safety Code is
21 amended to read:

22 1343.3. (a) The director, no later than May 1, 2021, may
23 authorize one pilot program in southern California whereby
24 providers approved by the department may undertake risk-bearing
25 arrangements with a voluntary employees' beneficiary association,
26 as defined in Section 501(c)(9) of Title 26 of the United States
27 Code or in Section 1349.2, notwithstanding paragraph (3) of
28 subdivision (a) of Section 1349.2, with enrollment of greater than
29 100,000 lives, beginning no earlier than January 1, 2022, to
30 December 31, 2027, inclusive, if all of the following criteria are
31 met:

32 (1) The purpose of the pilot program is to demonstrate the
33 control of costs for health care services and the improvement of
34 health outcomes and quality of service when compared against a
35 sole fee-for-service provider reimbursement model.

36 (2) The voluntary employees' beneficiary association has entered
37 into a contract with one or more health care providers under which
38 each provider agrees to accept risk-based or global risk payment
39 from the voluntary employees' beneficiary association.

1 (3) Each risk-bearing provider is registered as a risk-bearing
2 organization pursuant to Section 1375.4 and applicable department
3 regulations if the provider accepts professional capitation and is
4 delegated the responsibility for the processing and payment of
5 claims.

6 (4) Each global risk-bearing provider holds or will obtain in
7 conjunction with the pilot program application a limited or
8 restricted license pursuant to Section 1349 or 1351, or Section
9 1300.49 of Title 28 of the California Code of Regulations.

10 (5) Each risk-bearing provider continues to comply with
11 applicable financial solvency standards and audit requirements
12 under this chapter, including, but not limited to, financial reporting
13 on a quarterly basis, during the term of the pilot program.

14 (6) The voluntary employees' beneficiary association shall be
15 responsible for providing all of the following:

16 (A) Basic health care services.

17 (B) Prescription drug benefits.

18 (C) Continuity of care.

19 (D) Standards for network adequacy and timely access to care,
20 including, but not limited to, access to specialty care.

21 (E) Language assistance programs.

22 (F) A process for filing and resolving consumer grievances and
23 appeals, including, but not limited to, independent medical review.

24 (G) Prohibitions against deceptive marketing.

25 (H) Member documents that include a description of the benefit
26 coverage, any applicable copays, how to access services, and how
27 to submit a grievance.

28 (I) Mechanisms for resolving provider disputes, including an
29 appeals process.

30 (7) The contract between the voluntary employees' beneficiary
31 association and each health care provider shall include all of the
32 following:

33 (A) Provisions dividing financial responsibility between the
34 parties and defining which party is financially responsible for
35 services rendered, including arrangements for member care should
36 a global or risk-bearing provider become insolvent.

37 (B) A delegation agreement.

38 (C) Requirements regarding utilization review or utilization
39 management.

1 (D) Provisions stating the risk-based organization, limited
2 licensee, or restricted licensee, as applicable, has the organizational
3 and administrative capacity to provide services to covered
4 employees, and that medical decisions are rendered by qualified
5 medical providers, unhindered by fiscal and administrative
6 management, including the disclosure of the percentage of risk
7 assumed in relation to its total risk-based business.

8 (E) Requirements regarding the submission of claims by
9 providers and the timely processing of provider claims, including
10 a guarantee that the voluntary employees' beneficiary association
11 will indemnify any outstanding unpaid provider claim in the event
12 of the insolvency of a participating provider to the pilot program.

13 (F) Require the health care provider to comply with the
14 voluntary employees' beneficiary association's requirements for
15 all of the following:

- 16 (i) Continuity of care.
- 17 (ii) Language assistance.
- 18 (iii) Consumer grievances and appeals, including, but not limited
19 to, independent medical review.

20 (8) The term of each contract between the voluntary employees'
21 beneficiary association and a health care provider does not exceed
22 the period of the pilot program.

23 (9) To participate in the pilot program, each voluntary
24 employees' beneficiary association shall submit to the department
25 an application consistent with paragraph (2) of subdivision (h).

26 (10) Each health care provider that has entered into a contract
27 with the voluntary employees' beneficiary association is a party
28 to the pilot program application submitted to the department. The
29 application shall include a copy of each contract between the
30 voluntary employees' beneficiary association and a participating
31 health care provider.

32 (11) (A) The voluntary employees' beneficiary association and
33 each health care provider participating in the pilot program agree
34 to collect and report to the department, in each year of the pilot
35 program, in a manner and frequency determined by the department,
36 information regarding the comparative cost savings when compared
37 to fee-for-service payment, performance measurements for clinical
38 patient outcomes, and enrollee satisfaction. The department may
39 require additional information be reported. Any additional reporting
40 requirements shall not be subject to the Administrative Procedure

1 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
2 Division 3 of Title 2 of the Government Code).

3 (B) The department may authorize a public or private agency
4 to receive the information specified in this paragraph and monitor
5 the pilot program under the data standard currently used by the
6 Integrated Healthcare Association's "Align. Measure. Perform."
7 (AMP) program and the California Regional Health Care Cost &
8 Quality Atlas.

9 (b) This section does not exempt a health care provider that
10 contracts with a voluntary employees' beneficiary association as
11 part of a pilot program authorized by subdivision (a) from the
12 financial solvency requirements of Section 1375.4 and related
13 department regulations, Section 1349 or 1351, or Section 1300.49
14 of Title 28 of the California Code of Regulations, as applicable,
15 or any other provision of this chapter required by the department
16 as part of the pilot program.

17 (c) Notwithstanding paragraph (3) of subdivision (a), this section
18 does not exempt a voluntary employees' beneficiary association
19 participating in a program authorized by subdivision (a) of Section
20 1349.2 from the requirement to reimburse providers on a
21 fee-for-service basis.

22 (d) The participating voluntary employees' beneficiary
23 association shall appoint an ombudsperson to monitor and respond
24 to any complaint lodged by a participating enrollee in the pilot
25 program. If the enrollee is not satisfied with the result, the
26 ombudsperson shall refer the enrollee to the department's grievance
27 and appeal process as established pursuant to Section 1368.
28 Determinations made by the department pursuant to the grievance
29 and appeal process shall be binding upon the voluntary ~~employee's~~
30 *employees'* beneficiary association.

31 (e) The participating voluntary employees' beneficiary
32 association shall report on a quarterly basis to the department any
33 complaint lodged by a participating enrollee in the pilot program,
34 along with a description of the response and resolution.

35 (f) The global and risk-bearing providers participating in a pilot
36 program authorized by subdivision (a) shall be approved by the
37 department. The department shall retain the right to disapprove
38 any pilot program application for any reason consistent with this
39 chapter, including, but not limited to, failure to demonstrate to the

1 department's satisfaction adequate enrollee protection and
2 compliance with all criteria and requirements in this section.

3 (g) The department, after the termination of the pilot program,
4 and before January 1, 2029, shall submit a report to the Legislature
5 regarding the costs and clinical patient outcomes of the pilot
6 program compared to fee-for-service payment models, including
7 data on enrollee satisfaction, consumer and provider grievances,
8 appeals, and independent medical reviews. The department may
9 authorize a public or private agency in subparagraph (B) of
10 paragraph (11) of subdivision (a) to prepare the report on behalf
11 of the department. This report shall be submitted in compliance
12 with Section 9795 of the Government Code.

13 (h) The pilot program participants shall reimburse the
14 department for reasonable regulatory costs of up to five hundred
15 thousand dollars (\$500,000) for all of the following:

16 (1) Commissioning the report described in subdivision (g).

17 (2) Developing an application process for the pilot program
18 described in this section.

19 (3) Monitoring compliance with this section.

20 (i) This section shall remain in effect only until January 1, 2030,
21 and as of that date is repealed.

22 SEC. 116. Section 1374.72 of the Health and Safety Code is
23 amended to read:

24 1374.72. (a) (1) Every health care service plan contract issued,
25 amended, or renewed on or after January 1, 2021, that provides
26 hospital, medical, or surgical coverage shall provide coverage for
27 medically necessary treatment of mental health and substance use
28 disorders, under the same terms and conditions applied to other
29 medical conditions as specified in subdivision (c).

30 (2) For purposes of this section, "mental health and substance
31 use disorders" means a mental health condition or substance use
32 disorder that falls under any of the diagnostic categories listed in
33 the mental and behavioral disorders chapter of the most recent
34 edition of the International Classification of Diseases or that is
35 listed in the most recent version of the Diagnostic and Statistical
36 Manual of Mental Disorders. Changes in terminology, organization,
37 or classification of mental health and substance use disorders in
38 future versions of the American Psychiatric Association's
39 Diagnostic and Statistical Manual of Mental Disorders or the World
40 Health Organization's International Statistical Classification of

1 Diseases and Related Health Problems shall not affect the
2 conditions covered by this section as long as a condition is
3 commonly understood to be a mental health or substance use
4 disorder by health care providers practicing in relevant clinical
5 specialties.

6 (3) (A) For purposes of this section, “medically necessary
7 treatment of a mental health or substance use disorder” means a
8 service or product addressing the specific needs of that patient, for
9 the purpose of preventing, diagnosing, or treating an illness, injury,
10 condition, or its symptoms, including minimizing the progression
11 of that illness, injury, condition, or its symptoms, in a manner that
12 is all of the following:

13 (i) In accordance with the generally accepted standards of mental
14 health and substance use disorder care.

15 (ii) Clinically appropriate in terms of type, frequency, extent,
16 site, and duration.

17 (iii) Not primarily for the economic benefit of the health care
18 service plan and subscribers or for the convenience of the patient,
19 treating physician, or other health care provider.

20 (B) This paragraph does not limit in any way the independent
21 medical review rights of an enrollee or subscriber under this
22 chapter.

23 (4) For purposes of this section, “health care provider” means
24 any of the following:

25 (A) A person who is licensed under Division 2 (commencing
26 with Section 500) of the Business and Professions Code.

27 (B) An associate marriage and family therapist or marriage and
28 family therapist trainee functioning pursuant to Section 4980.43.3
29 of the Business and Professions Code.

30 (C) A qualified autism service provider or qualified autism
31 service professional certified by a national entity pursuant to
32 Section 10144.51 of the Insurance Code and Section 1374.73.

33 (D) An associate clinical social worker functioning pursuant to
34 Section 4996.23.2 of the Business and Professions Code.

35 (E) An associate professional clinical counselor or professional
36 clinical counselor trainee functioning pursuant to Section 4999.46.3
37 of the Business and Professions Code.

38 ~~(F) A registered psychologist, as described in Section 2909.5~~
39 ~~of the Business and Professions Code.~~

40 (G)

1 (F) A registered psychological associate, as described in Section
2 2913 of the Business and Professions Code.

3 (H)

4 (G) A psychology trainee or person supervised as set forth in
5 Section 2910 or 2911 of, or subdivision (d) of Section 2914 of,
6 the Business and Professions Code.

7 (5) For purposes of this section, “generally accepted standards
8 of mental health and substance use disorder care” has the same
9 meaning as defined in paragraph (1) of subdivision (f) of Section
10 1374.721.

11 (6) A health care service plan shall not limit benefits or coverage
12 for mental health and substance use disorders to short-term or acute
13 treatment.

14 (7) All medical necessity determinations by the health care
15 service plan concerning service intensity, level of care placement,
16 continued stay, and transfer or discharge of enrollees diagnosed
17 with mental health and substance use disorders shall be conducted
18 in accordance with the requirements of Section 1374.721. This
19 paragraph does not deprive an enrollee of the other protections of
20 this chapter, including, but not limited to, grievances, appeals,
21 independent medical review, discharge, transfer, and continuity
22 of care.

23 (8) A health care service plan that authorizes a specific type of
24 treatment by a provider pursuant to this section shall not rescind
25 or modify the authorization after the provider renders the health
26 care service in good faith and pursuant to this authorization for
27 any reason, including, but not limited to, the plan’s subsequent
28 rescission, cancellation, or modification of the enrollee’s or
29 subscriber’s contract, or the plan’s subsequent determination that
30 it did not make an accurate determination of the enrollee’s or
31 subscriber’s eligibility. This section shall not be construed to
32 expand or alter the benefits available to the enrollee or subscriber
33 under a plan.

34 (b) The benefits that shall be covered pursuant to this section
35 shall include, but not be limited to, the following:

36 (1) Basic health care services, as defined in subdivision (b) of
37 Section 1345.

38 (2) Intermediate services, including the full range of levels of
39 care, including, but not limited to, residential treatment, partial
40 hospitalization, and intensive outpatient treatment.

1 (3) Prescription drugs, if the plan contract includes coverage
2 for prescription drugs.

3 (c) The terms and conditions applied to the benefits required
4 by this section, that shall be applied equally to all benefits under
5 the plan contract, shall include, but not be limited to, all of the
6 following patient financial responsibilities:

7 (1) Maximum annual and lifetime benefits, if not prohibited by
8 applicable law.

9 (2) Copayments and coinsurance.

10 (3) Individual and family deductibles.

11 (4) Out-of-pocket maximums.

12 (d) If services for the medically necessary treatment of a mental
13 health or substance use disorder are not available in network within
14 the geographic and timely access standards set by law or regulation,
15 the health care service plan shall arrange coverage to ensure the
16 delivery of medically necessary out-of-network services and any
17 medically necessary followup services that, to the maximum extent
18 possible, meet those geographic and timely access standards. As
19 used in this subdivision, to “arrange coverage to ensure the delivery
20 of medically necessary out-of-network services” includes, but is
21 not limited to, providing services to secure medically necessary
22 out-of-network options that are available to the enrollee within
23 geographic and timely access standards. The enrollee shall pay no
24 more than the same cost sharing that the enrollee would pay for
25 the same covered services received from an in-network provider.

26 (e) This section shall not apply to contracts entered into pursuant
27 to Chapter 7 (commencing with Section 14000) or Chapter 8
28 (commencing with Section 14200) of Part 3 of Division 9 of the
29 Welfare and Institutions Code, between the State Department of
30 Health Care Services and a health care service plan for enrolled
31 Medi-Cal beneficiaries.

32 (f) (1) For the purpose of compliance with this section, a health
33 care service plan may provide coverage for all or part of the mental
34 health and substance use disorder services required by this section
35 through a separate specialized health care service plan or mental
36 health plan, and shall not be required to obtain an additional or
37 specialized license for this purpose.

38 (2) A health care service plan shall provide the mental health
39 and substance use disorder coverage required by this section in its
40 entire service area and in emergency situations as may be required

1 by applicable laws and regulations. For purposes of this section,
 2 health care service plan contracts that provide benefits to enrollees
 3 through preferred provider contracting arrangements are not
 4 precluded from requiring enrollees who reside or work in
 5 geographic areas served by specialized health care service plans
 6 or mental health plans to secure all or part of their mental health
 7 services within those geographic areas served by specialized health
 8 care service plans or mental health plans, provided that all
 9 appropriate mental health or substance use disorder services are
 10 actually available within those geographic service areas within
 11 timeliness standards.

12 (3) Notwithstanding any other law, in the provision of benefits
 13 required by this section, a health care service plan may utilize case
 14 management, network providers, utilization review techniques,
 15 prior authorization, copayments, or other cost sharing, provided
 16 that these practices are consistent with Section 1374.76 of this
 17 code, and Section 2052 of the Business and Professions Code.

18 (g) This section shall not be construed to deny or restrict in any
 19 way the department's authority to ensure plan compliance with
 20 this chapter.

21 (h) A health care service plan shall not limit benefits or coverage
 22 for medically necessary services on the basis that those services
 23 should be or could be covered by a public entitlement program,
 24 including, but not limited to, special education or an individualized
 25 education program, Medicaid, Medicare, Supplemental Security
 26 Income, or Social Security Disability Insurance, and shall not
 27 include or enforce a contract term that excludes otherwise covered
 28 benefits on the basis that those services should be or could be
 29 covered by a public entitlement program.

30 (i) A health care service plan shall not adopt, impose, or enforce
 31 terms in its plan contracts or provider agreements, in writing or in
 32 operation, that undermine, alter, or conflict with the requirements
 33 of this section.

34 SEC. 117. Section 2056 of the Health and Safety Code is
 35 amended to read:

36 2056. (a) (1) An electrical utility, upon receiving a request
 37 from a mosquito abatement district or vector control district or a
 38 city or county health department, shall enter into a vector
 39 management agreement with the requesting entity within 180 days
 40 of the request.

(2) A mosquito abatement district or vector control district or a city or county health department may seek a vector management agreement with an electrical utility pursuant to this section if efforts to obtain a voluntary cooperation agreement from the electrical utility have failed.

(b) A vector management agreement shall contain, but not be limited to, all of the following provisions:

(1) The locations of electrical vaults that the ~~electric~~ *electrical* utility, mosquito abatement district, or vector control district reasonably believe, due to the type or the location of the vault, may contain standing water within the jurisdiction of the district or health department.

(2) (A) A reasonable time period for the electrical utility to provide supervised access to its electrical vaults to the district or health department for surveillance, treatment, and post-treatment inspections.

(B) In determining the time period in subparagraph (A), the district or health department and the electrical utility shall consider the seasonality of mosquito activity in the area.

(3) The contact information for relevant individuals at the district or health department and the electrical utility.

(4) A time line for the periodic update of the information in this subdivision.

(5) Consideration, where feasible, of modifications to electrical vaults for the purposes of mosquito exclusion or discharge of captured waters.

(6) A minimum term of three years for the agreement, with provisions for modification or extension of the agreement.

(c) This section does not affect the existing authority of a mosquito abatement district or vector control district under Section 2040.

(d) (1) Utility infrastructure data disclosed pursuant to an agreement entered into pursuant to this section shall be kept confidential by the mosquito abatement district, vector control district, or city or county health department that receives the data.

(2) Data disclosure by the utility may be limited to the affected geographical area identified by the mosquito abatement district, vector control district, or health department, and disclosed in a manner deemed as a best practice by the utility for the safety and security of public utility infrastructure.

1 (e) An electrical utility that has an existing vector management
2 agreement with a mosquito abatement district, vector control
3 district, or a city or county health department is not subject to this
4 ~~provision~~ *section* for as long as the agreement is in effect.

5 (f) For the purposes of this section, the following terms have
6 the following meanings:

7 (1) “Electrical utility” means an electrical corporation, as defined
8 in Section 218 of the Public Utilities Code, or a local publicly
9 owned electric utility, as defined in Section 224.3 of the Public
10 Utilities Code.

11 (2) “Electrical vault” means an enclosure, either above or below
12 ground, that may contain transformers or other electrical equipment
13 and is the property of an electrical utility.

14 SEC. 118. Section 9077 of the Health and Safety Code is
15 amended to read:

16 9077. (a) Notwithstanding Section 9076, a district that has
17 total annual revenues greater than five hundred thousand dollars
18 (\$500,000) may withdraw its funds from the control of the county
19 treasurer pursuant to this section.

20 (b) The board of trustees shall adopt a resolution that does each
21 of the following:

22 (1) States its intent to withdraw its funds from the county
23 treasury.

24 (2) Adopts a procedure for the appointment of a district
25 treasurer. The board of trustees may appoint the district treasurer.
26 The board of trustees may appoint the district treasurer, or the
27 board of trustees may delegate the appointment of the district to
28 the district’s general manager. The district treasurer may be a
29 member of the board of trustees, the secretary of the board of
30 trustees, the general manager, or a district employee.

31 (3) Fixes the amount of the bond for the district treasurer and
32 other district employees who will be responsible for handling the
33 district’s finances.

34 (4) Adopts a system of accounting and auditing that shall
35 completely and at all times show the district’s financial condition.
36 The system of accounting and auditing shall adhere to generally
37 accepted accounting principles.

38 (5) Adopts a procedure for drawing and signing warrants,
39 provided that the procedure adheres to generally accepted
40 accounting principles. The procedures shall provide that bond

1 principal and salaries shall be paid when due. The procedure may
2 provide that warrants to pay claims and demands need not be
3 approved by the board of trustees before payment if the district
4 treasurer determines that the claims and demands conform to the
5 district's approved budget.

6 (6) Designates a bank or a savings and loan association as the
7 depository of the district's funds. A bank or savings and loan
8 association may act as a depository, paying agent, or fiscal agency
9 for the holding or handling of the district's funds, notwithstanding
10 the fact that a member of the board of trustees whose funds are on
11 deposit in that bank or savings and loan association is an officer,
12 employee, or stockholder of that bank or ~~saving~~ savings and loan
13 association, or of a holding company that owns any of the stock
14 of that bank or savings and loan association.

15 (c) The board of trustees and the board of supervisors of the
16 principal county shall determine a mutually acceptable date for
17 the withdrawal of the district's funds from the county treasury, not
18 to exceed 15 months from the date on which the board of trustees
19 adopts its resolution.

20 (d) In implementing this section, the district shall comply with
21 Article 1 (commencing with Section 53600) and Article 2
22 (commencing with Section 53630) of Chapter 4 of Part 1 of
23 Division 2 of Title 5 of the Government Code. Nothing in this
24 section shall preclude the district treasurer from depositing the
25 district's funds in the county treasury of the principal county or
26 the State Treasury pursuant to Article 11 (commencing with
27 Section 16429.1) of Chapter 2 of Part 2 of Division 4 of Title 2 of
28 the Government Code.

29 (e) The district treasurer shall make annual or more frequent
30 written reports to the board of trustees, as the board of trustees
31 shall determine, regarding the receipts and disbursements and
32 balances in the accounts controlled by the district treasurer. The
33 district treasurer shall sign the reports and file them with the
34 secretary.

35 SEC. 119. Section 18214 of the Health and Safety Code is
36 amended to read:

37 18214. (a) "Mobilehome park" is any area or tract of land
38 where two or more lots are rented or leased, held out for rent or
39 lease, or were formerly held out for rent or lease and later converted
40 to a subdivision, cooperative, condominium, or other form of

1 resident ownership, to accommodate manufactured homes,
2 mobilehomes, or recreational vehicles used for human habitation.
3 The rental paid for a manufactured home, a mobilehome, or a
4 recreational vehicle shall be deemed to include rental for the lot
5 it occupies. This subdivision shall not be construed to authorize
6 the rental of a mobilehome park space for the accommodation of
7 a recreational vehicle in violation of Section 798.22 of the Civil
8 Code.

9 (b) Notwithstanding subdivision (a), employee housing that has
10 obtained a permit to operate pursuant to the Employee Housing
11 Act (Part 1 (commencing with Section 17000)) and that both meets
12 the criteria of Section 17021.6 and is comprised of two or more
13 lots or units held out for lease or rent or provided as a term or
14 condition of employment shall not be deemed a mobilehome park
15 for the purposes of the requirement to obtain an initial or annual
16 permit to operate or pay any related fees required by this part.

17 (c) Notwithstanding subdivision (a), an area or tract of land
18 shall not be deemed a mobilehome park if the structures on it
19 consist of residential structures that are rented or leased, or held
20 out for rent or lease, if those residential structures meet both of
21 the following requirements:

22 (1) The residential structures are manufactured homes
23 constructed pursuant to the National Manufactured Housing
24 Construction and Safety *Standards* Act of 1974 (42 U.S.C. Sec.
25 5401 et seq.) or mobilehomes containing two or more dwelling
26 units for human habitation.

27 (2) Those manufactured homes or mobilehomes have been
28 approved by a city, county, or city and county pursuant to
29 subdivision (e) of Section 17951 as an alternate which is at least
30 the equivalent to the requirements prescribed in the California
31 Building Standards Code or Part 1.5 (commencing with Section
32 17910) in performance, safety, and for the protection of life and
33 health.

34 (d) Notwithstanding subdivision (a), an area or tract of land
35 shall not be deemed a mobilehome park due to the rental or lease
36 of an accessory dwelling unit created by use of a manufactured
37 home, as defined in Section 66313 of the Government Code.

38 SEC. 120. Section 50197.3 of the Health and Safety Code is
39 amended to read:

1 50197.3. A mortgage credit certificate may be issued under a
2 mortgage credit certificate program by a local agency pursuant to
3 this chapter and the federal act, as defined by ~~paragraph (2) of~~
4 ~~subdivision (f) of Section 50176; subdivision (g) of Section 50172.~~

5 SEC. 121. Section 50513 of the Health and Safety Code is
6 amended to read:

7 50513. (a) This section shall be known, and may be cited, as
8 the G. David Singleton California Indian Assistance Program.

9 (b) The department shall provide comprehensive technical
10 assistance to tribes, tribal housing authorities, designated tribal
11 housing entities, tribal housing departments, housing sponsors,
12 and governmental agencies on reservations, rancherias, and on
13 public domain, and tribes that want to participate in tribal housing
14 grant programs on fee simple land to facilitate the planning and
15 orderly development of suitable, decent, safe, and sanitary housing
16 for American Indians residing in those areas or within a tribe's
17 designated service area, as defined by the tribe. This assistance
18 may include technical assistance in land use planning, natural and
19 environmental resource planning, and economic resource planning.

20 (c) To provide assistance with waivers or modification requests
21 submitted pursuant to subdivision (p) of Section 50406, the
22 department shall do all of the following:

23 (1) Assign each waiver or modification request submitted a
24 reference number.

25 (2) Post on its internet website a waiver or modification request
26 submitted to the department, including the nature of the waiver or
27 modification request and the reference number.

28 (3) Post on its internet website whether a waiver or modification
29 request is accepted, denied, or accepted or denied in part. If the
30 waiver or modification request is denied, post on its internet
31 website the reason the department denied the waiver or
32 modification request.

33 (4) Where the department has made a determination that tribal
34 law, tribal governance, tribal charter, or difference in tribal entity
35 or agency legal structure causes a violation or does not satisfy the
36 requirements of specific state financing being provided to a housing
37 development administered by the department for more than two
38 tribal applicants for a specific notice of funding availability, the
39 ~~Director~~ director of the department or designee may incorporate

1 that waiver or modification into any of its the department's state
2 financing programs.

3 (d) The department shall provide outreach, education, and
4 comprehensive technical assistance to tribes, tribal housing
5 authorities, tribally designated housing entities, housing
6 departments of a tribe, housing sponsors, and governmental
7 agencies on reservations, rancherias, and on public domain in the
8 development of tribal housing grant programs, and before, during,
9 and after the grant application process.

10 (e) Notwithstanding any other law, data collected pursuant to
11 this section shall be kept confidential and shall not be subject to
12 public disclosure, including, but not limited to, any person or entity
13 that provides technical assistance.

14 SEC. 122. Section 50515.03 of the Health and Safety Code is
15 amended to read:

16 50515.03. Of the amount described in paragraph (2) of
17 subdivision (a) of Section 50515.01, one hundred twenty-five
18 million dollars (\$125,000,000) shall be available to jurisdictions
19 to assist in planning for other activities related to meeting the sixth
20 cycle regional housing need assessment, as follows:

21 (a) (1) The maximum amount that a jurisdiction may receive
22 pursuant to this subdivision shall be as follows:

23 (A) If the jurisdiction has a population of 750,000 or greater,
24 one million five hundred thousand dollars (\$1,500,000).

25 (B) If the jurisdiction has a population of 300,000 or greater,
26 but equal to or less than 749,999, seven hundred fifty thousand
27 dollars (\$750,000).

28 (C) If the jurisdiction has a population of 100,000 or greater,
29 but equal to or less than 299,999, five hundred thousand dollars
30 (\$500,000).

31 (D) If the jurisdiction has a population of 60,000 or greater, but
32 equal to or less than 99,999, three hundred thousand dollars
33 (\$300,000).

34 (E) If the jurisdiction has a population of 20,000 or greater, but
35 equal to or less than 59,999, one hundred fifty thousand dollars
36 (\$150,000).

37 (F) If the jurisdiction has a population equal to or less than
38 19,999, sixty-five thousand dollars (\$65,000).

(2) For purposes of this subdivision, the population of a jurisdiction shall be based on the population estimates posted on the Department of Finance's internet website as of January 1, 2019.

(b) (1) Until January 31, 2021, a jurisdiction may request an allocation of funds pursuant to this section by submitting an application to the department, in the form and manner prescribed by the department, that contains the following information:

(A) An allocation budget for the funds provided pursuant to this section.

(B) An explanation of how proposed uses will increase housing planning and facilitate local housing production.

(2) The department shall review an application submitted pursuant to this subdivision within 30 days. Upon approval of an application for funds pursuant to this subdivision, the department shall award the moneys for which the jurisdiction qualifies.

(c) A jurisdiction that receives an allocation pursuant to this section shall only use that allocation for housing-related planning activities, including, but not limited to, the following:

(1) Rezoning and encouraging development by updating planning documents and zoning ordinances, such as general plans, community plans, specific plans, sustainable communities' strategies, and local coastal programs.

(2) Completing environmental clearance to eliminate the need for project-specific review.

(3) Establishing a workforce housing opportunity zone pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code or a housing sustainability district pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code.

(4) Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents.

(5) Partnering with other local entities to identify and prepare excess property for residential development.

(6) Revamping local planning processes to speed up housing production.

(7) Developing or improving an accessory dwelling unit ordinance in compliance with Article 1.2 (commencing with Section 66314) of Chapter 13 of Division 1 of Title 7 of the Government Code.

1 (8) Covering the costs of temporary staffing or consultant needs
2 associated with the activities described in paragraphs (1) to (7),
3 inclusive.

4 SEC. 123. Section 50710.7 of the Health and Safety Code is
5 amended to read:

6 50710.7. (a) By December 31, 2028, the department shall,
7 following the completion of the report under Section 50710.6,
8 coordinate with the Department of General Services and the
9 Department of Food and Agriculture to identify available excess
10 sites in proximity to migrant farm labor centers.

11 (b) The department shall, in collaboration with the Department
12 of General Services, the California Housing Finance Agency, and
13 the Department of Food and Agriculture, prioritize the locations
14 identified in ~~subdivision (a)~~ *subdivision (a)* for the development
15 of permanent farmworker housing, with the highest prioritization
16 to the areas with the greatest need for permanent farmworker
17 housing, as identified in the report under Section 50710.6.

18 SEC. 124. The heading of Division 38 of the Health and Safety
19 Code is repealed.

20
21 ~~[DIVISION 38.]~~
22

23 SEC. 125. The heading of Division 39 of the Health and Safety
24 Code is repealed.

25
26 ~~[DIVISION 39.]~~
27

28 SEC. 126. Section 111926 of the Health and Safety Code is
29 amended to read:

30 111926. (a) A manufacturer, distributor, or seller of an
31 industrial hemp product shall follow packaging, labeling, and
32 advertising laws, including, but not limited to, Chapter 4
33 (commencing with Section 110290), and federal laws incorporated
34 or applicable in this state, including, but not limited to, Sections
35 110100, 110340, 110371, 110380, ~~110382~~, and 110407 and shall
36 not violate this part.

37 (b) A manufacturer, distributor, or seller of industrial hemp shall
38 not do any of the following:

39 (1) Directly target advertising or marketing to children or to
40 persons who are pregnant or breastfeeding.

(2) Advertise or market on a billboard or similar advertising device located on an interstate highway or on a state highway that crosses the California border.

(3) Advertise or market industrial hemp products in a manner intended to encourage persons under 21 years of age to consume industrial hemp products.

(4) Publish or disseminate advertising or marketing that is attractive to children.

(5) Advertise or market industrial hemp products on an advertising sign within 1,000 feet of a daycare center, school providing instruction in kindergarten or any of grades 1 to 12, inclusive, playground, or youth center.

(c) Advertising or marketing placed in broadcast, cable, radio, print, or digital communications shall only be displayed where at least 70 percent of the audience is reasonably expected to be 18 years of age or older, as determined by reliable, up-to-date audience composition data.

(d) A violation of this section shall be subject to the requirements, fines, and penalties of Section 26152.2 of the Business and Professions Code.

SEC. 127. Section 114368.8 of the Health and Safety Code is amended to read:

114368.8. (a) Notwithstanding ~~subdivision (a)~~ of Section 114395, a violation of this part by an operator or employee of a compact mobile food operation is punishable only by an administrative fine.

(b) A violation of any provision of this part or regulation adopted pursuant to this part by an operator or employee of a compact mobile food operation or a sidewalk vendor shall not be punishable as an infraction or misdemeanor, and an operator or employee of a compact mobile food operation or a sidewalk vendor alleged to have violated any of those provisions is not subject to arrest except when independent grounds for that arrest exist under law.

(c) Except as provided in paragraph (d), each offense by an operator or employee of a compact mobile food operation or a sidewalk vendor may only be punished by a fine consistent with the following:

(1) A notice of violation detailing the violation, including the applicable provision of this part or regulation adopted pursuant to this part.

1 (2) An administrative fine not exceeding one hundred dollars
2 (\$100) for a second violation within one year of the first violation.

3 (3) An administrative fine not exceeding two hundred dollars
4 (\$200) for a third violation within one year of the first violation.

5 (4) An administrative fine not exceeding five hundred dollars
6 (\$500) for each additional violation within one year of the first
7 violation.

8 (d) If a compact mobile food operation is required to obtain a
9 permit from the enforcement agency, operating without a permit
10 may be punishable by a fine not to exceed three times the cost of
11 the permit in lieu of the administrative fines referenced in
12 subdivision (c). An enforcement agency shall not issue any fines
13 in excess of the amounts allowable pursuant to subdivision (c)
14 prior to January 1, 2024.

15 (e) (1) When assessing an administrative fine for a first-time
16 offense, pursuant to this section, the hearing officer shall take into
17 consideration the person's ability to pay the fine. The enforcement
18 agency shall provide the person with notice of their right to request
19 an ability-to-pay determination and shall make available
20 instructions or other materials for requesting an ability-to-pay
21 determination. The person may request an ability-to-pay
22 determination at adjudication or while the judgment remains
23 unpaid, including when a case is delinquent or has been referred
24 to a comprehensive collection program.

25 (2) If the person meets the criteria described in subdivision (a)
26 or (b) of Section 68632 of the Government Code, the enforcement
27 agency shall accept, in full satisfaction, 20 percent of the
28 administrative fine imposed pursuant to this section.

29 (3) The enforcement agency may waive the administrative fine
30 or may offer an alternative disposition.

31 SEC. 128. Section 114381 of the Health and Safety Code is
32 amended to read:

33 114381. (a) A food facility shall not be open for business
34 without a valid permit.

35 (b) A permit shall be issued by the enforcement agency when
36 investigation has determined that the proposed facility and its
37 method of operation meets the specifications of the approved plans
38 or conforms to the requirements of this part.

39 (c) A permit, once issued, is nontransferable. A permit shall be
40 valid only for the person, location, type of food sales, or

1 distribution activity and, unless suspended or revoked for cause,
2 for the time period indicated.

3 (d) Any fee for the permit or registration or related services,
4 including, but not limited to, the expenses of inspecting and
5 impounding any utensil suspected of releasing lead or cadmium
6 in violation of Section 108860 as authorized by Section 114393,
7 review of HACCP plans, and alternative means of compliance
8 shall be determined by the local governing body. Fees shall be
9 sufficient to cover the actual expenses of administering and
10 enforcing this part. The moneys collected as fees shall only be
11 expended for the purpose of administering and enforcing this part.

12 (e) A permit shall be posted in a conspicuous place in the food
13 facility or in the office of a vending machine business.

14 (f) Any person requesting the enforcement agency to undertake
15 activity pursuant to Sections ~~114149.1~~ 114419.1 and 114419.3
16 shall pay the enforcement agency's costs incurred in undertaking
17 the activity. The enforcement agency's services shall be assessed
18 at the current hourly cost recovery rate.

19 SEC. 129. Section 120440 of the Health and Safety Code, as
20 amended by Section 2 of Chapter 868 of the Statutes of 2024, is
21 amended to read:

22 120440. (a) For the purposes of this chapter, the following
23 definitions shall apply:

24 (1) "Health care provider" means any person licensed pursuant
25 to Division 2 (commencing with Section 500) of the Business and
26 Professions Code or a clinic or health facility licensed pursuant to
27 Division 2 (commencing with Section 1200).

28 (2) "Schools, childcare facilities, and family childcare homes"
29 means those institutions referred to in subdivision (b) of Section
30 120335, regardless of whether they directly provide immunizations
31 to patients or clients.

32 (3) "WIC service provider" means any public or private
33 nonprofit agency contracting with the department to provide
34 services under the California Special Supplemental Nutrition
35 Program for Women, Infants, and ~~Children~~, *Children* as provided
36 for in Article 2 (commencing with Section 123275) of Chapter 1
37 of Part 2 of Division 106.

38 (4) "Health care plan" means a health care service plan as
39 defined in subdivision (f) of Section 1345, a government-funded
40 program the purpose of which is paying the costs of health care,

1 or an insurer as described in Sections 10123.5 and 10123.55 of
2 the Insurance Code, regardless of whether the plan directly provides
3 immunizations to patients or clients.

4 (5) “County human services agency” means a county welfare
5 agency administering the California Work Opportunity and
6 Responsibility to Kids (CalWORKs)-~~program~~, *program* pursuant
7 to Chapter 2 (commencing with Section ~~11200.5~~ 11200) of Part
8 3 of Division 9 of the Welfare and Institutions Code.

9 (6) “Foster care agency” means any of the county and state
10 social services agencies providing foster care services in California.

11 (7) “Tuberculosis screening” means an approved intradermal
12 tuberculin test or any other test for tuberculosis infection that is
13 recommended by the federal Centers for Disease Control and
14 Prevention and licensed by the federal Food and Drug
15 Administration.

16 (b) (1) Local health officers may operate immunization
17 information-~~systems~~ *systems*, pursuant to their authority under
18 Section 120175, in conjunction with the Immunization Branch of
19 the State Department of Public Health. Local health officers and
20 the State Department of Public Health may operate these systems
21 in either or both of the following manners:

22 (A) Separately within their individual jurisdictions.

23 (B) Jointly among more than one jurisdiction.

24 (2) This subdivision does not preclude local health officers from
25 sharing the information set forth in paragraphs (1) to (13),
26 inclusive, of subdivision (c) with other health officers jointly
27 operating the system.

28 (c) Notwithstanding Sections 49075 and 49076 of the Education
29 Code, Chapter 5 (commencing with Section 10850) of Part 2 of
30 Division 9 of the Welfare and Institutions Code, or any other law,
31 unless a refusal to permit recordsharing is made pursuant to
32 subdivision (e), health care providers, and other agencies,
33 including, but not limited to, schools, childcare facilities, service
34 providers for the California Special Supplemental Nutrition
35 Program for Women, Infants, and Children (WIC), health care
36 plans, foster care agencies, and county human services agencies,
37 shall disclose the information set forth in paragraphs (1) to (13),
38 inclusive, from the patient’s medical record, or the client’s record,
39 to local health departments operating countywide or regional
40 immunization information and reminder systems and the State

1 Department of Public Health. With respect to the information set
2 forth in paragraph (13), a health care provider is only required to
3 disclose information that is voluntarily provided by the patient or
4 client. A health care provider shall not disclose any information
5 set forth in paragraph (13) relating to any patient or client who is
6 under 18 years of age. Local health departments and the State
7 Department of Public Health may disclose the information set forth
8 in paragraphs (1) to (13), inclusive, to each other and, upon a
9 request for information pertaining to a specific person, to health
10 care providers taking care of the patient and to the Medical Board
11 of California and the Osteopathic Medical Board of California.
12 Local health departments and the State Department of Public
13 Health may disclose the information in paragraphs (1) to (7),
14 inclusive, and paragraphs (9) to (12), inclusive, to schools,
15 childcare facilities, county human services agencies, and family
16 childcare homes to which the person is being admitted or in
17 attendance, foster care agencies in assessing and providing medical
18 care for children in foster care, and WIC service providers
19 providing services to the person, health care plans arranging for
20 immunization services for the patient, and county human services
21 agencies assessing immunization histories of dependents of
22 CalWORKs participants, upon request for information pertaining
23 to a specific person. Determination of benefits based upon
24 immunization of a dependent CalWORKs participant shall be made
25 pursuant to Section 11265.8 of the Welfare and Institutions Code.
26 The following information shall be subject to this subdivision:
27 (1) The name of the patient or client and names of the parents
28 or guardians of the patient or client.
29 (2) Date of birth of the patient or client.
30 (3) Types and dates of immunizations received by the patient
31 or client.
32 (4) Manufacturer and lot number for each immunization
33 received.
34 (5) Adverse reaction to immunizations received.
35 (6) Other nonmedical information necessary to establish the
36 patient's or client's unique identity and record.
37 (7) Results of tuberculosis screening.
38 (8) Current address and telephone number of the patient or client
39 and the parents or guardians of the patient or client.
40 (9) Patient's or client's gender.

1 (10) Patient's or client's place of birth.

2 (11) Patient's or client's race and ethnicity.

3 (12) Patient's or client's information needed to comply with
4 Chapter 1 (commencing with Section ~~120325~~, 120325) but
5 excluding Section 120380.

6 (13) An adult patient's or client's sexual orientation, gender
7 identity, and variations in sex characteristics/intersex status
8 (SOGISC) and sex assigned at birth.

9 (d) (1) Health care providers, local health departments, and the
10 State Department of Public Health shall maintain the confidentiality
11 of information listed in subdivision (c) in the same manner as other
12 medical record information with patient identification that they
13 possess. These providers, departments, and contracting agencies
14 are subject to civil action and criminal penalties for the wrongful
15 disclosure of the information listed in subdivision ~~(e)~~, (c) in
16 accordance with existing law. They shall use the information listed
17 in subdivision (c) only for the following purposes:

18 (A) To provide immunization services to the patient or client,
19 including issuing reminder notifications to patients or clients or
20 their parents or guardians when immunizations are due.

21 (B) To provide or facilitate provision of third-party payer
22 payments for immunizations.

23 (C) To compile and disseminate statistical information of
24 immunization status on groups of patients or clients or populations
25 in ~~California~~, California without identifying information for these
26 patients or clients included in these groups or populations.

27 (D) In the case of health care providers only, as authorized by
28 Part 2.6 (commencing with Section 56) of Division 1 of the Civil
29 Code.

30 (2) Schools, childcare facilities, family childcare homes, WIC
31 service providers, foster care agencies, county human services
32 agencies, and health care plans shall maintain the confidentiality
33 of information listed in subdivision (c) in the same manner as other
34 client, patient, and pupil information that they possess. These
35 institutions and providers are subject to civil action and criminal
36 penalties for the wrongful disclosure of the information listed in
37 subdivision ~~(e)~~, (c) in accordance with existing law. They shall
38 use the information listed in subdivision (c) only for those purposes
39 provided in subparagraphs (A) to (D), inclusive, of paragraph (1)
40 and as follows:

1 (A) In the case of schools, childcare facilities, family childcare
2 homes, and county human services agencies, to carry out their
3 responsibilities regarding required immunization for attendance
4 or participation benefits, or both, as described in Chapter 1
5 (commencing with Section ~~120325~~; 120325) and in Section
6 11265.8 of the Welfare and Institutions Code.

7 (B) In the case of WIC service providers, to perform
8 immunization status assessments of clients and to refer those clients
9 found to be due or overdue for immunizations to health care
10 providers.

11 (C) In the case of health care plans, to facilitate payments to
12 health care providers, to assess the immunization status of their
13 clients, and to tabulate statistical information on the immunization
14 status of groups of patients, without including patient-identifying
15 information in these tabulations.

16 (D) In the case of foster care agencies, to perform immunization
17 status assessments of foster children and to assist those foster
18 children found to be due or overdue for immunization in obtaining
19 immunizations from health care providers.

20 (E) (i) In the case of schools, childcare facilities, family
21 childcare homes, and county human services agencies, for the
22 COVID-19 public health emergency, to perform immunization
23 status assessments of pupils, adults, and clients to ensure health
24 and safety.

25 (ii) In the case of schools, this subparagraph only applies if the
26 school's governing board or body has adopted a policy mandating
27 COVID-19 immunization for school attendance and the school
28 limits the use of the data to verifying immunization status for this
29 purpose.

30 (e) A patient or a patient's parent or guardian may refuse to
31 permit recordsharing. The health care provider administering
32 immunization and any other agency possessing any patient or client
33 information listed in subdivision (c), if planning to provide patient
34 or client information to an immunization system, as described in
35 subdivision (b), shall inform the patient or client, or the parent or
36 guardian of the patient or client, of the following:

37 (1) The information listed in subdivision (c) shall be shared
38 with local health departments and the State Department of Public
39 Health, except as prohibited by this section or other applicable
40 law. The health care provider or other agency shall provide the

1 name and address of the State Department of Public Health or of
2 the immunization registry with which the provider or other agency
3 will share the information.

4 (2) Any of the information shared with local health departments
5 and the State Department of Public Health shall be treated as
6 confidential medical information and shall be used only to share
7 with each ~~other~~, *other* and, upon request, with health care providers,
8 schools, childcare facilities, family childcare homes, WIC service
9 providers, county human services agencies, foster care agencies,
10 and health care plans. These providers, agencies, and institutions
11 shall, in turn, treat the shared information as ~~confidential~~,
12 *confidential* and shall use it only as described in subdivision (d).

13 (3) The patient or client, or parent or guardian of the patient or
14 client, has the right to examine any immunization-related
15 information or tuberculosis screening results shared pursuant to
16 this section and to correct any errors in it.

17 (4) The patient or client, or the parent or guardian of the patient
18 or client, may refuse to allow this information to be shared pursuant
19 to this section or to receive immunization reminder notifications
20 at any time, or both. After refusal, the patient's or client's physician
21 may maintain access to this information for the purposes of patient
22 care or protecting the public health. After refusal, the local health
23 department and the State Department of Public Health may
24 maintain access to this information for the purpose of protecting
25 the public health pursuant to Sections 100325, 120140, and 120175,
26 as well as Sections 2500 to 2643.20, inclusive, of Title 17 of the
27 California Code of Regulations.

28 (f) (1) The health care provider administering the immunization
29 or tuberculosis screening and any other agency possessing any
30 patient or client information listed in subdivision ~~(e)~~, (c) may
31 inform the patient or client, or the parent or guardian of the patient
32 or client, by ordinary mail, of the information in paragraphs (1) to
33 (4), inclusive, of subdivision (e). The mailing shall include a
34 reasonable means for refusal, such as a return form or contact
35 telephone number.

36 (2) The information in paragraphs (1) to (4), inclusive, of
37 subdivision (e) may also be presented to the parent or guardian of
38 the patient or client during any hospitalization of the patient or
39 client.

(g) If the patient or client, or parent or guardian of the patient or client, refuses to allow the information to be shared, pursuant to paragraph (4) of subdivision (e), the health care provider or other agency may not share this information in the manner described in subdivision (c), except as provided in subparagraph (D) of paragraph (1) of subdivision (d).

(h) (1) Upon request of the patient or client, or the parent or guardian of the patient or client, in writing or by other means acceptable to the recipient, a local health department or the State Department of Public Health that has received information about a person pursuant to subdivision (c) shall do all of the following:

(A) Provide the name and address of other persons or agencies with whom the recipient has shared the information.

(B) Stop sharing the information in its possession after the date of the receipt of the request.

(2) After refusal, the patient's or client's physician may maintain access to this information for the purposes of patient care or protecting the public health. After refusal, the local health department and the State Department of Public Health may maintain access to this information for the purpose of protecting the public health pursuant to Sections 100325, 120140, and 120175, as well as Sections 2500 to 2643.20, inclusive, of Title 17 of the California Code of Regulations.

(i) Upon notification, in writing or by other means acceptable to the recipient, of an error in the information, a local health department or the State Department of Public Health that has information about a person pursuant to subdivision (c) shall correct the error. If the recipient is aware of a disagreement about whether an error exists, information to that effect may be included.

(j) (1) Any party authorized to make medical decisions for a patient or client, including, but not limited to, those authorized by Section 6922, 6926, or 6927 of, Part 1.5 (commencing with Section 6550), Chapter 2 (commencing with Section 6910) of Part 4, or Chapter 1 (commencing with Section 7000) of Part 6, of Division 11 of, the Family Code, Section 1530.6 of the Health and Safety Code, or Sections 727 and 1755.3 of, and Article 6 (commencing with Section 300) of Chapter 2 of Part 1 of Division 2 of, the Welfare and Institutions Code, may permit sharing of the patient's or client's record with any of the immunization information systems authorized by this section.

1 (2) For a patient or client who is a dependent of a juvenile court,
2 the court or a person or agency designated by the court may permit
3 this recordsharing.

4 (3) For a patient or client receiving foster care, a person or
5 persons licensed to provide residential foster care, or having legal
6 custody, may permit this recordsharing.

7 (k) For purposes of supporting immunization information
8 systems, the State Department of Public Health shall assist the
9 Immunization Branch of the State Department of Public Health in
10 both of the following:

11 (1) Providing department records containing information about
12 publicly funded immunizations.

13 (2) Supporting efforts for the reporting of publicly funded
14 immunizations into immunization information systems by health
15 care providers and health care plans.

16 (l) Subject to any other provisions of state and federal law or
17 regulation that limit the disclosure of health information and protect
18 the privacy and confidentiality of personal information, local health
19 departments and the State Department of Public Health may share
20 the information listed in paragraphs (1) to (12), inclusive, of
21 subdivision (c) with a state, local health departments, health care
22 providers, immunization information systems, or any representative
23 of an entity designated by federal or state law or regulation to
24 receive this information. Information in paragraph (13) of
25 subdivision (c) shall not be shared beyond the parties specified for
26 sharing in subdivision (c). The State Department of Public Health
27 may enter into written agreements to exchange confidential
28 immunization information with other states for the purposes of
29 patient care, protecting the public health, entrance into school,
30 childcare and other institutions requiring immunization prior to
31 entry, and the other purposes described in subdivision (d). The
32 written agreement shall provide that the state that receives
33 confidential immunization information must maintain its
34 confidentiality and may only use it for purposes of patient care,
35 protecting the public health, entrance into school, childcare and
36 other institutions requiring immunization prior to entry, and the
37 other purposes described in subdivision (d). Information shall not
38 be shared pursuant to this subdivision if a patient or client, or parent
39 or guardian of a patient or client, refuses to allow the sharing of
40 immunization information pursuant to subdivision (e).

1 (m) This section shall remain in effect only until January 1,
2 2026, and as of that date is repealed.

3 SEC. 130. Section 128454 of the Health and Safety Code is
4 amended to read:

5 128454. (a) There is hereby created the Licensed Mental Health
6 Service Provider Education Program within the Department of
7 Health Care Access and Information.

8 (b) For purposes of this article, the following definitions shall
9 apply:

10 (1) "Licensed mental health service provider" means a
11 psychologist licensed by the Board of Psychology, ~~registered~~
12 ~~psychologist~~, registered psychological associate, postdoctoral
13 psychology trainee employed in an exempt setting pursuant to
14 Section 2910 of the Business and Professions Code or employed
15 pursuant to a State Department of Health Care Services waiver
16 pursuant to Section 5751.2 of the Welfare and Institutions Code,
17 marriage and family therapist, associate marriage and family
18 therapist, licensed clinical social worker, associate clinical social
19 worker, licensed professional clinical counselor, and associate
20 professional clinical counselor.

21 (2) "Mental health professional shortage area" means an area
22 designated as such by the Health Resources and Services
23 Administration (HRSA) of the United States Department of Health
24 and Human Services.

25 (c) Commencing January 1, 2005, any licensed mental health
26 service provider, including a mental health service provider who
27 is employed at a publicly funded mental health facility or a public
28 or nonprofit private mental health facility that contracts with a
29 county mental health entity or facility to provide mental health
30 services, who provides direct patient care in a publicly funded
31 facility or a mental health professional shortage area may apply
32 for grants under the program to reimburse their educational loans
33 related to a career as a licensed mental health service provider.

34 (d) The department shall adopt all of the following:

35 (1) A standard contractual agreement to be signed by the director
36 and any licensed mental health service provider who is serving in
37 a publicly funded facility or a mental health professional shortage
38 area that would require the licensed mental health service provider
39 who receives a grant under the program to work in the publicly

1 funded facility or a mental health professional shortage area for
2 at least one year.

3 (2) The maximum allowable total grant amount per individual
4 licensed mental health service provider.

5 (3) The maximum allowable annual grant amount per individual
6 licensed mental health service provider.

7 (e) The department shall develop the program, which shall
8 comply with all of the following requirements:

9 (1) The total amount of grants under the program per individual
10 licensed mental health service provider shall not exceed the amount
11 of educational loans related to a career as a licensed mental health
12 service provider incurred by that provider.

13 (2) The program shall keep the fees from the different licensed
14 providers separate to ensure that all grants are funded by those
15 fees collected from the corresponding licensed provider groups.

16 (3) A loan forgiveness grant may be provided in installments
17 proportionate to the amount of the service obligation that has been
18 completed.

19 (4) The number of persons who may be considered for the
20 program shall be limited by the funds made available pursuant to
21 Section 128458.

22 (f) This section shall become operative on July 1, 2018.

23 SEC. 131. Section 130065.1 of the Health and Safety Code is
24 amended to read:

25 130065.1. (a) For purposes of this article, the following
26 definitions shall apply:

27 (1) "Critical access hospital" means a hospital designated by
28 the State Department of Public Health as a critical access hospital,
29 and certified as such by the Secretary of the United States
30 Department of Health and Human Services under the federal
31 Medicare Rural Hospital Flexibility Program.

32 (2) "Distressed Hospital Loan Program recipient" is a hospital
33 that received a loan pursuant to Chapter 4 (commencing with
34 Section 129380) of Part 6. This may also include a future program
35 recipient, should the Legislature appropriate additional state
36 funding to the program and extend the date identified in Section
37 129387.

38 (3) "Health care district hospital" is a hospital authorized
39 pursuant to Division 23.

(4) “Rural hospital” means a “rural general acute care hospital” as set forth in subdivision (a) of Section 1250 or a hospital located in a rural or frontier medical study service area, as defined by the California Healthcare Workforce Policy Commission.

(5) “Small hospital” is a hospital with 50 beds or fewer.

(b) Notwithstanding the January 1, 2030, seismic compliance deadline outlined in Section 130065, a Distressed Hospital Loan Program recipient, a small hospital, a rural hospital, a critical access hospital, or a health care district hospital, except as otherwise provided in this section, may seek approval from the department for a delay to the compliance deadline by up to three years with the submission and departmental approval of a seismic compliance plan, as described in subdivision (d), and, if necessary, a Nonstructural Performance Category-5 evaluation report.

(c) (1) Hospitals that belong to integrated health care systems with two or more separately licensed hospital facilities shall be ineligible for a delay under this section, including a health care district hospital that has a contractual agreement with a health system that imposes upon the health system any financial responsibility for the health care district’s infrastructure costs for compliance with Section 130065, unless the entire integrated health care system is determined by the department to be in financial distress.

(2) Paragraph (1) shall not apply to any of the following:

(A) A rural hospital with fewer than 80 general acute care beds and general acute care hospital revenue of seventy-five million dollars (\$75,000,000) or fewer, less, as reported to the department pursuant to Section 128740 in 2020.

(B) A hospital that is part of an integrated health care system that is operated by a health care district or a nonprofit corporation that is affiliated with the health care district hospital owner by means of the district’s status as the nonprofit corporation’s sole corporate member.

(C) A health care district hospital that does not have a contractual, management, lease, or operating agreement with a health system that imposes upon the health system any financial responsibility for the health care district’s infrastructure cost for compliance with Section 130065.

(d) A Distressed Hospital Loan Program recipient, a small hospital, a rural hospital, a critical access hospital, or a health care

1 district hospital, except as otherwise specified, with a building that
2 is not anticipated to be in full compliance with the seismic safety
3 regulations or standards described in Section 130065 when this
4 section becomes operative shall provide all of the following to the
5 department:

6 (1) A Nonstructural Performance Category-5 evaluation report
7 in compliance with Article 11 of Chapter 6 of Title 24 of the
8 California Administrative Code for each noncompliant building,
9 if necessary, by no later than January 1, 2025.

10 (2) The hospital's seismic compliance plan in accordance with
11 Section 1.4 of Article 1 of Chapter 6 of Title 24 of the California
12 Administrative Code and related regulations, by no later than
13 January 1, 2026. The seismic compliance plan shall outline steps,
14 including milestones, to achieve compliance with seismic safety
15 standards at the earliest reasonable date, but by no later than
16 January 1, 2033.

17 (3) The subject hospital and the department shall identify at
18 least two major milestones relating to the seismic compliance plan
19 that will be used as the basis for determining whether the hospital
20 is making adequate progress toward meeting the subject hospital's
21 seismic compliance deadline. The seismic compliance plan is
22 subject to departmental review for reasonableness.

23 (A) If the seismic compliance plan includes a compliance
24 schedule that is delayed beyond the 2030 seismic compliance
25 deadline described in Section 130065, the hospital shall submit
26 any documentation requested by the department to assist the
27 department in its review of the reasonableness of the compliance
28 schedule.

29 (B) The department shall have 120 days to approve or deny the
30 hospital's seismic compliance plan and any delay to the seismic
31 compliance deadline. If the department determines the compliance
32 schedule is unreasonable based on the information submitted, the
33 department shall notify the hospital and provide the department's
34 rationale for its determination. The hospital shall be given the
35 opportunity to address the identified concerns or to provide
36 additional information to substantiate the compliance schedule.

37 (e) (1) The department shall have the discretion to additionally
38 delay the amount of time by which a Distressed Hospital Loan
39 Program recipient, a small hospital, a rural hospital, a critical access
40 hospital, or a health care district hospital shall comply with Section

1 130065 by two years, up to a maximum of January 1, 2035. This
2 delay may be authorized as necessary for hospitals that continue
3 to experience financial distress or that need to deal with contractor,
4 labor, or material delays, acts of God, governmental entitlements,
5 or other circumstances beyond the hospital's control. If up to an
6 additional two-year delay is granted, the hospital shall submit a
7 revised construction schedule and associated milestones to the
8 department.

9 (2) A Distressed Hospital Loan Program recipient, a small
10 hospital, a rural hospital, a critical access hospital, or a health care
11 district hospital, except as otherwise specified, that is granted a
12 delay in compliance with the requirements of Section 130065
13 pursuant to this subdivision shall provide the department with any
14 information that the department deems necessary, including, but
15 not limited to, information to assess whether the hospital is in
16 financial distress or continues to be in financial distress.

17 (3) For eligible hospitals requesting an additional delay under
18 this subdivision due to financial distress, the department *shall*
19 make a determination of financial distress using financial criteria,
20 including, but not limited to, days cash on hand, current ratio,
21 access to working capital, operating margin, cash burn rate, the
22 financial impact of mandatory seismic compliance costs on the
23 hospital or integrated health care system, and other methodologies
24 developed pursuant to Chapter 4 (commencing with Section
25 129380) of Part 6.

26 (4) If the department determines that an eligible hospital or
27 integrated health care system is no longer in financial distress and
28 is not likely to return to financial distress due to complying with
29 seismic safety standards, the hospital or integrated health care
30 system shall submit a revised seismic compliance plan to the
31 department for review and approval one month after being informed
32 of the department's determination that the hospital or integrated
33 health care system is no longer in financial distress.
34 Notwithstanding any delay of the January 1, 2030, seismic
35 requirements granted to the hospital or integrated health care
36 system pursuant to subdivision (b), the department may adjust
37 compliance deadlines to reflect the fact that the hospital or
38 integrated system is no longer in financial distress.

39 (f) Notwithstanding any other provisions in this chapter, a
40 hospital seeking a delay under this section shall comply with

requirements for a seismic compliance plan in accordance with Section 1.4 of Article 1 of Chapter 6 of Title 24 of the California Administrative Code and related regulations.

(g) All hospitals determined eligible to delay compliance with Section 130065 pursuant to this section shall comply with Section 130065 no later than January 1, 2035. Failure to comply with the revised construction schedule or meet any major milestones established by the department and the hospital shall result in the assessment of a fine of five thousand dollars (\$5,000) per calendar day until the requirements or milestones, respectively, are met.

(h) The department shall provide support to a Distressed Hospital Loan Program recipient, a small hospital, a rural hospital, a critical access hospital, or a health care district hospital requesting a delay under this section to explore the opportunities under the Small and Rural Hospital Relief Program to assist with seismic compliance.

(i) Hospitals that fail to meet any milestone or seismic compliance deadline approved in its compliance plan shall not be issued a building permit for any building in the facility except those required for seismic compliance, maintenance, and emergency repairs until the milestone is met and the hospital is adequately progressing toward meeting the subject hospital's seismic compliance, as determined by the department.

(j) This section shall not extend any deadlines for Structural Performance Category-1 buildings to achieve structural integrity to no longer pose a potential risk of collapse or a significant risk of loss of life.

(k) Notwithstanding any other law, any information used by the department to determine a hospital's financial status for purposes of this section is confidential and shall not be subject to disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(l) The department shall adopt regulations and standards, or revise existing regulations and standards, or both, to implement the provisions of this section. Regulatory submissions made by the department to the California Building Standards Commission pursuant to this section shall be deemed to be emergency regulations and shall be adopted as such. The adoption of these regulations shall be deemed to be an emergency and necessary for

1 the immediate preservation of the public peace, health and safety,
2 and general welfare.

3 SEC. 132. Section 10509.9205 of the Insurance Code is
4 amended to read:

5 10509.9205. (a) A producer shall not solicit the sale of an
6 annuity product unless the producer has adequate knowledge of
7 the product to recommend the annuity and the producer is in
8 compliance with the insurer's standards for product training. A
9 producer may rely on insurer-provided product-specific training
10 standards and materials to comply with this subdivision.

11 (b) (1) A producer who is otherwise entitled to engage in the
12 sale of annuity products shall complete a one-time ~~eight-credit~~
13 ~~hour~~ *eight-credit-hour* annuity training course approved by the
14 commissioner and provided by a commissioner-approved education
15 provider, prior to commencing the transaction of annuities, pursuant
16 to subdivision (a) of Section 1749.8.

17 (2) In addition to the requirement set forth in paragraph (1),
18 every producer who engages in this state in the sale of annuity
19 products shall satisfactorily complete four continuing education
20 credits prior to license renewal every two years, pursuant to
21 subdivision (b) of Section 1749.8.

22 (3) Producers who hold a life insurance line of authority prior
23 to January 1, 2025, and who desire to sell annuities shall complete
24 the requirements of this subdivision by July 1, 2025. Individuals
25 who obtain a life insurance line of authority on or after January 1,
26 2025, shall not engage in the sale of annuities until the annuity
27 training course required under this subdivision has been completed.

28 (4) The training required under this subdivision shall include
29 information on all of the following topics:

30 (A) The types of annuities and various classifications of
31 annuities.

32 (B) Identification of the parties to an annuity.

33 (C) How fixed, variable, and indexed annuity contract provisions
34 affect consumers.

35 (D) The application of income taxation of qualified and
36 nonqualified annuities.

37 (E) The primary uses of annuities.

38 (F) Prohibited sales practices, the recognition of indicators that
39 a prospective insured may lack the short-term memory or judgment
40 to knowingly purchase an insurance product, and fraudulent and

1 unfair trade practices, as well as replacement and disclosure
2 requirements for sales of annuities, all as provided under California
3 law, including, but not limited to, this article.

4 (c) Providers of courses intended to comply with this section
5 shall cover all topics listed for annuities in the prescribed outline
6 and shall not present any marketing information or provide training
7 on sales techniques or provide specific information about a
8 particular insurer's products. Additional topics may be offered in
9 conjunction with and in addition to the required outline.

10 (d) A provider of an annuity training course intended to comply
11 with this section shall register as a CE provider in this state and
12 comply with the rules and guidelines applicable to producer
13 continuing education courses as set forth in Section 1749.8 and
14 subdivisions (d) and (e) of Section 1749.1, and in Sections 2188,
15 2188.1, 2188.2, 2188.3, 2188.4, 2188.50, 2188.6, 2188.7, 2188.8,
16 and 2188.9 of Title 10 of the California Code of Regulations.

17 (e) Annuity training courses may be conducted and completed
18 by classroom or self-study methods in accordance with Sections
19 2188.2 and 2188.3 of Title 10 of the California Code of
20 Regulations.

21 (f) Providers of annuity training shall comply with the reporting
22 requirements and shall issue certificates of completion in
23 accordance with Section 2188.8 of Title 10 of the California Code
24 of Regulations.

25 (g) An insurer shall verify that a producer has completed the
26 annuity training required under this section before allowing the
27 producer to sell an annuity for that insurer. An insurer may satisfy
28 its responsibility under this paragraph by obtaining certificates of
29 completion of the training course or obtaining reports provided by
30 commissioner-sponsored database systems or vendors or from a
31 reasonably reliable commercial database vendor that has a reporting
32 arrangement with approved insurance education providers.

33 SEC. 133. Section 226.8 of the Labor Code is amended to read:

34 226.8. (a) It is unlawful for any person or employer to engage
35 in any of the following activities:

36 (1) Willful misclassification of an individual as an independent
37 contractor.

38 (2) Charging an individual who has been willfully misclassified
39 as an independent contractor a fee, or making any deductions from
40 compensation, for any purpose, including for goods, materials,

1 space rental, services, government licenses, repairs, equipment
2 maintenance, or fines arising from the individual's employment
3 where any of the acts described in this paragraph would have
4 violated the law if the individual had not been misclassified.

5 (b) If the Labor and Workforce Development Agency or a court
6 issues a determination that a person or employer has engaged in
7 any of the enumerated violations of subdivision (a), the person or
8 employer shall be subject to a civil penalty of not less than five
9 thousand dollars (\$5,000) and not more than fifteen thousand
10 dollars (\$15,000) for each violation, in addition to any other
11 penalties or fines permitted by law.

12 (c) If the Labor and Workforce Development Agency or a court
13 issues a determination that a person or employer has engaged in
14 any of the enumerated violations of subdivision (a) and the person
15 or employer has engaged in or is engaging in a pattern or practice
16 of these violations, the person or employer shall be subject to a
17 civil penalty of not less than ten thousand dollars (\$10,000) and
18 not more than twenty-five thousand dollars (\$25,000) for each
19 violation, in addition to any other penalties or fines permitted by
20 law.

21 (d) (1) If the Labor and Workforce Development Agency or a
22 court issues a determination that a person or employer that is a
23 licensed contractor pursuant to the ~~Contractors'~~ *Contractors* State
24 License Law has violated subdivision (a), the agency, in addition
25 to any other remedy that has been ordered, shall transmit a certified
26 copy of the order to the ~~Contractors'~~ *Contractors* State License
27 Board.

28 (2) The registrar of the ~~Contractors'~~ *Contractors* State License
29 Board shall initiate disciplinary action against a licensee within
30 30 days of receiving a certified copy of an agency or court order
31 that resulted in disbarment pursuant to paragraph (1).

32 (e) If the Labor and Workforce Development Agency or a court
33 issues a determination that a person or employer has violated
34 subdivision (a), the agency or court, in addition to any other remedy
35 that has been ordered, shall order the person or employer to display
36 prominently on its internet website, in an area which is accessible
37 to all employees and the general public, or, if the person or
38 employer does not have an internet website, to display prominently
39 in an area that is accessible to all employees and the general public

1 at each location where a violation of subdivision (a) occurred, a
2 notice that sets forth all of the following:

3 (1) That the Labor and Workforce Development Agency or a
4 court, as applicable, has found that the person or employer has
5 committed a serious violation of the law by engaging in the willful
6 misclassification of employees.

7 (2) That the person or employer has changed its business
8 practices in order to avoid committing further violations of this
9 section.

10 (3) That any employee who believes that they are being
11 misclassified as an independent contractor may contact the Labor
12 and Workforce Development Agency. The notice shall include the
13 mailing address, email address, and telephone number of the
14 agency.

15 (4) That the notice is being posted pursuant to a state order.

16 (f) In addition to including the information specified in
17 subdivision (e), a person or employer also shall satisfy the
18 following requirements in preparing the notice:

19 (1) An officer shall sign the notice.

20 (2) It shall post the notice for one year commencing with the
21 date of the final decision and order.

22 (g) (1) In accordance with the procedures set forth in Sections
23 98, 98.1, 98.2, 98.3, 98.7, 98.74, or 1197.1, the Labor
24 Commissioner may enforce this section and issue a determination
25 that a person or employer has violated subdivision (a). This
26 enforcement of this section may include investigating an alleged
27 violation of subdivision (a), ordering appropriate temporary relief
28 to mitigate the violation or to maintain the status quo pending the
29 completion of an investigation or hearing, issuance of a citation
30 against an employer who violates subdivision (a), and filing a civil
31 action. If a citation is issued, the procedures for issuing, contesting,
32 and enforcing judgments for citations and civil penalties issued
33 by the Labor Commissioner shall be the same as those set out in
34 Section 98.74 or 1197.1, as appropriate. A public prosecutor, as
35 defined in subdivision (a) of Section 181, may also enforce this
36 section by seeking the damages described in paragraph (2).

37 (2) In any enforcement pursuant to this subdivision, for each
38 employee subject to Sections 98 to 98.2, inclusive, the Labor
39 Commissioner under Section 98.3, 98.7, 98.74, or 1197.1, or a
40 public prosecutor, as defined in subdivision (a) of Section 181,

1 may alternatively recover the penalties set forth in subdivisions
2 (b) and (c) as damages payable to the employee. An employee is
3 entitled to either recover the damages as provided for in this section
4 or to enforce a civil penalty, as set forth in subdivision (a) of
5 Section 2699, but not both, for the same violation. Except as
6 specified in this section, the remedy provided by this section is
7 cumulative and does not limit the availability of any other remedy
8 available to the employee.

9 (h) Any administrative or civil penalty, damages, or disciplinary
10 action pursuant to this section shall remain in effect against any
11 successor corporation, owner, or business entity that satisfies both
12 of the following:

13 (1) Has one or more of the same principals or officers as the
14 person or employer subject to the penalty or action.

15 (2) Is engaged in the same or a similar business as the person
16 or employer subject to the penalty or action.

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

18 (1) "Determination" means an order, decision, award, or citation
19 issued by an agency or a court of competent jurisdiction for which
20 the time to appeal has expired and for which no appeal is pending.

21 (2) "Labor and Workforce Development Agency" means the
22 Labor and Workforce Development Agency or any of its
23 departments, divisions, commissions, boards, or agencies.

24 (3) "Officer" means the chief executive officer, president, any
25 vice president in charge of a principal business unit, division, or
26 function, or any other officer of the corporation who performs a
27 policymaking function. If the employer is a partnership, "officer"
28 means a partner. If the employer is a sole proprietor, "officer"
29 means the owner.

30 (4) "Willful misclassification" means avoiding employee status
31 for an individual by voluntarily and knowingly misclassifying that
32 individual as an independent contractor.

33 (j) Nothing in this section is intended to limit any rights or
34 remedies otherwise available at law.

35 SEC. 134. Section 2699 of the Labor Code is amended to read:

36 2699. (a) Notwithstanding any other provision of law, any
37 provision of this code that provides for a civil penalty to be
38 assessed and collected by the Labor and Workforce Development
39 Agency or any of its departments, divisions, commissions, boards,
40 agencies, or employees, for a violation of this code, may, as an

1 alternative, be recovered through a civil action brought by an
2 aggrieved employee on behalf of the employee and other current
3 or former employees against whom a violation of the same
4 provision was committed pursuant to the procedures specified in
5 Section 2699.3.

6 (b) For purposes of this part, “person” has the same meaning
7 as defined in Section 18.

8 (c) (1) For purposes of this part, “aggrieved employee” means
9 any person who was employed by the alleged violator and
10 personally suffered each of the violations alleged during the period
11 prescribed under Section 340 of the Code of Civil Procedure,
12 except that for purposes of actions brought pursuant to paragraph
13 (2), “aggrieved employee” means any person who was employed
14 by the alleged violator against whom one or more of the alleged
15 violations was committed within the period prescribed under
16 Section 340 of the Code of Civil Procedure.

17 (2) Notwithstanding paragraph (1), a nonprofit legal aid
18 organization that has obtained Section 501(c)(3) tax-exempt status,
19 is a qualified legal services project or qualified support center, as
20 defined in Section 6213 of the Business and Professions Code,
21 and has served as counsel of record in civil actions under this part
22 for at least five years prior to January 1, 2025, may file a civil
23 action pursuant to this part as counsel of record for an aggrieved
24 employee on behalf of the employee and one or more current or
25 former employees against whom one or more of the alleged
26 violations was committed. Nothing in this provision establishes
27 standing for the nonprofit legal aid organization as a party in the
28 civil action.

29 (d) (1) For purposes of subdivisions (c) and (f) of Section
30 2699.3, and except for violations of subdivision (a) of Section 226,
31 “cure” means that the employer corrects the violation alleged by
32 the aggrieved employee, is in compliance with the underlying
33 statutes specified in the notice required by this part, and each
34 aggrieved employee is made whole. An employee who is owed
35 wages is made whole when the employee has received an amount
36 sufficient to recover any owed unpaid wages due under the
37 underlying statutes specified in the notice dating back three years
38 from the date of the notice, plus 7 percent interest, any liquidated
39 damages as required by statute, and reasonable lodestar attorney’s
40 fees and costs to be determined by the agency or the court. In case

1 of a dispute over the amount of unpaid wages due, nothing in this
2 part prohibits an employer from curing the alleged violations by
3 paying amounts sufficient to cover any unpaid wages that the
4 agency or court determine could reasonably be owed to the
5 aggrieved employees based on the violations alleged in *the* notice.

6 (2) (A) A violation of paragraph (8) of subdivision (a) of
7 Section 226 shall be considered cured only upon a showing that
8 the employer has provided written notice of the correct information
9 to each aggrieved employee. Such notice may be provided in
10 summary form but shall identify correct information for each pay
11 period in which a violation occurred.

12 (B) A violation of paragraphs (1) to (7), inclusive, and (9) of
13 subdivision (a) of Section 226 shall be considered cured only upon
14 a showing that the employer has provided, at no cost to the
15 employee, a fully compliant, itemized wage statement or, if such
16 information is customarily provided in digital form, reasonable
17 access to a digital or computer-generated record or records
18 maintained in the ordinary course of business containing the same
19 information required on a fully compliant, itemized wage statement,
20 to each aggrieved employee for each pay period during which the
21 violation occurred during the three years prior to the date of the
22 notice. Nothing in this subdivision will impact any right the
23 employee has to request copies of employment records pursuant
24 to Sections 226, 432, and 1198.5.

25 (e) (1) For purposes of this part, whenever the Labor and
26 Workforce Development Agency, or any of its departments,
27 divisions, commissions, boards, agencies, or employees, has
28 discretion to assess a civil penalty or seek injunctive relief, a court
29 is authorized to exercise the same discretion, subject to the same
30 limitations and conditions, to assess a civil penalty and award
31 injunctive relief.

32 (2) In any action by an aggrieved employee seeking recovery
33 of a civil penalty available under subdivision (a) or (f), a court
34 may award a lesser amount than the maximum civil penalty amount
35 specified by this part, including the penalty amounts in subdivisions
36 (g) and (h), or may, notwithstanding the limitations set forth in
37 subdivisions (g) and (h) exceed the limitations set forth in those
38 subdivisions, if, based on the facts and circumstances of the
39 particular case, to do otherwise would result in an award that is
40 unjust, arbitrary and oppressive, or confiscatory.

1 (f) For all provisions of this code except those for which a civil
2 penalty is specifically provided, there is established a civil penalty
3 for a violation of these provisions, as follows:

4 (1) If, at the time of the alleged violation, the person does not
5 employ one or more employees, the civil penalty is five hundred
6 dollars (\$500).

7 (2) If, at the time of the alleged violation, the person employs
8 one or more employees, the civil penalty is as follows:

9 (A) One hundred dollars (\$100) for each aggrieved employee
10 per pay period, except that:

11 (i) If, at the time of the alleged violation, the person employs
12 one or more employees, and the alleged violation is a violation of
13 paragraphs (1) to (7), inclusive, or paragraph (9) of subdivision
14 (a) of Section 226, the only civil penalty applicable under this part
15 is twenty-five dollars (\$25) for each aggrieved employee per pay
16 period if the employee could promptly and easily determine from
17 the wage statement alone the accurate information specified by
18 subdivision (a) of Section 226. If the alleged violation is a violation
19 of paragraph (8) of subdivision (a) of Section 226, the civil penalty
20 applicable under this part for the violation is twenty-five dollars
21 (\$25) for each aggrieved employee per pay period if the employee
22 would not be confused or misled about the correct identity of their
23 employer or, if their employer is a farm labor contractor, the legal
24 entity that secured the services of that employer. This subdivision
25 does not apply if the employer has failed to provide an itemized
26 payroll statement during any of the pay periods at issue.

27 (ii) The civil penalty is fifty *dollars* (\$50) for each aggrieved
28 employee per pay period if the alleged violation resulted from an
29 isolated, nonrecurring event that did not extend beyond the lesser
30 of 30 consecutive days or four consecutive pay periods.

31 (B) The civil penalty is two hundred dollars (\$200) for each
32 aggrieved employee per pay period if either of the following are
33 met:

34 (i) Within the five years preceding the alleged violation, the
35 agency or any court issued a finding or determination to the
36 employer that its policy or practice giving rise to the violation was
37 unlawful.

38 (ii) The court determines that the employer's conduct giving
39 rise to the violation was malicious, fraudulent, or oppressive.

(3) If the alleged violation is a failure to act by the Labor and Workforce Development Agency, or any of its departments, divisions, commissions, boards, agencies, or employees, there shall be no civil penalty.

(g) (1) In any civil action under this part for an alleged violation of this code, if, prior to receiving the notice of violation required by Section 2699.3, or prior to receiving a request for records pursuant to Section 226, 432, or 1198.5 from the aggrieved employee or the employee's counsel, the person alleged to have committed the noticed violation has taken all reasonable steps to be in compliance with all provisions identified in the notice, the civil penalty that may be recovered in a civil action pursuant to this part shall not be more than 15 percent of the penalty sought under subdivision (a) or (f).

(2) For purposes of paragraph (1), "all reasonable steps" may include, but are not limited to, any of the following: conducted periodic payroll audits and took action in response to the results of the audit, disseminated lawful written policies, trained supervisors on applicable Labor Code and wage order compliance, or took appropriate corrective action with regard to supervisors. Whether the employer's conduct was reasonable shall be evaluated by the totality of the circumstances and take into consideration the size and resources available to the employer, and the nature, ~~severity~~ severity, and duration of the alleged violations. The existence of a violation, despite the steps taken, is insufficient to establish that an employer failed to take all reasonable steps.

(3) Paragraph (1) does not apply if the civil penalty recovered is recovered pursuant to subparagraph (B) of paragraph (2) of subdivision (f).

(h) (1) In any civil action under this part for an alleged violation of this code, if within 60 days after receiving the notice of violation required by Section 2699.3, the person alleged to have committed the noticed violation has taken all reasonable steps to prospectively be in compliance with all provisions identified in the notice, the civil penalty that may be recovered in a civil action under this part shall not be more than 30 percent of the penalty sought under subdivision (a) or (f).

(2) For purposes of paragraph (1), "all reasonable steps" may include, but are not limited to, taking an action to initiate any of the following: conduct an audit of the alleged violations and take

1 action in response to the results of the audit, disseminate lawful
2 written policies as to the alleged violations, train supervisors on
3 applicable Labor Code and wage order compliance, or take
4 appropriate corrective action with regard to supervisors. Whether
5 the employer's conduct was reasonable shall be evaluated by the
6 totality of the circumstances and take into consideration the size
7 and resources available to the employer, and the nature, severity
8 and duration of the alleged violations. The existence of a violation,
9 despite the steps taken, is insufficient to establish that an employer
10 failed to take all reasonable steps.

11 (3) Paragraph (1) does not apply if the civil penalty recovered
12 is recovered pursuant to subparagraph (B) of paragraph (2) of
13 subdivision (f).

14 (i) An aggrieved employee shall not collect a civil penalty for
15 any violation of Sections 201, 202, 203, of the Labor Code, or for
16 a violation of Section 204 that is ~~neither~~ not willful or intentional,
17 or a violation of Section 226 that is ~~neither~~ not knowing or
18 intentional ~~nor~~ or a failure to provide a wage statement, that is in
19 addition to the civil penalty collected by that aggrieved employee
20 for the underlying unpaid wage violation. Nothing in this part or
21 in paragraph (2) of subdivision (e) shall prevent a court, in
22 awarding a civil penalty, from reducing the penalty for any alleged
23 violation if the same conduct or omission resulted in multiple
24 violations of this code.

25 (j) An employer who satisfies subdivision (g) or (h) and cures
26 a violation shall not be required to pay a civil penalty for that
27 violation. An employer who cures a violation of subdivision (a)
28 of Section 226 as set forth above shall not be required to pay a
29 civil penalty for that violation. Any other employer shall pay a
30 civil penalty of no more than fifteen dollars (\$15) per employee
31 per pay period for the statute of limitations set forth in Section 340
32 of the Code of Civil Procedure for any violations that the employer
33 cures.

34 (k) (1) Except as provided in paragraph (2), an aggrieved
35 employee may recover the civil penalty described in subdivision
36 (f) and may be awarded injunctive relief in a civil action pursuant
37 to the procedures specified in Section 2699.3 filed on behalf of
38 the employee and other current or former employees against whom
39 a violation of the same provision was committed. Any employee
40 who prevails in any action shall be entitled to an award of

1 reasonable attorney's fees and costs, including any filing fee paid
2 pursuant to subparagraph (B) of paragraph (1) of subdivision (a)
3 or subparagraph (B) of paragraph (1) of subdivision (c) of Section
4 2699.3. Nothing in this part shall operate to limit an employee's
5 right to pursue or recover other remedies available under state or
6 federal law, either separately or concurrently with an action taken
7 under this part.

8 (2) No action shall be brought under this part for any violation
9 of a posting, notice, agency reporting, or filing requirement of this
10 code, except if the filing or reporting requirement involves
11 mandatory payroll or workplace injury reporting.

12 (l) No action may be brought under this section by an aggrieved
13 employee if the agency or any of its departments, divisions,
14 commissions, boards, agencies, or employees, on the same facts
15 and theories, cites a person within the timeframes set forth in
16 Section 2699.3 for a violation of the same section or sections of
17 the Labor Code under which the aggrieved employee is attempting
18 to recover a civil penalty on behalf of the employee or others or
19 initiates a proceeding pursuant to Section 98.3.

20 (m) Except as provided in subdivision (n), civil penalties
21 recovered by aggrieved employees shall be distributed as follows:
22 65 percent to the Labor and Workforce Development Agency for
23 enforcement of labor laws, including the administration of this
24 part, and for education of employers and employees about their
25 rights and responsibilities under this code, to be continuously
26 appropriated to supplement and not supplant the funding to the
27 agency for those purposes; and 35 percent to the aggrieved
28 employees.

29 (n) Civil penalties recovered under paragraph (1) of subdivision
30 (f) shall be distributed to the Labor and Workforce Development
31 Agency for enforcement of labor laws, including the administration
32 of this part, and for education of employers and employees about
33 their rights and responsibilities under this code, to be continuously
34 appropriated to supplement and not supplant the funding to the
35 agency for those purposes.

36 (o) For purposes of this section, the penalty recovered pursuant
37 to this part shall be reduced by one-half if the employees' regular
38 pay period is weekly rather than biweekly or semimonthly.

1 (p) The superior court may limit the evidence to be presented
2 at trial or otherwise limit the scope of any claim filed pursuant to
3 this part to ensure that the claim can be effectively tried.

4 (q) Nothing in this part shall prevent a court from consolidating
5 or coordinating civil actions filed pursuant to this part alleging
6 legally or factually overlapping violations against the same
7 employer.

8 (r) Nothing contained in this part is intended to alter or otherwise
9 affect the exclusive remedy provided by the workers' compensation
10 provisions of this code for liability against an employer for the
11 compensation for any injury to or death of an employee arising
12 out of and in the course of employment.

13 (s) (1) For cases filed on or after July 1, 2016, the aggrieved
14 employee or representative shall, within 10 days following
15 commencement of a civil action pursuant to this part, provide the
16 Labor and Workforce Development Agency with a file-stamped
17 copy of the complaint that includes the case number assigned by
18 the court.

19 (2) The superior court shall review and approve any settlement
20 of any civil action filed pursuant to this part. The proposed
21 settlement shall be submitted to the agency at the same time that
22 it is submitted to the court.

23 (3) A copy of the superior court's judgment in any civil action
24 filed pursuant to this part and any other order in that action that
25 either provides for or denies an award of civil penalties under this
26 code shall be submitted to the agency within 10 days after entry
27 of the judgment or order.

28 (4) Items required to be submitted to the Labor and Workforce
29 Development Agency under this subdivision or to the Division of
30 Occupational Safety and Health pursuant to paragraph (4) of
31 subdivision (b) of Section 2699.3, shall be transmitted online
32 through the same system established for the filing of notices and
33 requests under subdivisions (a) and (c) of Section 2699.3.

34 (t) This section shall not apply to the recovery of administrative
35 and civil penalties in connection with the workers' compensation
36 law as contained in Division 1 (commencing with Section 50) and
37 Division 4 (commencing with Section 3200), including, but not
38 limited to, Sections 129.5 and 132a.

1 (u) The agency or any of its departments, divisions,
2 commissions, boards, or agencies may promulgate regulations to
3 implement the provisions of this part.

4 (v) (1) Except as provided in paragraph (2), the amendments
5 made to this section by the act adding this subdivision shall apply
6 to a civil action brought on or after June 19, 2024.

7 (2) The amendments made to this section by the act adding this
8 subdivision shall not apply to a civil action with respect to which
9 the notice required by subparagraph (A) of paragraph (1) of
10 subdivision (a), paragraph (1) of subdivision (b), or subparagraph
11 (A) of paragraph (1) of subdivision (c) of Section 2699.3 was filed
12 before June 19, 2024.

13 SEC. 135. Section 2699.3 of the Labor Code is amended to
14 read:

15 2699.3. (a) A civil action by an aggrieved employee pursuant
16 to subdivision (a) or (f) of Section 2699 alleging a violation of any
17 provision listed in Section 2699.5 shall commence only after the
18 following requirements have been met:

19 (1) (A) The aggrieved employee or representative shall give
20 written notice by online filing with the Labor and Workforce
21 Development Agency and by certified mail to the employer of the
22 specific provisions of this code alleged to have been violated,
23 including the facts and theories to support the alleged violation.

24 (B) A notice filed with the Labor and Workforce Development
25 Agency pursuant to subparagraph (A) and any employer response
26 to that notice shall be accompanied by a filing fee of seventy-five
27 dollars (\$75). The fees required by this subparagraph are subject
28 to waiver in accordance with the requirements of Sections 68632
29 and 68633 of the Government Code.

30 (C) The fees paid pursuant to subparagraph (B) shall be paid
31 into the Labor and Workforce Development Fund and used for the
32 purposes specified in subdivision (n) of Section 2699.

33 (2) (A) The agency shall notify the employer and the aggrieved
34 employee or representative by certified mail that it does not intend
35 to investigate the alleged violation within 60 calendar days of the
36 postmark date of the notice received pursuant to paragraph (1).
37 Upon receipt of that notice or if no notice is provided within 65
38 calendar days of the postmark date of the notice given pursuant to
39 paragraph (1), the aggrieved employee may commence a civil
40 action pursuant to Section 2699.

1 (B) If the agency intends to investigate the alleged violation, it
2 shall notify the employer and the aggrieved employee or
3 representative by certified mail of its decision within 65 calendar
4 days of the postmark date of the notice received pursuant to
5 paragraph (1). Within 120 calendar days of that decision, the
6 agency may investigate the alleged violation and issue any
7 appropriate citation. If the agency determines that no citation will
8 be issued, it shall notify the employer and aggrieved employee of
9 that decision within five business days thereof by certified mail.
10 Upon receipt of that notice or if no citation is issued by the agency
11 within the time limits prescribed by subparagraph (A) and this
12 subparagraph or if the agency fails to provide timely or any
13 notification, the aggrieved employee may commence a civil action
14 pursuant to Section 2699.

15 (C) Notwithstanding any other provision of law, a plaintiff may
16 as a matter of right amend an existing complaint to add a cause of
17 action arising under this part at any time within 60 days of the time
18 periods specified in this part.

19 (b) A civil action by an aggrieved employee pursuant to
20 subdivision (a) or (f) of Section 2699 alleging a violation of any
21 provision of Division 5 (commencing with Section 6300) other
22 than those listed in Section 2699.5 shall commence only after the
23 following requirements have been met:

24 (1) The aggrieved employee or representative shall give notice
25 by online filing with the Division of Occupational Safety and
26 Health and by certified mail to the employer, with a copy to the
27 Labor and Workforce Development Agency, of the specific
28 provisions of Division 5 (commencing with Section 6300) alleged
29 to have been violated, including the facts and theories to support
30 the alleged violation.

31 (2) (A) The division shall inspect or investigate the alleged
32 violation pursuant to the procedures specified in Division 5
33 (commencing with Section 6300).

34 (i) If the division issues a citation, the employee may not
35 commence an action pursuant to Section 2699. The division shall
36 notify the aggrieved employee and employer in writing within 14
37 calendar days of certifying that the employer has corrected the
38 violation.

39 (ii) If by the end of the period for inspection or investigation
40 provided for in Section 6317, the division fails to issue a citation

1 and the aggrieved employee disputes that decision, the employee
2 may challenge that decision in the superior court. In such an action,
3 the superior court shall follow precedents of the Occupational
4 Safety and Health Appeals Board. If the court finds that the division
5 should have issued a citation and orders the division to issue a
6 citation, then the aggrieved employee may not commence a civil
7 action pursuant to Section 2699.

8 (iii) A complaint in superior court alleging a violation of
9 Division 5 (commencing with Section 6300) other than those listed
10 in Section 2699.5 shall include therewith a copy of the notice of
11 violation provided to the division and employer pursuant to
12 paragraph (1).

13 (iv) The superior court shall not dismiss the action for
14 nonmaterial differences in facts or theories between those contained
15 in the notice of violation provided to the division and employer
16 pursuant to paragraph (1) and the complaint filed with the court.

17 (B) If the division fails to inspect or investigate the alleged
18 violation as provided by Section 6309, the provisions of subdivision
19 (c) shall apply to the determination of the alleged violation.

20 (3) (A) Nothing in this subdivision shall be construed to alter
21 the authority of the division to permit long-term abatement periods
22 or to enter into memoranda of understanding or joint agreements
23 with employers in the case of long-term abatement issues.

24 (B) Nothing in this subdivision shall be construed to authorize
25 an employee to file a notice or to commence a civil action pursuant
26 to Section 2699 during the period that an employer has voluntarily
27 entered into consultation with the division to ameliorate a condition
28 in that particular worksite.

29 (C) An employer who has been provided notice pursuant to this
30 section may not then enter into consultation with the division in
31 order to avoid an action under this section.

32 (4) The superior court shall review and approve any proposed
33 settlement of alleged violations of the provisions of Division 5
34 (commencing with Section 6300) to ensure that the settlement
35 provisions are at least as effective as the protections or remedies
36 provided by state and federal law or regulation for the alleged
37 violation. The provisions of the settlement relating to health and
38 safety laws shall be submitted to the division at the same time that
39 they are submitted to the court. This requirement shall be construed
40 to authorize and permit the division to comment on those settlement

1 provisions, and the court shall grant the division's commentary
2 the appropriate weight.

3 (c) A civil action by an aggrieved employee pursuant to
4 subdivision (a) or (f) of Section 2699 alleging a violation of any
5 provision other than those listed in Section 2699.5 or Division 5
6 (commencing with Section 6300) shall commence only after the
7 following requirements have been met:

8 (1) (A) The aggrieved employee or representative shall give
9 written notice by online filing with the Labor and Workforce
10 Development Agency and by certified mail to the employer of the
11 specific provisions of this code alleged to have been violated,
12 including the facts and theories to support the alleged violation.

13 (B) A notice filed with the Labor and Workforce Development
14 Agency pursuant to subparagraph (A) and any employer response
15 to that notice shall be accompanied by a filing fee of seventy-five
16 dollars (\$75). The fees required by this subparagraph are subject
17 to waiver in accordance with the requirements of Sections 68632
18 and 68633 of the Government Code.

19 (C) The fees paid pursuant to subparagraph (B) shall be paid
20 into the Labor and Workforce Development Fund and used for the
21 purposes specified in subdivision (n) of Section 2699.

22 (D) If the employer is not eligible for the processes in paragraphs
23 (2) or (3) or chooses not to utilize those processes, the agency shall
24 notify the employer and the aggrieved employee or representative
25 by certified mail that it does not intend to investigate the alleged
26 violation within 60 calendar days of the postmark date of the notice
27 received pursuant to ~~paragraph (1)~~. *subparagraph (A)*. Upon receipt
28 of that notice or if no notice is provided within 65 calendar days
29 of the postmark date of the notice given pursuant to subparagraph
30 (A), the aggrieved employee may commence a civil action pursuant
31 to Section 2699.

32 (E) If the agency intends to investigate the alleged violation, it
33 shall notify the employer and the aggrieved employee or
34 representative by certified mail of its decision within 65 calendar
35 days of the postmark date of the notice received pursuant to
36 subparagraph (A). Within 120 calendar days of that decision, the
37 agency may investigate the alleged violation and issue any
38 appropriate citation. If the agency determines that no citation will
39 be issued, it shall notify the employer and aggrieved employee of
40 that decision within five business days thereof by certified mail.

1 Upon receipt of that notice or if no citation is issued by the agency
2 within the time limits prescribed by subparagraph (D) and this
3 subparagraph or if the agency fails to provide timely or any
4 notification, the aggrieved employee may commence a civil action
5 pursuant to Section 2699.

6 (2) (A) Within 33 days of receipt of the notice sent by the
7 aggrieved employee or representative, an employer that employed
8 fewer than 100 employees in total during the period covered by
9 the notice may submit to the agency a confidential proposal to cure
10 one or more of the alleged violations. The employer shall specify
11 which of the alleged violations it proposes to cure.

12 (B) If the cure is facially sufficient or if a conference is
13 necessary to determine if a sufficient cure is possible, then within
14 14 days after receipt of the employer's proposal, the agency may
15 set a conference with the parties, to be conducted no more than 30
16 days thereafter, to determine whether the proposed cure is
17 sufficient, what additional information may be necessary to
18 evaluate the sufficiency of the cure, and the deadline agreed upon
19 by the parties for the employer to complete the cure. If the cure
20 includes the payment of unpaid wages, the agency shall also
21 determine at the conference whether to request the employer pay
22 the proposed cure amount, including any wages and liquidated
23 damages due and 7 percent interest, into escrow or shall provide
24 such other form of security as the agency deems suitable. Any
25 such conference may be electronic, telephonic, or in person. If the
26 agency determines that the cure is not facially sufficient or does
27 not act upon the employer's cure proposal, the employee may
28 proceed with a civil action under this part after 65 calendar days
29 from sending the notice required by this subdivision, unless this
30 time is extended by the agency, provided that such time shall not
31 be extended to more than 120 calendar days after notice is sent.
32 However, the employer shall be entitled to file a request for a stay
33 and early evaluation conference as set forth in subdivision (f).

34 (C) On or before the agreed upon deadline to cure, but no more
35 than 45 days after the conference, the employer shall complete the
36 cure and provide a sworn notification to the employee and agency
37 that the cure is completed, accompanied by a payroll audit and
38 check register if the violation involves a payment obligation. This
39 notification shall also include any information the parties deemed
40 necessary to determine the sufficiency of the cure. The agency

1 shall verify whether the cure is complete within 20 days of
2 receiving the employer's notification. If the agency review
3 procedure under this section extends beyond the 65-day period set
4 forth in this section, the statute of limitation on the alleged
5 violations shall remain tolled until that procedure has been
6 completed.

7 (D) If the agency preliminarily determines that the alleged
8 violation has been cured, it shall notify the aggrieved employee
9 and, if requested by the aggrieved employee, shall set a hearing
10 within 30 days of such determination. The agency shall issue an
11 order no more than 20 days after the hearing providing a
12 determination whether the cure is adequate and the reasons for its
13 determination. If the agency determines that the alleged violation
14 has been cured, the aggrieved employee may not proceed with a
15 civil action. If the aggrieved employee disagrees with the cure
16 determination, the aggrieved employee may appeal that
17 determination to the superior court. Any amounts paid by the
18 employer to the aggrieved employees exclusive of penalties under
19 this section to cure the alleged violation shall be offset against any
20 judgment later entered with respect to that violation, if the superior
21 court concludes the agency abused its discretion in finding that
22 the employer's cure was adequate.

23 (E) No cure or proposal to cure pursuant to this paragraph may
24 be deemed an admission of liability by the employer that submitted
25 the proposed cure. Any cure proposal shall be deemed a
26 confidential settlement proposal subject to Section 1152 of the
27 Evidence Code.

28 (F) Nothing in this paragraph prohibits an employer from
29 independently remedying any violations or prevents the parties
30 from agreeing to their own mediation process.

31 (3) If the only alleged violation the employer seeks to cure is a
32 violation of Section 226, the following procedure shall apply:

33 (A) The employer may cure the alleged violation within 33
34 calendar days of the postmark date of the notice sent by the
35 aggrieved employee or representative. The employer shall give
36 written notice within that period of time by certified mail to the
37 aggrieved employee or representative and by online filing with
38 the agency if the alleged violation is cured, including a description
39 of actions taken, and no civil action pursuant to Section 2699 may
40 commence. If the alleged violation is not cured within the 33-day

1 period, the employee may commence a civil action pursuant to
2 Section 2699.

3 (B) If the aggrieved employee disputes that the alleged violation
4 of Section 226 has been cured, the aggrieved employee or
5 representative shall provide written notice by online filing with
6 the agency and by certified mail to the employer, including
7 specified grounds to support that dispute, to the employer and the
8 agency. Within 17 calendar days of the receipt of that notice, the
9 agency shall review the actions taken by the employer to cure the
10 alleged violation, and provide written notice of its decision by
11 certified mail to the aggrieved employee and the employer. The
12 agency may grant the employer three additional business days to
13 cure the alleged violation. If the agency determines that the alleged
14 violation has not been cured or if the agency fails to provide timely
15 or any notification, the employee may proceed with the civil action
16 pursuant to Section 2699. If the agency determines that the alleged
17 violation has been cured, but the employee still disagrees, the
18 employee may appeal that determination to the superior court.

19 (d) No employer shall avail itself of the notice and cure
20 provisions of this section more than one time in a 12-month period
21 for violations of the same provisions set forth in the notice,
22 regardless of the location of the worksite or if it has been served
23 with a prior notice pursuant to this part alleging the same violation
24 that it did not cure.

25 (e) The periods specified in this section are not counted as part
26 of the time limited for the commencement of the civil action to
27 recover penalties under this part.

28 (f) (1) (A) Notwithstanding any other law, an employer not
29 covered by subparagraph (A) of paragraph (2) of subdivision (c),
30 upon being served with a summons and complaint asserting a claim
31 under subdivision (a) or (f) of Section 2699, may file a request for
32 an early evaluation conference in the proceedings of the claim and
33 a request for a stay of court proceedings prior to or simultaneous
34 with that defendant's responsive pleading or other initial
35 appearance in the action that includes the claim.

36 (B) The purpose of the evaluation conference shall include, but
37 not be limited to, evaluation of all of the following, as applicable:

38 (i) Whether any of the alleged violations occurred and if so,
39 whether the defendant has cured the alleged violations.

1 (ii) The strengths and weaknesses of the plaintiff's claims and
2 the defendant's defenses.

3 (iii) Whether plaintiff's claims, including any claim for penalties
4 or injunctive relief, can be settled in whole or in part.

5 (iv) Whether the parties should share other information that
6 may facilitate early evaluation and resolution of the dispute.

7 (2) A request for an early evaluation conference by a defendant
8 pursuant to paragraph (1) shall include a statement regarding
9 whether the defendant intends to cure any or all of the alleged
10 violations, specify the alleged violations it will cure, if applicable,
11 and identify the allegations it disputes.

12 (3) Upon the filing of a request for an early evaluation
13 conference by a defendant and, if requested, a stay of proceedings,
14 a court shall stay the proceedings and issue an order that does the
15 following, absent good cause for denying defendant's request in
16 whole or in part:

17 (A) Schedules a mandatory early evaluation conference for a
18 date as soon as possible from the date of the order but in no event
19 later than 70 days after issuance of the order.

20 (B) Directs a defendant that has filed a statement that it intends
21 to cure any or all of the alleged violations to submit confidentially
22 to the neutral evaluator and serve on the plaintiff, within 21 days
23 after issuance of the order, the employer's proposed plan to cure
24 those violations.

25 (C) Directs a defendant that is disputing any alleged violations
26 to submit to the neutral evaluator and serve on the plaintiff a
27 confidential statement that includes for use solely for the early
28 evaluation conference, the basis and evidence for disputing those
29 alleged violations.

30 (D) Directs the parties to appear at the time set for the
31 conference.

32 (E) Directs the plaintiff to submit to the neutral evaluator and
33 serve on the defendant no more than 21 days after service of
34 defendant's proposed cure plan, a confidential statement that
35 includes, to the extent reasonably known, for use solely for the
36 purpose of the early evaluation conference, all of the following:

37 (i) The factual basis for each of the alleged violations.

38 (ii) The amount of penalties claimed for each violation if any,
39 and the basis for that calculation.

1 (iii) The amount of attorney's fees and costs incurred to date,
2 if any, that are being claimed.

3 (iv) Any demand for settlement of the case in its entirety.

4 (v) The basis for accepting or not accepting the employer's
5 proposed plan for curing any or all alleged violations.

6 (4) If the neutral evaluator accepts the employer's proposed
7 plan for curing any or all alleged violations, the defendant shall
8 present evidence within 10 calendar days or such longer period as
9 agreed by the parties or set by the neutral evaluator, demonstrating
10 that the cure has been accomplished. If the defendant indicated it
11 would cure any alleged violations and fails to timely submit the
12 required evidence showing correction of the violation or violations
13 to neutral evaluator and plaintiff, the early evaluation process and
14 any stay may be terminated by the court.

15 (5) If the neutral evaluator and the parties agree that the
16 employer has cured the alleged violations that it stated an intention
17 to cure, the parties shall jointly submit a statement to the court
18 setting forth the terms of their agreement.

19 (6) If no other alleged violations remain in dispute, the parties
20 and the court shall treat the parties' submission as a proposed
21 settlement pursuant to the terms and procedures set forth in
22 subdivision (l) of Section 2699.

23 (7) If other alleged violations remain in dispute, the court shall
24 have discretion to defer consideration of the parties' agreement
25 until after further litigation proceedings.

26 (8) In calculating any penalties owed under this part for any
27 violations that the employer promptly cured pursuant to this
28 section, the court shall determine the applicability of subdivision
29 (j), paragraph (2) of subdivision (e), paragraph (1) of subdivision
30 (g), and paragraph (1) of subdivision (h) of Section 2699, and the
31 court shall consider that the violations were cured without the need
32 for extended litigation.

33 (9) If the neutral evaluator or plaintiff does not agree that the
34 employer has cured the alleged violations that it stated an intention
35 to cure, the employer may file a motion to request the court to
36 approve the cure and submit evidence showing correction of the
37 alleged violations. The court may request further briefing and
38 evidentiary submissions from the parties in response to that motion
39 and evidence.

1 (10) All statements or evidence submitted for purposes of the
2 early evaluation conference and all discussions at the early
3 evaluation conference shall be subject to Section 1152 of the
4 Evidence Code.

5 (11) The early evaluation process shall not extend beyond 30
6 days unless parties mutually agree to extend time.

7 (12) Early evaluation conferences shall be conducted by a judge
8 or commissioner or such other person knowledgeable about and
9 experienced with issues arising under the code whom the court
10 shall designate.

11 (13) Nothing in this subdivision affects or modifies the
12 inadmissibility of evidence regarding offers of compromise
13 pursuant to Section 1152 of the Evidence Code, including, but not
14 limited to, inadmissibility to prove injury or damage.

15 (14) Nothing in this subdivision prohibits an employer from
16 independently curing any violations or prevents the parties from
17 agreeing to their own mediation process. Nor does anything in this
18 section prohibit an employer covered by subparagraph (A) of
19 paragraph (2) of subdivision (c) from requesting an early evaluation
20 conference under such other terms and conditions as the court
21 makes available to other litigants.

22 (15) Nothing in this subdivision shall preclude a court from
23 ordering appropriate injunctive relief pursuant to paragraph (1) of
24 subdivision (e) of Section 2699.

25 (16) Nothing in this subdivision limits the court's obligation to
26 approve settlements under this part.

27 (g) This section shall become operative October 1, 2024.

28 SEC. 136. Section 257 of the Military and Veterans Code is
29 amended to read:

30 257. When an enlisted person of the National Guard is
31 ~~sixty-four~~ 64 years of age, they shall be retired from active service
32 or discharged.

33 SEC. 137. Section 395.1 of the Military and Veterans Code is
34 amended to read:

35 395.1. (a) Notwithstanding any other law to the contrary, any
36 officer or employee of the state not subject to Chapter 11
37 (commencing with Section 19770) of Part 2 of Division 5 of Title
38 2 of the Government Code, or any public officer, deputy, assistant,
39 or employee of any city, county, city and county, school district,
40 water district, irrigation district, or any other district, political

1 corporation, political subdivision, or governmental agency thereof
2 who, in time of war or national emergency as proclaimed by the
3 President or Congress, or when any of the ~~armed forces~~ *Armed*
4 *Forces* of the United States are serving outside of the United States
5 or their territories pursuant to order or request of the United
6 Nations, or while any national conscription act is in effect, leaves
7 or has left their office or position prior to the end of the war, or
8 the termination of the national emergency or during the effective
9 period of any order or request of this type of the United Nations
10 or prior to the expiration of the National Conscription Act, to join
11 the ~~armed forces~~ *Armed Forces* of the United States and who does
12 or did without unreasonable and unnecessary delay join the ~~armed~~
13 ~~forces~~ *Armed Forces* or, being a member of any reserve force or
14 corps of any of the ~~armed forces~~ *Armed Forces* of the United States
15 or of the militia of this state, is or was ordered to duty therewith
16 by competent military authority and served or serves in compliance
17 with those orders, shall have a right, if released, separated or
18 discharged under conditions other than dishonorable, to return to
19 and reenter upon the office or position within six months after the
20 termination of their active service with the ~~armed forces~~; *Armed*
21 *Forces*, but not later than six months after the end of the war or
22 national emergency or military or police operations under the
23 United Nations or after the Governor finds and proclaims that, for
24 the purposes of this section, the war, national emergency, or United
25 Nations military or police operation no longer exists, or after the
26 expiration of the National Conscription Act, if the term for which
27 they were elected or appointed has not ended during their absence;
28 provided, that the right to return to and reenter upon the office or
29 position shall not extend to or be granted to any officer or employee
30 of the state not subject to Chapter 11 (commencing with Section
31 19770) of Part 2 of Division 5 of Title 2 of the Government Code,
32 or any public officer, deputy, assistant, or employee of any city,
33 county, city and county, school district, water district, irrigation
34 district or any other district, political corporation, political
35 subdivision or governmental agency thereof, who shall fail to
36 return to and reenter upon their office or position within 12 months
37 after the first date upon which they could terminate or could cause
38 to have terminated their active service with the ~~armed forces~~ *Armed*
39 *Forces* of the United States or of the militia of this state. They
40 shall also have a right to return to and reenter upon the office or

1 position during terminal leave from the ~~armed forces~~ *Armed Forces*
2 and prior to discharge, separation, or release therefrom.

3 (b) (1) Upon return and reentry to the office or employment,
4 the officer or employee shall have all of the rights and privileges
5 in, connected with, or arising out of the office or employment
6 which they would have enjoyed if they had not been absent
7 therefrom; provided, however, the officer or employee shall not
8 be entitled to sick leave, vacation, or salary for the period during
9 which they were on leave from that governmental service and in
10 the service of the ~~armed forces~~ *Armed Forces* of the United States.

11 (2) If the office or position has been abolished or otherwise has
12 ceased to exist during their absence, they shall be reinstated in a
13 position of like seniority, ~~status~~ *status*, and pay if the position
14 exists, or to a comparable vacant position for which they are
15 qualified.

16 (c) Any officer or employee other than a probationer who is
17 restored to their office or employment pursuant to this act shall
18 not be discharged from that office or position without cause within
19 one year after the restoration, and shall be entitled to participate
20 in insurance or other benefits offered by the employing
21 governmental agency pursuant to established rules and practices
22 relating to those officers or employees on furlough or leave of
23 absence in effect at the time the officer or employee left their office
24 or position to join the ~~armed forces~~ *Armed Forces* of the United
25 States.

26 (d) Notwithstanding any other provisions of this code, any
27 enlisted person who was involuntarily ordered to active duty (other
28 than for training) for a stated duration shall not lose any right or
29 benefit conferred under this code if they voluntarily elect to
30 complete the period of that duty.

31 (e) If the provisions of this section are in conflict with the
32 provisions of a memorandum of understanding reached pursuant
33 to Chapter 12 (commencing with Section 3560) of Division 4 of
34 Title 1 of the Government Code, the memorandum of
35 understanding shall be controlling without further legislative action,
36 except that if such provisions of a memorandum of understanding
37 require the expenditure of funds, the provisions shall not become
38 effective unless approved by the Legislature in the annual Budget
39 Act.

1 SEC. 138. Section 502 of the Military and Veterans Code is
2 amended to read:

3 502. (a) Upon recommendation of the governing board having
4 jurisdiction over the school, college, community college, or
5 sponsoring organization, the Adjutant General may appoint
6 officers, warrant officers, and noncommissioned officers in the
7 California Cadet Corps for duty as commandants of cadets or
8 assistant commandants of cadets in each school, college,
9 community college, or sponsoring organization under the
10 jurisdiction of the governing board.

11 (b) Except when ordered to state active duty by the Governor,
12 the officers, warrant officers, and noncommissioned officers shall
13 be under the immediate control and jurisdiction of the governing
14 board of the school, college, or community college at which they
15 are on duty and pay, allowances, and expenses shall be disbursed
16 from funds appropriated for the maintenance and operations of the
17 school, college, or community college where they serve.

18 (c) Each officer, warrant officer, and noncommissioned officer
19 shall hold their appointment at the pleasure of the governing ~~board,~~
20 ~~board~~ until a successor has been appointed and ~~qualified,~~ *qualified*
21 or until their affiliation with the California Cadet Corps is severed.

22 (d) (1) The Adjutant General may appoint commissioned
23 officers, warrant officers, and noncommissioned officers as staff
24 officers in support of California Cadet Corps operations.

25 (2) A staff officer not assigned to a school, college, or
26 community college is under the immediate control and jurisdiction
27 of the Commander of the California Cadet Corps.

28 (3) An officer, warrant officer, or noncommissioned officer on
29 state active duty in support of the California Cadet Corps is under
30 the immediate control and jurisdiction of the Commander of the
31 California Cadet Corps.

32 SEC. 139. Section 502.1 of the Military and Veterans Code is
33 amended to read:

34 502.1. (a) The Adjutant General shall determine by the
35 adoption of rules and regulations the grade and rank to be held by
36 individuals appointed in the California Cadet Corps by reason of
37 their military experience, professional knowledge, or both. These
38 individuals shall be appointed pursuant to the rules and regulations
39 adopted by the Adjutant General.

(b) (1) A person who has previously been an officer, warrant officer, or noncommissioned officer of, and discharged under honorable conditions from, the United States Army, the United States Navy, the United States Air Force, the United States Marine Corps, the United States Space Force, the United States Coast Guard, a reserve component of those federal forces, the California National Guard, the State Guard, or the active militia may be appointed in the California Cadet Corps in the same rank last held in ~~such~~ federal or state military forces.

(2) Each officer, warrant officer, or noncommissioned officer shall hold office pursuant to the rules and regulations adopted by the Adjutant General.

(3) (A) Upon recommendation of the Adjutant General, the Governor may commission one Commander of the California Cadet Corps as a brigadier general or colonel, up to two Deputy Commanders of the California Cadet Corps as a colonel or lieutenant colonel, one Chief of Staff as a colonel or lieutenant colonel, and the necessary number of staff and regional advisors in the same grade and rank last held in federal or state military forces, not to exceed lieutenant colonel, pursuant to rules and regulations adopted by the Adjutant General.

(B) The Commander of the California Cadet Corps may be appointed to a brigadier general, and the Deputy Commanders may be appointed as a colonel, once the total number of enrolled cadets exceeds 10,000 annually or there are more than 100 California Cadet Corps units.

(4) Upon the recommendation of the Adjutant General, the Governor may appoint commissioned officers, warrant officers, and noncommissioned officers to the same grade and rank last held in federal or state military forces for service in the California Cadet Corps by virtue of their professional knowledge and experience. Pay and expenses shall be taken from the funds appropriated for the maintenance and support of the California Cadet Corps.

SEC. 140. Section 502.2 of the Military and Veterans Code is amended to read:

502.2. (a) All personnel appointed in the California Cadet Corps pursuant to Section 502.1 shall wear uniforms prescribed by the Adjutant General. Primary uniforms shall be consistent with

1 uniforms of the ~~California~~ State Guard with distinctive California
2 Cadet Corps markings.

3 (b) Personnel wearing the uniforms described in subdivision
4 (a) shall meet appearance standards consistent with the ~~California~~
5 State Guard.

6 (c) Personnel not meeting the standards described in this section
7 may wear an alternate uniform approved by the Commander of
8 the California Cadet Corps.

9 SEC. 141. Section 502.4 of the Military and Veterans Code is
10 amended to read:

11 502.4. (a) The Adjutant General may order officers, warrant
12 officers, and noncommissioned officers in the California Cadet
13 Corps to state active duty at encampments, exercises, or other
14 activities conducted by the corps.

15 (b) While on state active duty, an officer, warrant officer, and
16 noncommissioned officer shall receive the same base pay, without
17 longevity, as a member of similar grade in the United States Army
18 together with their expenses.

19 (c) Pay and expenses for these purposes shall be paid from funds
20 appropriated for the maintenance and support of the California
21 Cadet Corps.

22 (d) When on state active duty in support of the *California* Cadet
23 Corps, personnel are under the direction and control of the
24 Commander of the California Cadet Corps.

25 SEC. 142. Section 504 of the Military and Veterans Code is
26 amended to read:

27 504. (a) The Adjutant General shall adopt rules and regulations
28 for the formation of cadet brigades, regiments, and battalions and
29 shall adopt tables of organization and provide for the appointment
30 of cadet brigade, regimental, and battalion officers and ~~staffs~~. *staff*.

31 (b) All cadet battalion officers, regimental, and
32 noncommissioned officers shall be appointed, commissioned, or
33 warranted in accordance with rules and regulations adopted by the
34 Adjutant General and upon the recommendation of the commandant
35 of cadets with the approval of the president, director, chief
36 administrative officer, or principal of the school, college,
37 community college, or, in the case of an independent unit not based
38 at a school or college, the head of the sponsoring organization.

39 SEC. 143. Section 505 of the Military and Veterans Code is
40 amended to read:

1 505. The Adjutant General may order officers, warrant officers,
2 and noncommissioned officers of the State Guard, Naval Militia,
3 or California National Guard to temporary state active duty to
4 perform functions in support of the California Cadet Corps. Pay
5 for ~~such~~ *those* duties shall be disbursed from funds appropriated
6 for the support and maintenance of the California Cadet Corps.

7 SEC. 144. Section 510 of the Military and Veterans Code is
8 amended to read:

9 510. (a) The Adjutant General shall prescribe the uniforms
10 that the cadet and adult members of the California Cadet Corps
11 shall wear.

12 (b) (1) The Adjutant General may issue, to the California Cadet
13 Corps cadets and adults, necessary training aids, insignia of rank
14 and of the California Cadet Corps, awards and decorations, and
15 military property or equipment in the control of the Adjutant
16 General as may not be required for the California National Guard,
17 other state military forces, or other military purposes.

18 (2) The issues described in paragraph (1) may be made by the
19 Adjutant General without charge to the members of the California
20 Cadet Corps or to the school, college, community college, or
21 sponsoring organization.

22 (3) The Adjutant General, after receiving written
23 acknowledgment from the president, director, chief administrative
24 officer, or principal of the school, college, community college, or
25 sponsoring organization of the receipt of ~~such property~~, *the issues*
26 *described in paragraph (1)*, shall account the same as a transfer
27 of equipment.

28 SEC. 145. Section 513 of the Military and Veterans Code is
29 amended to read:

30 513. (a) The Adjutant General may detail, from the
31 organizations of the California National Guard, State Guard, or
32 Naval Militia, competent members who shall perform duties on
33 behalf of the California Cadet Corps and who may act as military
34 training instructors for the California Cadet Corps.

35 (b) The Adjutant General may provide compensation for ~~any~~ *a*
36 person detailed for duty and service with the California Cadet
37 Corps.

38 (c) The expenditures may be paid out of funds appropriated for
39 the maintenance and support of the California Cadet Corps.

(d) The Adjutant General may conduct conferences and other events and activities for members of the California Cadet Corps and may utilize funds appropriated for the maintenance and support of the California Cadet Corps for these purposes.

SEC. 146. Section 520 of the Military and Veterans Code is amended to read:

520. (a) (1) A commander, deputy commander, regional advisor, officer, warrant officer, or noncommissioned officer appointed or detailed pursuant to Section 502, 502.1, 512, 513, or 515 who is wounded, injured, disabled, or killed in the performance of ordered duty is entitled to receive compensation from the state in accordance with the provisions of Division 4 (commencing with Section 3200) of the Labor Code.

(2) ~~In all such cases, the circumstances described in paragraph (1),~~ the individual shall be deemed to be an employee of the state.

(3) The compensation for the individual shall be ascertained, determined, and fixed upon the basis of their average income from all sources during the year immediately preceding the date of the injury or death, or the commencement of the disability, but the compensation shall not exceed the maximum prescribed in Division 4 (commencing with Section 3200) of the Labor Code.

(b) In determining the benefits awarded to an individual under the provisions of this section, it shall be conclusively presumed that the average yearly earning of the injured or deceased individual is not less than ten thousand dollars (\$10,000). An injury, death, or disability shall be deemed to have been suffered in *the* line of duty unless the injury, death, or disability resulted from misconduct or disobedience of lawful orders by the injured or deceased individual.

SEC. 147. Section 552 of the Military and Veterans Code is amended to read:

552. (a) Officers and warrant officers of the forces herein authorized on active duty in the service of the state shall receive the same pay and allowances as officers of similar grade in the Army of the United States.

(b) An officer, warrant officer or enlisted person of the forces herein authorized may, with their consent, be detailed for duty and may be paid compensation in any grade lower than the officer, warrant officer, or enlisted person actually holds; provided, the officer, ~~warrant officer~~ *officer*, or enlisted person voluntarily waives

1 all compensation in excess of the lower grade in which they are
2 detailed to duty.

3 (c) When an officer or warrant officer of the forces herein
4 authorized is detailed for special duty in any matter relating to
5 those forces, by order of the Governor, they shall be allowed the
6 same pay and allowances as officers or warrant officers of similar
7 grade in the Army of the United States and actual traveling
8 expenses. An enlisted person similarly detailed shall be allowed
9 the same pay and allowances as enlisted persons of similar grade
10 in the Army of the United States and actual traveling expenses,
11 except that family allowances shall not be allowed those enlisted
12 persons. An officer, ~~warrant-officer~~ *officer*, or enlisted person of
13 the forces herein authorized may, with their consent, be detailed
14 for special duty without expense to the state, except and provided,
15 however, they may be paid their actual traveling expenses.

16 (d) In addition to the pay and allowances authorized in this code,
17 personnel of the forces created herein having administrative
18 functions connected therewith may be paid not more than twenty
19 dollars (\$20) per month for the performance of those duties
20 according to rules and regulations adopted by the Adjutant General.

21 (e) All enlistments of members of the active militia may be
22 extended by the Adjutant General if necessary during the existence
23 of a national emergency.

24 SEC. 148. Section 555 of the Military and Veterans Code is
25 amended to read:

26 555. Such forces shall not be required to serve outside the
27 boundaries of this state except:

28 (a) Upon the request of the Governor of another state, the
29 Governor of this state may, in their discretion, order any portion
30 or all of such forces as may be then in actual service to assist the
31 military or police forces of the other state who are actually engaged
32 in defending the other state. These forces may be recalled by the
33 Governor at their discretion.

34 (b) Any organization, unit, or detachment of forces upon order
35 of the officer in immediate command thereof, may continue in
36 fresh pursuit of insurrectionists, saboteurs, ~~enemies~~ *enemies*, or
37 enemy forces beyond the borders of this state into another state
38 until they are apprehended or captured by such organization, unit,
39 or detachment or until the military or police forces of the other
40 state or the forces of the United States have had reasonable

1 opportunity to take up the pursuit or to apprehend or capture such
2 persons if the other state shall have given authority by law for the
3 pursuit by such forces of this state. Any person who is apprehended
4 or captured in another state by an organization, unit, or detachment
5 of the forces of this state shall without unnecessary delay be
6 surrendered to the military or police forces of the state in which
7 they are taken or to the United States. This surrender shall not
8 constitute a waiver by this state of its rights to extradite or
9 prosecute the person for any crime committed in this state.

10 (c) Pursuant to the provisions of the National Defense Act of
11 1916, as amended, and such amendments as may be made thereto
12 hereafter.

13 SEC. 149. Section 557 of the Military and Veterans Code is
14 amended to read:

15 557. (a) A person shall not, by reason of their enlistment or
16 commission in any such forces, be exempted from military service
17 under any law of the United States.

18 (b) Section 230 and Sections 232 to 237, inclusive, apply to
19 commissioned officers. Section 225 applies to warrant officers.
20 Sections 252, 253, ~~254~~ 254, and 260, except subdivision (b) of
21 Section 260, apply to enlisted personnel of the forces authorized
22 herein. However, this code shall not prevent the transfer, by order
23 of the Governor, at any time, of any member of those forces to a
24 reserve list created in the office of the Commanding General of
25 the State Military Forces.

26 SEC. 150. Section 987.005 of the Military and Veterans Code
27 is amended to read:

28 987.005. (a) The departments shall establish and implement
29 programs pursuant to the purposes of this article that focus on
30 veterans at risk for homelessness or experiencing temporary or
31 chronic homelessness. To the extent feasible, the departments shall
32 establish and implement programs that, among other things, do
33 the following:

34 (1) Leverage public (federal, state, and local), private, and
35 nonprofit program and fiscal resources.

36 (2) Ensure projects combine housing and supportive services,
37 including, but not limited to, job training, mental health and drug
38 treatment, case management, care coordination, or physical
39 rehabilitation.

40 (3) Promote public and private partnerships.

1 (4) Foster innovative financing opportunities.

2 (5) Ensure program guidelines and terms provide threshold
3 requirements to advance applicants with experience in combining
4 permanent or transitional housing, or both, with supportive services
5 for veterans, or for partnering with housing developers or service
6 providers with experience offering housing or services to veterans.

7 (b) (1) The departments shall ensure at least 50 percent of funds
8 awarded for capital development under this article provide housing
9 to veteran households with extremely low incomes.

10 (2) Except as provided in paragraph (5) and subdivision (h), in
11 determining whether a potential tenant is eligible for supportive,
12 affordable, or transitional housing targeted to extremely low
13 income households under this provision, eligibility shall take into
14 consideration all of a household's income sources upon initial
15 tenancy.

16 (3) At least 60 percent of units funded targeting extremely low
17 income households shall be supportive housing.

18 (4) This section shall not deter the departments from funding
19 projects serving mixed-income populations.

20 (5) (A) A qualified entity tasked with making referrals to
21 qualified units targeted to extremely low income households may
22 submit a petition to the departments pursuant to subdivision (c)
23 for the purposes of requesting authority to lease the qualified unit
24 to secondary tenants if the qualified entity is unable to locate,
25 match, or otherwise place a qualified tenant in a qualified unit
26 within 60 days of the unit becoming available. The qualified entity
27 may submit an application to the departments 30 days after the
28 unit becoming available for occupancy, provided that the unit is
29 vacant for at least 60 days at the time the departments approve the
30 petition. The departments may not approve a petition if it would
31 result in any changes other than tenant income eligibility criteria,
32 as described in this section, that may impact the project's regulatory
33 agreement.

34 (B) This shall include circumstances in which approving a
35 petition for a qualified entity to house tenants with incomes up to
36 60 percent of the area median income would cause a supported
37 development to have less than 50 percent of its units occupied by
38 tenants with extremely low incomes. The supported development
39 shall not have less than 30 percent of its units occupied by tenants
40 with extremely low incomes.

1 (C) If a qualified unit that is restricted to a qualified tenant with
2 an extremely low income is occupied by a secondary tenant or
3 other tenant who is a veteran experiencing homelessness with an
4 income between 30 and 60 percent of area median income pursuant
5 to subparagraph (A) or (B), that unit shall be redesignated to an
6 area ~~medium~~ *median* income level commensurate with the income
7 level of the secondary tenant and the secondary tenant shall pay
8 rent commensurate with their household income's percentage of
9 the area ~~medium~~ *median* income.

10 (D) Beginning 12 months after the petition has been approved,
11 if a qualified unit that is restricted to a qualified tenant with an
12 extremely low income is occupied by a secondary tenant or other
13 tenant who is a veteran experiencing homelessness with an income
14 between 30 and 60 percent of area median income pursuant to
15 subparagraph (A) or (B), the next available comparable unit shall
16 then be rented to a qualified tenant at 30 percent of the area ~~medium~~
17 *median* income with the goal of returning the project into
18 compliance with the unit mix required by the project regulatory
19 agreement.

20 (6) The qualified entity tasked with making referrals to these
21 units shall make a good faith effort to match a tenant with an
22 extremely low income before submitting a petition to the
23 departments, document these good faith efforts, submit this
24 documentation as part of the petition, and make this documentation
25 available to the housing sponsor, who shall include the
26 documentation in the tenant file, and, upon request, to the
27 departments. Documentation of these good faith efforts shall
28 include, but not be limited to, the following:

29 (A) Efforts to advertise to the community at least 90 days prior
30 to the lease-up of the building.

31 (B) Efforts to work in partnership with local homeless services
32 providers, including those that serve veterans experiencing
33 homelessness.

34 (C) Efforts to coordinate with the local continuum of care to
35 identify veterans experiencing homelessness with extremely low
36 incomes.

37 (D) Efforts to coordinate with the United States Department of
38 Veterans Affairs to identify veterans experiencing homelessness
39 with extremely low incomes.

1 (E) Documentation of contact with veterans experiencing
2 homelessness with extremely low incomes and their case managers
3 who were matched to the available unit and chose not to lease the
4 unit.

5 (c) The departments shall create a standardized form for the
6 submission of petitions described in paragraph (5) of subdivision
7 (b).

8 (1) Upon receiving a petition pursuant to this section, the
9 departments shall do both of the following:

10 (A) Review the petition and decide if the qualified unit is eligible
11 to accept secondary tenants under all applicable guidelines, rules,
12 and regulations, and other laws established by the Internal Revenue
13 Service and the departments.

14 (B) Provide a written determination approving or denying the
15 petition. The written determination shall be provided to the
16 qualified entity as soon as possible, but no later than 30 days after
17 the departments receive the petition.

18 (2) If necessary, the departments may create written rules for
19 the review of and determination on the petitions that are consistent
20 with the requirements of this section, including, but not limited
21 to, additional rules related to projects seeking approval before
22 permanent loan conversion.

23 (d) The departments may review, adopt, amend, and repeal
24 guidelines or terms, or both, to implement this article. Any
25 guidelines or terms adopted to implement this article shall not be
26 subject to Chapter 3.5 (commencing with Section 11340) of Part
27 1 of Division 3 of Title 2 of the Government Code.

28 (e) Nothing in this article permits the departments or the board
29 to purchase, operate, or manage properties except in the event of
30 a foreclosure on a borrower or grantee.

31 (f) (1) Notwithstanding any other law, a housing developer or
32 service provider that provides housing or services pursuant to this
33 article may provide housing or services to female veterans and
34 their children in women-only facilities in limited instances in which
35 a female veteran (A) has suffered any form of sexual abuse, trauma,
36 or intimidation or harassment while serving in the military and is
37 seeking treatment for that sexual abuse, trauma, or intimidation or
38 harassment, or (B) is seeking the housing or services as a result of
39 being a victim of sexual abuse or domestic violence.

(2) A housing developer or service provider that provides housing or services to female veterans in women-only facilities pursuant to paragraph (1) shall ensure that the housing or services shall provide supportive housing or services with a focus on, among others, treating the effects of military sexual abuse, trauma, or intimidation in a gender-specific manner.

(3) For purposes of this subdivision, “women-only facilities” means the facilities may house and provide services to female veterans only and their children, and shall not house or provide services to any adult who is not a dependent of a female veteran.

(g) In administering the programs established under this article, the departments shall do all of the following:

(1) Make program funds available at the same time funds, if any, are made available under the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).

(2) Rate and rank applications in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this article in addition to those used in the Multifamily Housing Program.

(3) Administer funds subject to this article in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).

(4) Only applications serving veterans and meeting any additional threshold requirements established by the departments, shall be eligible to receive funds pursuant to this article.

(h) In determining whether a potential tenant is eligible for supportive, affordable, or transitional housing under this article, an income eligibility determination shall not take into consideration service-connected disability benefits received by the potential tenant.

SEC. 151. Section 987.300 of the Military and Veterans Code is amended to read:

987.300. (a) If a qualified entity is unable to locate, match, or otherwise place a qualified tenant in a qualified unit within 28 days of the qualified unit becoming available, the qualified entity shall

1 be eligible to match secondary tenants to the qualified units and
2 the California Tax Credit Allocation Committee and the California
3 Debt Limit Allocation Committee shall treat secondary tenants as
4 eligible for the qualified unit.

5 (b) If, subsequent to the 14 days of the unit becoming available
6 to secondary tenants, the qualified entity is unable to locate, match,
7 or otherwise place either a qualified tenant or a secondary tenant
8 in a qualified unit, the qualified entity shall be eligible to match a
9 veteran experiencing homelessness with an income at or below 60
10 percent of area median income to the qualified unit and the
11 California Tax Credit Allocation Committee and the California
12 Debt Limit Allocation Committee shall treat the tenants as eligible
13 for the qualified unit.

14 (c) If a qualified unit that is restricted to a qualified tenant with
15 an extremely low income is occupied by a secondary tenant or
16 other tenant who is a veteran experiencing homelessness with an
17 income between 30 and 60 percent of area median income pursuant
18 to subdivision (a) or (b), that unit shall be redesignated to an area
19 ~~medium~~ *median* income level commensurate with the income level
20 of the secondary tenant and the secondary tenant shall pay rent
21 commensurate with their household income's percentage of the
22 area ~~medium~~ *median* income.

23 (d) Beginning 12 months after a secondary tenant or other tenant
24 who is a veteran experiencing homelessness has been placed
25 pursuant to subdivision (a) or (b), if a qualified unit that is restricted
26 to a qualified tenant with an extremely low income is occupied by
27 a tenant with an income between 30 and 60 percent of area median
28 income pursuant to ~~subdivisions~~ *subdivision* (a) or (b), the next
29 available comparable unit shall then be rented to a qualified tenant
30 at 30 percent of the area ~~medium~~ *median* income with the goal of
31 returning the project into compliance with the unit mix required
32 by the project regulatory agreement.

33 (e) (1) The qualified entity tasked with making referrals to
34 qualified units shall make a good faith effort to match a qualified
35 tenant with an extremely low income, shall document these good
36 faith efforts, and shall make this documentation available to the
37 housing sponsor, who shall include the documentation in the tenant
38 file, and, upon request, to the California Housing Finance Agency,
39 the Department of Housing and Community Development, and

1 the Department of Veterans Affairs. Documentation of these good
2 faith efforts shall include, but not be limited to, the following:

3 (A) Efforts to advertise to the community at least 90 days prior
4 to the lease-up of the building.

5 (B) Efforts to work in partnership with local homeless services
6 providers, including those that serve veterans experiencing
7 homelessness.

8 (C) Efforts to coordinate with the local continuum of care to
9 identify veterans experiencing homelessness with extremely low
10 incomes.

11 (D) Efforts to coordinate with the United States Department of
12 Veterans Affairs to identify veterans experiencing homelessness
13 with extremely low incomes.

14 (E) Documentation of contact with veterans experiencing
15 homelessness with extremely low incomes and their case managers
16 who were matched to the available unit and chose not to lease the
17 unit.

18 (2) The California Tax Credit Allocation Committee and the
19 California Debt Limit Allocation Committee may adopt regulations
20 to establish additional documentation standards for demonstrating
21 a good faith effort.

22 (f) If a qualified entity has submitted a petition to the ~~department~~
23 *departments* pursuant to Section 987.005 for a unit that is a
24 qualified unit under both this section and Section 987.003, the
25 outcome of the petition submitted pursuant to Section 987.005
26 shall determine whether the qualified entity is able to refer
27 secondary tenants.

28 (g) For purposes of this section, the following definitions apply:

29 (1) "Extremely low income" has the same meaning as defined
30 in Section 50106 of the Health and Safety Code.

31 (2) "Homeless" has the same meaning as defined in Section
32 578.3 of Title 24 of the Code of Federal Regulations, as that section
33 read on January 10, 2019.

34 (3) "Qualified entity" means an entity that is responsible for
35 making referrals of qualified tenants to qualified units.

36 (4) "Qualified tenant" means an extremely low income veteran
37 who is homeless.

38 (5) "Qualified unit" means a supportive housing unit restricted
39 to extremely low income veterans pursuant to a regulatory
40 agreement with the California Tax Credit Allocation Committee

1 or with a bond issuer under the private activity bonds program
2 administered by the California Debt Limit Allocation Committee.

3 (6) "Secondary tenants" means a veteran who is homeless and
4 has an income of up to 60 percent of the area median income.

5 (7) "Supportive housing unit" has the same meaning as defined
6 in Section 987.003.

7 (8) "Veteran" has the same meaning as defined in Section
8 987.003.

9 SEC. 152. Section 1690 of the Military and Veterans Code is
10 amended to read:

11 1690. Any elected officer of the state who is called to serve
12 with the ~~armed forces~~ *Armed Forces* of the United States has a
13 right to return to and to reenter upon their office after the
14 termination of their active service with the ~~armed forces~~ *Armed*
15 *Forces* if the term for which they are elected has not expired.

16 SEC. 153. Section 236.8 of the Penal Code is amended to read:

17 236.8. (a) If the prosecuting agency, in conjunction with the
18 criminal proceeding, files a petition of forfeiture with the superior
19 court of the county in which the defendant has been charged with
20 human trafficking that involves a commercial sex act, as defined
21 in paragraph (2) of subdivision ~~(g)~~ *(h)* of Section 236.1, where the
22 victim was less than 18 years of age at the time of the commission
23 of the crime, the prosecuting agency shall make service of process
24 of a notice regarding that petition upon every individual who may
25 have a property interest in the alleged proceeds or instruments.
26 The notice shall state that any interested party may file a verified
27 claim with the superior court stating the amount of their claimed
28 interest and an affirmation or denial of the prosecuting agency's
29 allegation. If the notice cannot be given by registered mail or
30 personal delivery, the notice shall be published for at least three
31 successive weeks in a newspaper of general circulation in the
32 county where the property is located. If the property alleged to be
33 subject to forfeiture is real property, the prosecuting agency shall,
34 at the time of filing the petition of forfeiture, record a lis pendens
35 with the county recorder in each county in which the real property
36 is situated that specifically identifies the real property alleged to
37 be subject to forfeiture. The judgment of forfeiture shall not affect
38 the interest in real property of a third party that was acquired prior
39 to the recording of the lis pendens.

(b) All notices shall set forth the time within which a claim of interest in the property seized is required to be filed pursuant to Section 236.9.

SEC. 154. Section 236.10 of the Penal Code is amended to read:

236.10. (a) Concurrent with or subsequent to the filing of the petition, the prosecuting agency may move the superior court for, and the superior court may issue, the following pendente lite orders to preserve the status quo of the property alleged in the petition:

(1) An injunction to restrain anyone from transferring, encumbering, hypothecating, or otherwise disposing of the property.

(2) Appointment of a receiver to take possession of, care for, manage, and operate the assets and properties so that the property may be maintained and preserved. The court may order that a receiver appointed pursuant to this section be compensated for all reasonable expenditures made or incurred by ~~him or her~~ *the receiver* in connection with the possession, care, management, and operation of property or assets that are subject to the provisions of this section.

(b) No preliminary injunction may be granted or receiver appointed without notice to the interested parties and a hearing to determine that an order is necessary to preserve the property, pending the outcome of the criminal proceedings, and that there is probable cause to believe that the property alleged in the forfeiture proceedings are proceeds, instruments, or property interests forfeitable under the provisions of Section 236.7. However, a temporary restraining order may issue pending that hearing pursuant to the provisions of Section 527 of the Code of Civil Procedure.

(c) Notwithstanding any other provision of law, the court in granting these motions may order a surety bond or undertaking to preserve the property interests of the interested parties.

(d) The court shall, in making its orders, seek to protect the interests of those who may be involved in the same enterprise as the defendant, but who were not involved in human trafficking that involves a commercial sex act, as defined in paragraph (2) of subdivision ~~(g)~~ *(h)* of Section 236.1, where the victim was less than 18 years of age at the time of the commission of the crime.

SEC. 155. Section 236.11 of the Penal Code is amended to read:

236.11. (a) If the trier of fact at the forfeiture hearing finds that the alleged property, instruments, or proceeds are forfeitable pursuant to Section 236.7 and the defendant was engaged in human trafficking that involves a commercial sex act, as defined in paragraph (2) of subdivision ~~(g)~~ (h) of Section 236.1, where the victim was less than 18 years of age at the time of the commission of the crime, the court shall declare that property or proceeds forfeited to the state or local governmental entity, subject to distribution as provided in Section 236.12. No property solely owned by a bona fide purchaser for value shall be subject to forfeiture.

(b) If the trier of fact at the forfeiture hearing finds that the alleged property is forfeitable pursuant to Section 236.7 but does not find that a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract acquired that interest with actual knowledge that the property was to be used for a purpose for which forfeiture is permitted, and the amount due to that person is less than the appraised value of the property, that person may pay to the state or the local governmental entity that initiated the forfeiture proceeding the amount of the registered owner's equity, which shall be deemed to be the difference between the appraised value and the amount of the lien, mortgage, security interest, or interest under a conditional sales contract. Upon payment, the state or local governmental entity shall relinquish all claims to the property. If the holder of the interest elects not to pay the state or local governmental entity, the property shall be deemed forfeited to the state or local governmental entity and the ownership certificate shall be forwarded. The appraised value shall be determined as of the date judgment is entered either by agreement between the legal owner and the governmental entity involved, or, if they cannot agree, by a court-appointed appraiser for the county in which the action is brought. A person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract shall be paid the appraised value of ~~his or her~~ *the person's* interest.

(c) If the amount due to a person holding a valid lien, mortgage, security interest, or interest under a conditional sales contract is less than the value of the property and the person elects not to

1 make payment to the governmental entity, the property shall be
2 sold at public auction by the Department of General Services or
3 by the local governmental entity. The seller shall provide notice
4 of the sale by one publication in a newspaper published and
5 circulated in the city, community, or locality where the sale is to
6 take place.

7 (d) Notwithstanding subdivision (c), a county may dispose of
8 real property forfeited to the county pursuant to this chapter by
9 the process prescribed in Section 25538.5 of the Government Code.

10 SEC. 156. Section 803 of the Penal Code is amended to read:

11 803. (a) Except as provided in this section, a limitation of time
12 prescribed in this chapter is not tolled or extended for any reason.

13 (b) The time during which prosecution of the same person for
14 the same conduct is pending in a court of this state is not a part of
15 a limitation of time prescribed in this chapter.

16 (c) A limitation of time prescribed in this chapter does not
17 commence to run until the discovery of an offense described in
18 this subdivision. This subdivision applies to an offense punishable
19 by imprisonment in the state prison or imprisonment pursuant to
20 subdivision (h) of Section 1170, a material element of which is
21 fraud or breach of a fiduciary obligation, the commission of the
22 crimes of theft or embezzlement upon an elder or dependent adult,
23 or the basis of which is misconduct in office by a public officer,
24 employee, or appointee, including, but not limited to, the following
25 offenses:

26 (1) Grand theft of any type, forgery, falsification of public
27 records, or acceptance of, or asking, receiving, or agreeing to
28 receive, a bribe, by a public official or a public employee,
29 including, but not limited to, a violation of Section 68, 86, or 93.

30 (2) A violation of Section 72, 118, 118a, 132, 134, or 186.10.

31 (3) A violation of Section 25540, of any type, or Section 25541
32 of the Corporations Code.

33 (4) A violation of Section 1090 or 27443 of the Government
34 Code.

35 (5) Felony welfare fraud or Medi-Cal fraud in violation of
36 Section 11483 or 14107 of the Welfare and Institutions Code.

37 (6) Felony insurance fraud in violation of Section 548 or 550
38 of this code or former Section 1871.1, or Section 1871.4, of the
39 Insurance Code.

1 (7) A violation of Section 580, 581, 582, 583, or 584 of the
2 Business and Professions Code.

3 (8) A violation of Section 22430 of the Business and Professions
4 Code.

5 (9) A violation of Section 103800 of the Health and Safety
6 Code.

7 (10) A violation of Section 529a.

8 (11) A violation of subdivision (d) or (e) of Section 368.

9 (d) If the defendant is out of the state when or after the offense
10 is committed, the prosecution may be commenced as provided in
11 Section 804 within the limitations of time prescribed by this
12 chapter, and no time up to a maximum of three years during which
13 the defendant is not within the state shall be a part of those
14 limitations.

15 (e) A limitation of time prescribed in this chapter does not
16 commence to run until the offense has been discovered, or could
17 have reasonably been discovered, with regard to offenses under
18 Division 7 (commencing with Section 13000) of the Water Code,
19 under Chapter 6.5 (commencing with Section 25100) or Chapter
20 6.7 (commencing with Section 25280) of Division 20 of, or Part
21 4 (commencing with Section 41500) of Division 26 of, or Part 2
22 (commencing with Section 78000) of Division 45 of, the Health
23 and Safety Code, or under Section 386, or offenses under Chapter
24 5 (commencing with Section 2000) of Division 2 of, Chapter 9
25 (commencing with Section 4000) of Division 2 of, Section 6126
26 of, Chapter 10 (commencing with Section 7301) of Division 3 of,
27 or Chapter 19.5 (commencing with Section 22440) of Division 8
28 of, the Business and Professions Code.

29 (f) (1) Notwithstanding any other limitation of time described
30 in this chapter, if subdivision (b) of Section 799 does not apply, a
31 criminal complaint may be filed within one year of the date of a
32 report to a California law enforcement agency by a person of any
33 age alleging that the person, while under 18 years of age, was the
34 victim of a crime described in Section 261, 286, 287, 288, 288.5,
35 or 289, former Section 288a, or Section 289.5, as enacted by
36 Chapter 293 of the Statutes of 1991 relating to penetration by an
37 unknown object.

38 (2) This subdivision applies only if all of the following occur:

39 (A) The limitation period specified in Section 800, 801, or 801.1,
40 whichever is later, has expired.

1 (B) The crime involved substantial sexual conduct, as described
2 in subdivision (b) of Section 1203.066, excluding masturbation
3 that is not mutual.

4 (C) There is independent evidence that corroborates the victim's
5 allegation. If the victim was 21 years of age or older at the time
6 of the report, the independent evidence shall clearly and
7 convincingly corroborate the victim's allegation.

8 (3) Evidence shall not be used to corroborate the victim's
9 allegation if that evidence would otherwise be inadmissible during
10 trial. Independent evidence excludes the opinions of mental health
11 professionals.

12 (4) (A) In a criminal investigation involving any of the crimes
13 listed in paragraph (1) committed against a child, if the applicable
14 limitations period has not expired, that period shall be tolled from
15 the time a party initiates litigation challenging a grand jury
16 subpoena until the end of the litigation, including any associated
17 writ or appellate proceeding, or until the final disclosure of
18 evidence to the investigating or prosecuting agency, if that
19 disclosure is ordered pursuant to the subpoena after the litigation.

20 (B) This subdivision does not affect the definition or
21 applicability of any evidentiary privilege.

22 (C) This subdivision shall not apply if a court finds that the
23 grand jury subpoena was issued or caused to be issued in bad faith.

24 (g) (1) Notwithstanding any other limitation of time described
25 in this chapter, a criminal complaint may be filed within one year
26 of the date on which the identity of the suspect is conclusively
27 established by DNA testing, if both of the following conditions
28 are met:

29 (A) The crime is one that is described in subdivision (c) of
30 Section 290.

31 (B) The offense was committed before January 1, 2001, and
32 biological evidence collected in connection with the offense is
33 analyzed for DNA type no later than January 1, 2004, or the offense
34 was committed on or after January 1, 2001, and biological evidence
35 collected in connection with the offense is analyzed for DNA type
36 no later than two years from the date of the offense.

37 (2) For purposes of this section, "DNA" means deoxyribonucleic
38 acid.

39 (h) For any crime, the proof of which depends substantially
40 upon evidence that was seized under a warrant, but which is

1 unavailable to the prosecuting authority under the procedures
2 described in *People v. Superior Court (Laff)* (2001) 25 Cal.4th
3 703, *People v. Superior Court (Bauman & Rose)* (1995) 37
4 Cal.App.4th 1757, or subdivision (c) of Section 1524, relating to
5 claims of evidentiary privilege or attorney work product, the
6 limitation of time prescribed in this chapter shall be tolled from
7 the time of the seizure until final disclosure of the evidence to the
8 prosecuting authority. This section does not otherwise affect the
9 definition or applicability of any evidentiary privilege or attorney
10 work product.

11 (i) (1) Notwithstanding any other limitation of time described
12 in this chapter, a criminal complaint may be filed within one year
13 of the date on which a hidden recording is discovered related to a
14 violation of paragraph (2) or (3) of subdivision (j) of Section 647.

15 (2) Notwithstanding any other limitation of time described in
16 this chapter, a criminal complaint may be filed within one year of
17 the date on which it is discovered that, but not more than four years
18 after, an image was intentionally distributed in violation of
19 paragraph (4) of subdivision (j) of Section 647.

20 (j) (1) Notwithstanding any other limitation of time described
21 in this chapter, if a person flees the scene of an accident that caused
22 death or permanent, serious injury, as defined in subdivision (d)
23 of Section 20001 of the Vehicle Code, a criminal complaint brought
24 pursuant to paragraph (2) of subdivision (b) of Section 20001 of
25 the Vehicle Code may be filed within the applicable time period
26 described in Section 801 or 802 or one year after the person is
27 initially identified by law enforcement as a suspect in the
28 commission of the offense, whichever is later, but in no case later
29 than six years after the commission of the offense.

30 (2) If, after committing the crime described in paragraph (1), a
31 person is out of the state for the purpose of evading prosecution,
32 the statute of limitations may be tolled for up to ~~3~~ *three* years
33 during any time the person is out of the state.

34 (k) Notwithstanding any other limitation of time described in
35 this chapter, if a person flees the scene of an accident, a criminal
36 complaint brought pursuant to paragraph (1) or (2) of subdivision
37 (c) of Section 192 may be filed within the applicable time period
38 described in Section 801 or 802, or one year after the person is
39 initially identified by law enforcement as a suspect in the

1 commission of that offense, whichever is later, but in no case later
2 than six years after the commission of the offense.

3 (l) A limitation of time prescribed in this chapter does not
4 commence to run until the discovery of an offense involving the
5 offering or giving of a bribe to a public official or public employee,
6 including, but not limited to, a violation of Section 67, 67.5, 85,
7 92, or 165, or Section 35230 or 72530 of the Education Code.

8 (m) Notwithstanding any other limitation of time prescribed in
9 this chapter, if a person actively conceals or attempts to conceal
10 an accidental death in violation of Section 152, a criminal
11 complaint may be filed within one year after the person is initially
12 identified by law enforcement as a suspect in the commission of
13 that offense, provided, however, that in any case a complaint may
14 not be filed more than four years after the commission of the
15 offense.

16 (n) (1) Notwithstanding any other limitation of time described
17 in this chapter, a criminal complaint brought pursuant to a violation
18 of Section 367g may be filed within one year of the discovery of
19 the offense or within one year after the offense could have
20 reasonably been discovered.

21 (2) This subdivision applies to crimes that were committed on
22 or after January 1, 2021, and to crimes for which the statute of
23 limitations that was in effect before January 1, 2021, has not run
24 as of January 1, 2021.

25 SEC. 157. Section 888 of the Penal Code is amended to read:

26 888. A grand jury is a body of the required number of persons
27 returned from the citizens of the county before a court of competent
28 jurisdiction, and sworn to inquire of public offenses committed or
29 triable within the county.

30 Each grand jury or, if more than one has been duly impaneled
31 pursuant to Sections ~~904.5 to 904.9~~, *904.4 to 904.8*, inclusive, one
32 grand jury in each county, shall be charged and sworn to investigate
33 or inquire into county matters of civil concern, such as the needs
34 of county officers, including the abolition or creation of offices
35 for, the purchase, lease, or sale of equipment for, or changes in the
36 method or system of, performing the duties of the agencies subject
37 to investigation pursuant to Section 914.1.

38 SEC. 158. Section 1233.12 of the Penal Code is amended to
39 read:

1233.12. (a) Notwithstanding Sections 1233.3 and 1233.4, in each of the 2022–23 and 2023–24 fiscal years, the amount of one hundred twenty-two million eight hundred twenty-nine thousand three hundred ninety-seven dollars (\$122,829,397) is hereby appropriated from the General Fund to the State Community Corrections Performance Incentives Fund, established pursuant to Section 1233.6, for the community corrections program. Funds shall be allocated by the Controller to counties according to the requirements of the program and pursuant to the following schedule:

Alameda	\$ 2,760,919
Alpine	\$ 200,000
Amador	\$ 233,777
Butte	\$ 416,404
Calaveras	\$ 512,027
Colusa	\$ 267,749
Contra Costa	\$ 6,643,176
Del Norte	\$ 200,000
El Dorado	\$ 348,495
Fresno	\$ 3,156,754
Glenn	\$ 223,171
Humboldt	\$ 1,055,456
Imperial	\$ 203,247
Inyo	\$ 222,098
Kern	\$ 1,519,187
Kings	\$ 1,105,869
Lake	\$ 465,073
Lassen	\$ 253,037
Los Angeles	\$ 37,413,530
Madera	\$ 1,237,543
Marin	\$ 988,095
Mariposa	\$ 200,000
Mendocino	\$ 592,510
Merced	\$ 1,032,961
Modoc	\$ 202,975
Mono	\$ 257,466
Monterey	\$ 300,463
Napa	\$ 329,767
Nevada	\$ 669,278

1	Orange	\$ 4,973,540
2	Placer	\$ 545,848
3	Plumas	\$ 442,681
4	Riverside	\$ 6,954,331
5	Sacramento	\$ 12,329,233
6	San Benito	\$ 282,215
7	San Bernardino	\$ 8,357,087
8	San Diego	\$ 2,930,998
9	San Francisco	\$ 3,060,552
10	San Joaquin	\$ 2,227,270
11	San Luis Obispo	\$ 1,322,460
12	San Mateo	\$ 1,175,827
13	Santa Barbara	\$ 1,416,944
14	Santa Clara	\$ 1,747,784
15	Santa Cruz	\$ 1,746,643
16	Shasta	\$ 512,037
17	Sierra	\$ 215,489
18	Siskiyou	\$ 284,355
19	Solano	\$ 807,241
20	Sonoma	\$ 1,067,821
21	Stanislaus	\$ 1,286,879
22	Sutter	\$ 738,100
23	Tehama	\$ 458,088
24	Trinity	\$ 200,000
25	Tulare	\$ 1,864,437
26	Tuolumne	\$ 382,373
27	Ventura	\$ 783,267
28	Yolo	\$ 1,504,870
29	Yuba	\$ 200,000

30

31 (b) Notwithstanding Sections 1233.3 and 1233.4, for the
32 2024–25 fiscal year, the amount of one hundred sixteen million
33 one hundred forty-four thousand nine hundred dollars
34 (\$116,144,900) is hereby appropriated from the General Fund to
35 the State Community Corrections Performance Incentives Fund,
36 established pursuant to Section 1233.6, for the community
37 corrections program. Funds shall be allocated by the Controller to
38 counties according to the requirements of the program and based
39 on the amounts identified in subdivision (a) being reduced by 5.5
40 percent. For any county that would receive less than \$200,000

1 after applying a ~~5.5 percent~~ 5.5-percent reduction, the county's
2 allocation shall be increased to \$200,000.

3 (c) The total annual payment to each county, as provided for in
4 subdivisions (a) and (b) shall be divided into four equal quarterly
5 payments.

6 (d) A county that fails to provide the information required in
7 Section 1231 to the Judicial Council shall not be eligible for
8 payment pursuant to this section.

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

11 SEC. 159. Section 28230 of the Penal Code is amended to read:

12 28230. (a) The Department of Justice may charge a fee
13 sufficient to reimburse it for each of the following but not to exceed
14 fourteen dollars (\$14), except that the fee may be increased at a
15 rate not to exceed any increase in the California Consumer Price
16 Index as compiled and reported by the Department of Industrial
17 Relations:

18 (1) For the actual costs associated with the preparation, sale,
19 processing, and filing of forms or reports required or utilized
20 pursuant to any provision listed in subdivision (a) of Section 16585.

21 (2) For the actual costs associated with the preparation, sale,
22 processing, and filing of reports utilized pursuant to ~~sections~~
23 Sections 26556, 26905, and 28050, or paragraph (2) of subdivision
24 (e) of Section 32000.

25 (3) For the actual costs associated with the electronic or
26 telephonic transfer of information pursuant to Section 28215.

27 (b) Any costs incurred by the Department of Justice to
28 implement this section shall be reimbursed from fees collected
29 and charged pursuant to this section. No fees shall be charged to
30 the dealer pursuant to Section 28225 for implementing this section.

31 SEC. 160. Section 2051 of the Public Contract Code is amended
32 to read:

33 2051. As used in this chapter, the following definitions apply:

34 (a) "Awarding department" means any state agency, department,
35 governmental entity, including the California State University, or
36 officer or entity empowered by law to enter into contracts on behalf
37 of the State of California.

38 (b) "Department" means the Department of Transportation.

39 (c) "Minority," for purposes of this section, means a citizen or
40 lawful permanent resident of the United States who is an ethnic

1 person of color and who is: Black (a person having origins in any
2 of the Black racial groups of Africa); Hispanic (a person of
3 Mexican, Puerto Rican, Cuban, Central or South American, or
4 other Spanish or Portuguese culture or origin regardless of race);
5 Native American (an American Indian, ~~Inuit~~, *Inuk*, Aleut, or Native
6 Hawaiian); Pacific-Asian (a person whose origins are from Japan,
7 China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines,
8 Samoa, Guam, or the United States Trust Territories of the Pacific
9 ~~or Pacific~~, including the Northern Marianas); Asian-Indian (a
10 person whose origins are from India, Pakistan, or Bangladesh); or
11 any other group of natural persons identified as minorities in the
12 respective project specifications of an awarding department or
13 participating local agency.

14 (d) “Minority business enterprise” means a business concern
15 that meets all of the following criteria:

16 (1) The business is at least 51 percent owned by one or more
17 minorities or, in the case of any business whose stock is publicly
18 held, at least 51 percent of the stock is owned by one or more
19 minorities.

20 (2) A business whose management and daily operations are
21 controlled by one or more minorities who own the business.

22 (3) A business concern with its home office located in the United
23 States which is not a branch or subsidiary of a foreign corporation,
24 firm, or other business.

25 (e) “Women business enterprise” means a business concern that
26 meets all of the following criteria:

27 (1) The business is at least 51 percent owned by one or more
28 women or, in the case of any business whose stock is publicly
29 held, at least 51 percent of the stock is owned by one or more
30 women.

31 (2) A business whose management and daily operations are
32 controlled by one or more women who own the business.

33 (3) A business concern with its home office located in the United
34 States which is not a branch or subsidiary of a foreign corporation,
35 firm, or other business.

36 (f) A “disadvantaged business enterprise” means a business
37 concern that is all of the following:

38 (1) A “disadvantaged business” as that term is used in ~~Section~~
39 ~~23.62~~ *Part 23* of Title 49 of the Code of Federal Regulations.

1 (2) An individual proprietorship, partnership, corporation, or
2 joint venture.

3 (3) Organized for profit, with a place of business located in the
4 United States and which makes a significant contribution to the
5 United States economy through payment of taxes or use of
6 American products, materials, or labor.

7 (g) “Participating state or local agency” means any state or local
8 agency that elects to participate in the certification process pursuant
9 to this chapter. For purposes of this subdivision, the following
10 definitions apply:

11 (1) “District” means an agency of the state, formed pursuant to
12 general law or special act, for the local performance of
13 governmental or proprietary functions within limited boundaries.

14 (2) “Local agency” means a county or city, whether general law
15 or chartered, city and county, school district, or other district.

16 (3) “State agency” means any department, division, board,
17 bureau, commission, or agency of the executive branch of
18 government.

19 SEC. 161. Section 10115.1 of the Public Contract Code is
20 amended to read:

21 10115.1. As used in this article, the following definitions apply:

22 (a) “Awarding department” means a state agency, department,
23 governmental entity, or other officer or entity empowered by law
24 to enter into contracts on behalf of the State of California.

25 (b) “Contract” includes an agreement or joint development
26 agreement to provide labor, services, material, supplies, or
27 equipment in the performance of a contract, franchise, concession,
28 or lease granted, let, or awarded for and on behalf of the State of
29 California.

30 (c) “Contractor” means a person or persons, regardless of race,
31 color, sex, ethnic origin or ancestry, or any firm, partnership,
32 corporation, or combination thereof, whether or not a minority or
33 women business enterprise, who submits a bid and enters into a
34 contract with a representative of a state agency, department,
35 governmental entity, or other officer empowered by law to enter
36 into contracts on behalf of the State of California.

37 (d) “Minority,” for purposes of this section, means a citizen or
38 lawful permanent resident of the United States who is an ethnic
39 person of color and who is: Black (a person having origins in any
40 of the Black racial groups of Africa); Hispanic (a person of

1 Mexican, Puerto Rican, Cuban, Central or South American, or
2 other Spanish or Portuguese culture or origin regardless of race);
3 Native American (an American Indian, Inuk, Aleut, or Native
4 Hawaiian); Pacific-Asian (a person whose origins are from Japan,
5 China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines,
6 Samoa, Guam, or the United States Trust Territories of the Pacific
7 *Pacific*, including the Northern Marianas); Asian-Indian (a person
8 whose origins are from India, Pakistan, or Bangladesh); or any
9 other group of natural persons identified as minorities in the
10 respective project specifications of an awarding department or
11 participating local agency.

12 (e) “Minority business enterprise” means a business concern
13 that meets all of the following criteria:

14 (1) The business is an individual proprietorship, partnership,
15 corporation, or joint venture at least 51 percent owned by one or
16 more minorities or, in the case of any business whose stock is
17 publicly held, at least 51 percent of the stock is owned by one or
18 more minorities.

19 (2) A business whose management and daily operations are
20 controlled by one or more minorities who own the business.

21 (3) A business concern with its home office located in the United
22 States which is not a branch or subsidiary of a foreign corporation,
23 firm, or other business.

24 (f) “Women business enterprise” means a business concern that
25 meets all of the following criteria:

26 (1) The business is an individual proprietorship, partnership,
27 corporation, or joint venture at least 51 percent owned by one or
28 more women or, in the case of any business whose stock is publicly
29 held, at least 51 percent of the stock is owned by one or more
30 women.

31 (2) A business whose management and daily operations are
32 controlled by one or more women who own the business.

33 (3) A business concern with its home office located in the United
34 States which is not a branch or subsidiary of a foreign corporation,
35 firm, or other business.

36 (g) “Goal” means a numerically expressed objective that
37 awarding departments and contractors are required to make efforts
38 to achieve.

39 SEC. 162. Section 12140 of the Public Contract Code is
40 amended to read:

12140. (a) Notwithstanding any other law, any state agency authorized to enter into contracts relating to public benefit programs shall only contract for services provided by a call center that directly serves applicants for, recipients of, or enrollees in, those public benefit programs with a contractor that certifies in its bid for the contract that the services provided under the contract and any subcontract performed under that contract, to applicants for, recipients of, or enrollees in, those public benefit programs, will be performed solely with workers employed in California. Any contractor that knowingly provides false information in the certification required by this subdivision shall be subject to a civil penalty in an amount of up to ten thousand dollars (\$10,000), in addition to any other remedies available to the state agency. An action for a civil penalty under this subdivision may be brought by any public prosecutor in the name of the people of the State of California.

(b) For purposes of this section:

(1) “Call center” means a building, facility, or operation where customer or client services or assistance is provided by telephone, fax, email, text, or ~~Web-based~~ *web-based* interaction.

(2) “Public benefit programs” means California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, Medi-Cal, Healthy Families, and the California Healthcare Eligibility, Enrollment, and Retention System.

(c) (1) The contract shall provide that in the event a contractor or subcontractor performs the contract or the subcontract for call center services with workers not employed in California during the life of the contract, the state has the right to terminate the contract for noncompliance and the contractor or subcontractor shall pay a penalty to the state agency in an amount equal to the amount paid by the state agency for the percentage of work that was performed with workers not employed in California.

(2) The penalty authorized in paragraph (1) shall be in addition to any other applicable penalty, including, but not limited to, the penalty provided in subdivision (a).

(d) (1) Notwithstanding subdivision (a), a state agency may conduct a solicitation without applying this section if the California Health and Human Services Agency or the board of the California Health Benefit Exchange makes any of the following determinations:

1 (A) A prior solicitation was conducted and the bids received
2 were priced unreasonably high as a result of including these
3 provisions.

4 (B) A prior solicitation was conducted and fewer than two bids
5 were received as a result of including these provisions.

6 (C) The services are needed in cases of emergency where
7 immediate acquisition is necessary for the protection of the public
8 health, welfare or safety.

9 (2) If the agency or board makes a determination described in
10 paragraph (1), that entity shall submit a report to the Assembly
11 Committee on Jobs, Economic Development and the Economy
12 and to the Senate Committee on Labor and Industrial Relations on
13 or before the last day of the quarter following the quarter in which
14 the determination was made. The report shall include the reason
15 for making the determination.

16 (e) This section shall not apply to the following:

17 (1) A contract or subcontract, if implementation would violate
18 the specific terms of the Agreement on Government Procurement
19 of the World Trade Organization or any other bilateral or regional
20 free trade agreement to which the State of California has consented.

21 (2) A contract or subcontract, including extensions of that
22 contract or subcontract, that results from a request for proposal or
23 bid that occurred prior to the effective date of the act that adds this
24 chapter.

25 (3) A contract for a public benefit program between a state
26 agency and a health care service plan or a specialized health care
27 service plan regulated by the Department of Managed Health Care,
28 and any subcontract performed under that contract, or a disability
29 insurer or specialized health insurer regulated by the Department
30 of Insurance, and any subcontract performed under that contract.

31 (f) This section shall be construed so as to not conflict with, and
32 be applied consistent with, federal law.

33 SEC. 163. Section 3206 of the Public Resources Code is
34 amended to read:

35 3206. (a) No later than May 1 of each year, the operator of
36 any idle well shall do either of the following:

37 (1) For each idle well that was an idle well at any time in the
38 last calendar year, file with the supervisor an annual fee equal to
39 the sum of the following amounts:

1 (A) One thousand dollars (\$1,000) for each idle well that has
2 been an idle well for less than three years.

3 (B) Two thousand five hundred dollars (\$2,500) for each idle
4 well that has been an idle well for three years or longer, but less
5 than eight years.

6 (C) Five thousand dollars (\$5,000) for each idle well that has
7 been an idle well for ~~eight~~ 8 years or longer, but less than 15 years.

8 (D) Twelve thousand five hundred dollars (\$12,500) for each
9 idle well that has been an idle well 15 years or longer, but less than
10 20 years.

11 (E) (i) Until January 1, 2029, twenty-two thousand five hundred
12 dollars (\$22,500) for each idle well that has been an idle well for
13 20 years or longer.

14 (ii) On and after January 1, 2029, twenty-two thousand five
15 hundred dollars (\$22,500) for each idle well that has been an idle
16 well for 20 years or longer, but less than 25 years.

17 (F) On and after January 1, 2029, sixty thousand dollars
18 (\$60,000) for each idle well that has been an idle well for 25 years
19 or longer.

20 (2) File a plan with the supervisor to provide for the management
21 and elimination of all idle wells. For purposes of the plan,
22 elimination of an idle well shall be accomplished when the well
23 has been properly abandoned in accordance with Section 3208, or
24 it has been shown to the division's satisfaction that, since the well
25 became an idle well, the well has maintained production of oil or
26 gas, maintained production of water used in production stimulation,
27 or been used for enhanced oil recovery, reservoir pressure
28 management, or injection for a continuous six-month period. The
29 plan shall comply with all of the following:

30 (A) Specify the calendar year or years that it covers. The plan
31 and any renewal of the plan shall cover a time period of up to eight
32 years.

33 (B) Require the operator to consider all of the following when
34 prioritizing idle wells for plugging and abandonment, in addition
35 to priorities identified by the supervisor in regulations:

36 (i) The age of the idle well.

37 (ii) Any indication that the idle well potentially poses a threat
38 to life, health, property, or natural resources.

39 (iii) Wells that are located within 3,200 feet of a sensitive
40 receptor, as defined in Section 3280.

1 (C) Include notes indicating the basis for prioritizing wells.

2 (D) Be subject to approval by the supervisor, who may prioritize
3 the order in which idle wells are addressed.

4 (E) Be reviewed for performance annually by the supervisor,
5 and be subject to amendment by the supervisor, or by the operator
6 with the approval of the supervisor. An updated plan shall be
7 required if there is a change in ownership or holdings of the
8 operator.

9 (F) The required rate of idle well elimination shall be based
10 upon the number of idle wells under the control of an operator on
11 January 1 of each year, as specified in subparagraph (G). If the
12 operator has eliminated more wells than required in calendar year
13 2024 or any subsequent calendar year, the supervisor may deduct
14 from the new requirement the number of idle wells eliminated in
15 excess of those previously required. In addition, the supervisor
16 may require additional well testing requirements as part of the
17 plan.

18 (G) (i) For calendar years 2025 to 2027, inclusive, unless and
19 until the operator has no idle wells, require that operators with 250
20 or fewer idle wells eliminate at least 5 percent of their idle wells
21 each year, and, in no case, less than ~~one~~ 1 idle well; operators with
22 251 to 1,250, inclusive, idle wells eliminate at least 6 percent of
23 their idle wells each year; operators with 1,251 to 3,000, inclusive,
24 idle wells eliminate at least 7 percent of their idle wells each year;
25 and operators with more than 3,000 idle wells eliminate at least
26 15 percent of their idle wells each year.

27 (ii) For calendar years 2028 and 2029, unless and until the
28 operator has no idle wells, require that operators with 250 or fewer
29 idle wells eliminate at least 6 percent of their idle wells each year,
30 and, in no case, less than ~~one~~ 1 idle well; operators with 251 to
31 1,250, inclusive, idle wells eliminate at least 8 percent of their idle
32 wells each year; operators with 1,251 to 3,000, inclusive, idle wells
33 eliminate at least 10 percent of their idle wells each year; and
34 operators with more than 3,000 idle wells eliminate at least 18
35 percent of their idle wells each year.

36 (iii) For calendar year 2030 and all subsequent calendar years,
37 unless and until the operator has no idle wells, require that
38 operators with 250 or fewer idle wells eliminate at least 8 percent
39 of their idle wells each year, and, in no case, less than ~~one~~ 1 idle
40 well; operators with 251 to 1,250, inclusive, idle wells eliminate

1 at least 10 percent of their idle wells each year; operators with
2 1,251 to 3,000, inclusive, idle wells eliminate at least 15 percent
3 of their idle wells each year; and operators with more than 3,000
4 idle wells eliminate at least 20 percent of their idle wells each year.

5 (H) An operator who fails to comply with the plan, as
6 determined by the supervisor after the annual performance review,
7 is not eligible to use the requirements of this paragraph, for
8 purposes of compliance with this section, for any of its idle wells.
9 An operator may appeal to the director pursuant to Article 6
10 (commencing with Section 3350) regarding the supervisor's
11 rejection of a plan and plan amendments and the supervisor's
12 determination of the operator's failure to comply with a plan. If
13 the supervisor's determination that the operator failed to comply
14 with the plan is not timely appealed, or if the director upholds the
15 supervisor's determination upon appeal, the operator shall
16 immediately file the fees required under paragraph (1) for each
17 year that the operator failed to comply with the plan. That operator
18 may not propose a new idle well plan under this paragraph for the
19 next two years and then only if the operator has paid all required
20 idle well fees and any associated late payment penalties and
21 interest.

22 (b) All fees received under this section shall be deposited in the
23 Hazardous and Idle-Deserted Well Abatement Fund, which is
24 hereby created in the State Treasury. Notwithstanding Section
25 13340 of the Government Code, the moneys in the Hazardous and
26 Idle-Deserted Well Abatement Fund are hereby continuously
27 appropriated to the department for expenditure without regard to
28 fiscal year, to mitigate a hazardous or potentially hazardous
29 condition, by well plugging and abandonment, decommissioning
30 the production facilities, or both, at a well of an operator subject
31 to the requirements of this section.

32 (c) The failure to file, for any well, the fee required under this
33 section shall be conclusive evidence of desertion of the well,
34 permitting the supervisor to order the well abandoned pursuant to
35 Section 3237.

36 (d) This section does not prohibit a local agency from collecting
37 a fee for regulation of wells.

38 (e) Subject to the approval of the division, an idle well shall not
39 be subject to the requirements of this section if the operator has
40 made a diligent effort to locate and access the well, and provided

1 documentation of those efforts demonstrating that it is infeasible
2 to locate or physically access the wellbore.

3 (f) This section does not apply to an idle well that is the subject
4 of a court-approved settlement agreement entered into on or before
5 December 31, 2024, between a local governmental entity and the
6 operator of the idle well, if that settlement agreement imposes
7 more stringent requirements relating to the management and
8 elimination of idle wells than the requirements imposed by the
9 amendments to this section made by Assembly Bill 1866 of the
10 2023–24 Regular Session of the Legislature.

11 SEC. 164. Section 6217.8 of the Public Resources Code is
12 amended to read:

13 6217.8. (a) For purposes of this section, “fund” means the Oil
14 Trust Fund established pursuant to subdivision (b).

15 (b) The Oil Trust Fund is hereby established in the State
16 Treasury, and the moneys in the fund are hereby appropriated to
17 the commission in accordance with this section.

18 (c) (1) On or before March 1, 2006, the City of Long Beach
19 shall pay to the commission all money, including both principal
20 and interest, in the abandonment reserve fund that the city created
21 in 1999 and that was the subject of the litigation in State of
22 California ex rel. California State Lands Commission v. City of
23 Long Beach (2005) 125 Cal.App.4th 767.

24 (2) The Controller shall deposit in the fund any funds paid to
25 the commission pursuant to paragraph (1).

26 (3) On the last day of each month beginning January 31, 2025,
27 the Controller shall transfer to the fund the amount of five million
28 dollars (\$5,000,000) or 50 percent of remaining oil revenue, as
29 described in subdivision (d) of Section 4 of Chapter 138 of the
30 Statutes of 1964, First Extraordinary Session, whichever is greater.

31 (d) (1) All interest earned on the money in the abandonment
32 reserve fund specified in paragraph (1) of subdivision (c) shall be
33 transferred to the fund.

34 (2) The commission shall expend the money from the fund
35 solely to finance the costs of well abandonment, pipeline removal,
36 facility removal, remediation, and other costs associated with
37 removal of oil and gas facilities from the Long Beach tidelands
38 that are not the responsibility of other parties.

1 (3) All money remaining in the fund after completion of all
2 activities described in paragraph (2) shall be transferred to the
3 General Fund.

4 (e) The moneys deposited in the fund are hereby appropriated
5 to the commission commencing when all of the following
6 conditions are met:

7 (1) The City of Long Beach adopts a resolution declaring that
8 the oil revenue described in subdivision (d) of Section 4 of Chapter
9 138 of the Statutes of 1964, First Extraordinary Session, is
10 insufficient to fund the costs of activities described in paragraph
11 (2) of subdivision (d) of this section.

12 (2) The City of Long Beach transmits to the commission a copy
13 of the resolution and all necessary accompanying documentation,
14 including a plan for expenditures for the activities described in
15 paragraph (2) of subdivision (d).

16 (3) The commission reviews the material provided in paragraph
17 (2) and notifies the Controller within 60 calendar days of receiving
18 the material specified in paragraph ~~(2)~~; (2) that expenditure from
19 the fund may be made so that activities described in paragraph (2)
20 of subdivision (d) can begin. The commission shall provide a
21 schedule for expenditures for disbursement of moneys from the
22 fund to the City of Long Beach. The commission shall submit a
23 copy of the schedule to the Department of Finance and to the fiscal
24 and appropriate policy committees of the Legislature.

25 SEC. 165. Section 42281 of the Public Resources Code is
26 amended to read:

27 42281. (a) On and after July 1, 2015, a store, as defined in
28 paragraph (1) or (2) of subdivision (g) of Section 42280, may sell
29 or distribute a reusable grocery bag to a customer at the point of
30 sale only if the reusable bag is made by a producer certified
31 pursuant to this article to meet all of the following requirements:

32 (1) Has a handle and is designed for at least 125 uses, as
33 provided in this article.

34 (2) Has a volume capacity of at least 15 liters.

35 (3) Is machine washable or made from a material that can be
36 cleaned and disinfected.

37 (4) Has printed on the bag, or on a tag attached to the bag that
38 is not intended to be removed, and in a manner visible to the
39 consumer, all of the following information:

40 (A) The name of the manufacturer.

1 (B) The country where the bag was manufactured.

2 (C) A statement that the bag is a reusable bag and designed for
3 at least 125 uses.

4 (D) If the bag is eligible for recycling in the state, instructions
5 to return the bag to the store for recycling or to another appropriate
6 recycling location. If recyclable in the state, the bag shall include
7 the chasing arrows recycling symbol or the term “recyclable,”
8 consistent with the Federal Trade Commission guidelines use of
9 that term, as updated.

10 (5) Does not contain lead, cadmium, or any other toxic material
11 that may pose a threat to public health. A reusable bag
12 manufacturer may demonstrate compliance with this requirement
13 by obtaining a no objection letter from the federal Food and Drug
14 Administration. This requirement shall not affect any authority of
15 the Department of Toxic Substances Control pursuant to Article
16 14 (commencing with Section 25251) of Chapter 6.5 of Division
17 20 of the Health and Safety Code and, notwithstanding subdivision
18 (c) of Section 25257.1 of the Health and Safety Code, the reusable
19 grocery bag shall not be considered as a product category already
20 regulated or subject to regulation.

21 (6) Complies with Section 260.12 of Part 260 of Title 16 of the
22 Code of Federal Regulations related to recyclable claims if the
23 reusable grocery bag producer makes a claim that the reusable
24 grocery bag is recyclable.

25 (b) (1) In addition to the requirements in subdivision (a), a
26 reusable grocery bag made from plastic film shall meet all of the
27 following requirements:

28 (A) On and after January 1, 2016, it shall be made from a
29 minimum of 20 percent postconsumer recycled material.

30 (B) On and after January 1, 2020, it shall be made from a
31 minimum of 40 percent postconsumer recycled material.

32 (C) It shall be recyclable in this state, and accepted for return
33 at stores subject to the at-store recycling program (Chapter 5.1
34 (commencing with Section 42250)) for recycling. state.

35 (D) It shall have, in addition to the information required to be
36 printed on the bag or on a tag, pursuant to paragraph (4) of
37 subdivision (a), a statement that the bag is made partly or wholly
38 from postconsumer recycled material and stating the postconsumer
39 recycled material content percentage, as applicable.

1 (E) It shall be capable of carrying 22 pounds over a distance of
2 175 feet for a minimum of 125 uses and be at least 2.25 mils thick,
3 measured according to the ~~American Society of Testing and~~
4 ~~Materials (ASTM) Standard~~ *ASTM International standard*
5 *D6988-13*.

6 (2) A reusable grocery bag made from plastic film that meets
7 the specifications of the ~~American Society of Testing and Materials~~
8 ~~(ASTM) International Standard Specification for Compostable~~
9 ~~Plastics~~ *ASTM International standard D6400*, as updated, is not
10 required to meet the requirements of subparagraph (A) or (B) of
11 paragraph (1), but shall be labeled in accordance with the applicable
12 state law regarding compostable plastics.

13 (c) In addition to the requirements of subdivision (a), a reusable
14 grocery bag that is not made of plastic film and that is made from
15 any other natural or synthetic fabric, including, but not limited to,
16 woven or nonwoven nylon, polypropylene,
17 polyethylene-terephthalate, or Tyvek, shall satisfy all of the
18 following:

19 (1) It shall be sewn.

20 (2) It shall be capable of carrying 22 pounds over a distance of
21 175 feet for a minimum of 125 uses.

22 (3) It shall have a minimum fabric weight of at least 80 grams
23 per square meter.

24 (d) On and after July 1, 2016, a store as defined in paragraph
25 (3), (4), or (5) of subdivision (g) of Section 42280, shall comply
26 with the requirements of this section.

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

29 SEC. 166. Section 42282.1 of the Public Resources Code is
30 amended to read:

31 42282.1. (a) A reusable grocery bag producer shall submit the
32 fee established pursuant to subdivision (b) to the department when
33 providing proof of certification or recertification pursuant to
34 Sections 42281.5 and 42282.

35 (b) The department shall establish an administrative certification
36 fee schedule that will generate fee revenues sufficient to cover,
37 but not exceed, the department's reasonable costs to implement
38 this article. The department shall deposit all moneys submitted
39 pursuant to this section into the Reusable Grocery Bag Fund, which
40 is hereby established in the State Treasury. Notwithstanding

1 Section ~~11340~~ 13340 of the Government Code, moneys in the fund
2 are continuously appropriated, without regard to fiscal year, to the
3 department for the purpose of implementing this article.

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

6 SEC. 167. Section 42283 of the Public Resources Code, as
7 amended by Section 9 of Chapter 453 of the Statutes of 2024, is
8 amended to read:

9 42283. (a) Except as provided in subdivision (e), on and after
10 July 1, 2015, a store, as defined in paragraph (1) or (2) of
11 subdivision (g) of Section 42280, shall not provide a single-use
12 carryout bag to a customer at the point of sale.

13 (b) (1) On and after July 1, 2015, a store, as defined in
14 paragraph (1) or (2) of subdivision (g) of Section 42280, shall not
15 sell or distribute a reusable grocery bag at the point of sale except
16 as provided in this subdivision.

17 (2) On and after July 1, 2015, a store, as defined in paragraph
18 (1) or (2) of subdivision (g) of Section 42280, may make available
19 for purchase at the point of sale a reusable grocery bag that meets
20 the requirements of Section 42281.

21 (3) On and after July 1, 2015, a store, as defined in paragraph
22 (1) or (2) of subdivision (g) of Section 42280, that makes reusable
23 grocery bags available for purchase pursuant to paragraph (2) shall
24 not sell the reusable grocery bag for less than ten cents (\$0.10) in
25 order to ensure that the cost of providing a reusable grocery bag
26 is not subsidized by a customer who does not require that bag.

27 (c) (1) On and after July 1, 2015, a store, as defined in
28 paragraph (1) or (2) of subdivision (g) of Section 42280, shall not
29 sell or distribute a recycled paper bag except as provided in this
30 subdivision.

31 (2) A store, as defined in paragraph (1) or (2) of subdivision (g)
32 of Section 42280, may make available for purchase a recycled
33 paper bag. On and after July 1, 2015, the store shall not sell a
34 recycled paper bag for less than ten cents (\$0.10) in order to ensure
35 that the cost of providing a recycled paper bag is not subsidized
36 by a consumer who does not require that bag.

37 (d) Notwithstanding any other law, on and after July 1, 2015,
38 a store, as defined in paragraph (1) or (2) of subdivision (g) of
39 Section 42280, that makes reusable grocery bags or recycled paper
40 bags available for purchase at the point of sale shall provide a

reusable grocery bag or a recycled paper bag at no cost at the point of sale to a customer using a payment card or voucher issued by the California Special Supplemental Nutrition Program for Women, Infants, and Children pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code or an electronic benefit transfer card issued pursuant to Section 10072 of the Welfare and Institutions Code.

(e) On and after July 1, 2015, a store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, may distribute a compostable bag at the point of sale, if the compostable bag is provided to the consumer at the cost specified pursuant to paragraph (2), the compostable bag, at a minimum, meets the ~~American Society for Testing and Materials (ASTM) International Standard Specification for Compostable Plastics~~ *ASTM International standard* D6400, as updated, and in the jurisdiction where the compostable bag is sold and in the jurisdiction where the store is located, both of the following requirements are met:

(1) A majority of the residential households in the jurisdiction have access to curbside collection of food waste for composting.

(2) The governing authority for the jurisdiction has voted to allow stores in the jurisdiction to sell to consumers at the point of sale a compostable bag at a cost not less than the actual cost of the bag, which the Legislature hereby finds to be not less than ten cents (\$0.10) per bag.

(f) A store, as defined in paragraph (1) or (2) of subdivision (g) of Section 42280, shall not require a customer to use, purchase, or accept a single-use carryout bag, recycled paper bag, compostable bag, or reusable grocery bag as a condition of sale of any product.

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

SEC. 168. Section 42283 of the Public Resources Code, as added by Section 10 of Chapter 453 of the Statutes of 2024, is amended to read:

42283. (a) Except as provided in subdivisions (b) and (c), a store shall not provide, distribute, or sell a carryout bag at the point of sale.

(b) (1) A store may make available for purchase at the point of sale a recycled paper bag but shall not sell a recycled paper bag for less than ten cents (\$0.10) in order to ensure that the cost of

1 providing a recycled paper bag is not subsidized by a consumer
2 who does not require that bag.

3 (2) Notwithstanding any other law, a store that makes recycled
4 paper bags available for purchase at the point of sale shall provide
5 a recycled paper bag at no cost at the point of sale to a customer
6 using a payment card or voucher issued by the California Special
7 Supplemental-~~Food~~ *Nutrition* Program for Women, Infants, and
8 Children pursuant to Article 2 (commencing with Section 123275)
9 of Chapter 1 of Part 2 of Division 106 of the Health and Safety
10 Code or an electronic benefit transfer card issued pursuant to
11 Section 10072 of the Welfare and Institutions Code.

12 (c) A store may provide at the point of sale a carryout bag that
13 meets the requirements of subparagraph (A), (B), or (D) of
14 paragraph (2) of subdivision (a) of Section 42280.

15 (d) A store shall not require a customer to use, purchase, or
16 accept a recycled paper bag or a compostable bag as a condition
17 of sale of any product.

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

19 SEC. 169. Section 42968.32 of the Public Resources Code is
20 amended to read:

21 42968.32. A producer responsibility plan for covered products
22 shall do all of the following:

23 (a) Be designed to accept and manage all postconsumer covered
24 products.

25 (b) Include the name and contact information of each producer
26 and brand covered under the producer responsibility plan. The
27 contact information shall include the producer's email address,
28 phone number, and mailing and physical address.

29 (c) Explain the producer responsibility organization's funding
30 methods, and explain how those methods will fully fund the
31 producer responsibility organization in a manner that equitably
32 distributes the producer responsibility organization's costs among
33 the producers pursuant to subdivision (a) of Section 42968.23.

34 (d) (1) Include the fee required by Section 42968.51 and a
35 description of how it is calculated.

36 (2) Include the fee required by Section 42968.52, a description
37 of how it is calculated, and an explanation of how it complies with
38 Section 42968.52.

39 (e) Include a five-year budget that establishes a funding level
40 sufficient to operate the producer responsibility organization in a

1 prudent and responsible manner. The budget shall demonstrate
2 how estimated revenues will cover all budgeted costs for each cost
3 category. Budgeted costs shall include, but not be limited to,
4 administrative costs, education and outreach costs, operational
5 costs, capital costs, and a reserve.

6 (1) Administrative costs shall include the department's actual
7 and reasonable regulatory costs, which include full personnel costs,
8 to implement and enforce this chapter as the criteria for all the
9 costs are defined in the regulations adopted pursuant to Section
10 42968.1. For purposes of this paragraph, producer responsibility
11 organization implementation begins once the department approves
12 the producer responsibility organization's producer responsibility
13 plan, except the department's costs shall include actual regulatory
14 development costs and other startup costs incurred prior to producer
15 responsibility plan submittal and approval.

16 (2) The reserve shall include funds to operate the producer
17 responsibility organization should there be unexpected events,
18 losses of income, or large unbudgeted expenses. It shall also protect
19 the recycling infrastructure the producer responsibility organization
20 relies on in its producer responsibility plan during any lapse in
21 producer participation during the life of the program. The reserve
22 cost category shall include a reserve level amount and description
23 justifying the reserve level amount indicated. The producer
24 responsibility organization shall maintain reserve funds sufficient
25 to operate the producer responsibility plan for no less than six
26 months. In the event that a new producer responsibility organization
27 is approved by the department, the producer responsibility
28 organization shall establish its reserve and maintain the required
29 reserve fund balance by the end of the second year of producer
30 responsibility plan operation. In the event that the producer
31 responsibility organization's producer responsibility plan expires
32 or is revoked, the reserve balance shall be transferred to a successor
33 producer responsibility organization or a trustee, pursuant to
34 subdivision (j).

35 (f) Include quantifiable five-year and annual performance
36 standards and metrics for each covered product category until such
37 time as the department publishes performance standards pursuant
38 to Section 42968.34. The producer responsibility organization
39 shall amend its producer responsibility plan to meet the
40 performance standards published by the department. Performance

standards published by the department pursuant to this subdivision shall not be subject to the requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Performance standards may include, but are not limited to, collection, reduction in disposal, and maximizing recycling.

(g) (1) Describe how the producer responsibility organization will provide free dropoff and convenient collection system for covered products, which shall include approved collection sites in each county of the state that provide for a reasonable geographic spread of permanent collection sites and an explanation for the geographic spread.

(2) The department may by regulation adjust the minimum number of required approved collection sites described in paragraph (1) to ensure that consumers have sufficient convenient access to approved collection sites, applicable to a producer responsibility plan addressing collection of covered products, if the department has substantial evidence that allowing for this adjustment will increase the collection of covered products or is otherwise justified considering the population or geographic attributes of the county. For counties bordering another state, the number of approved collection sites within that county may include a facility located in an adjacent state if that facility is regularly involved in the management of that county's solid waste and recyclables.

(h) Describe how approved collection sites will be authorized and managed, including all of the following:

(1) The process by which the producer responsibility organization will provide for the collection, storage, and transport of covered products from the approved collection sites to an authorized recycling facility.

(2) How the producer responsibility organization will ensure the cost-effective sorting of covered products using the best available technology to avoid any recyclable materials from being disposed.

(3) How the producer responsibility organization will maintain all collection and transport records and make them available to the department upon request.

(4) A list of all proposed rules, conditions, and requirements for authorized collectors, including a template proposed agreement.

1 (5) How the producer responsibility organization will maximize
2 the recycling of covered products, including prioritizing reuse and
3 closed loop recycling.

4 (6) How the producer responsibility organization will maximize
5 the collection and reuse of convention carpet, including no less
6 than 20 percent reuse by 2028.

7 (7) The process by which covered products will be managed
8 following collection at approved collection sites, including:

9 (A) How covered products will be handled and managed
10 according to the waste hierarchy as defined in Section 40051.

11 (B) How the producer responsibility organization will maximize
12 the recycling of covered products.

13 (C) How the producer responsibility organization will minimize
14 disposal of covered products collected by the producer
15 responsibility organization.

16 (8) A description of the producer responsibility organization's
17 annual assessment and the metrics it will use to determine how
18 collection, sorting, and transportation outcomes aligned with
19 projections.

20 (9) How the producer responsibility organization will improve
21 the collection, processing, and recycling operations for covered
22 products, including, but not limited to, pilot programs to test new
23 processes, methods, or equipment.

24 (10) How approved collection sites will be operated to ensure
25 that covered products are collected at no cost, safely, and ~~handle~~
26 ~~covered product handled~~ in accordance with all applicable state
27 and federal ~~law~~ laws.

28 (i) (1) Describe the statewide education and outreach program's
29 efforts to various audiences, including, but not limited to,
30 consumers, commercial building owners, covered product
31 installation contractors, construction and demolition contractors,
32 retailers, and wholesalers to promote their participation in
33 achieving the purposes of the producer responsibility plan. These
34 education and outreach materials shall include, but are not limited
35 to, any of the following:

36 (A) Signage that is prominently displayed and easily visible.

37 (B) Written materials and templates of materials to be provided
38 to covered product installation contractors and consumers at the
39 time of purchase or ~~delivery~~ delivery, or both.

1 (C) Promotional materials or activities, or both, that explain the
2 purpose of the producer responsibility organization and the means
3 by which it is being carried out.

4 (D) An internet website that publicizes the location of approved
5 collection sites and provides information on how to drop off
6 covered products at the free and convenient network of approved
7 collection sites offered by the producer responsibility organization,
8 including any information reasonably necessary to safely and
9 conveniently access the collection and recycling services offered
10 by the producer responsibility organization.

11 (E) All signage and materials required for approved collection
12 sites by the producer responsibility organization, and a description
13 of the method by which approved collection sites can access
14 replacement materials at no cost to the approved collection site.

15 (F) A description of efforts to support participation by all
16 California communities, including a description of efforts to
17 communicate in languages other than English.

18 (G) A description of strategies, goals, and metrics used to
19 determine the success of the producer responsibility plan
20 implementation and statewide education and outreach program.

21 (2) The statewide education and outreach program shall promote
22 the safe and proper management of covered products, including
23 source reduction and environmentally preferable purchasing of
24 covered products.

25 (3) The statewide education and outreach plan program shall
26 include information for consumers about how to avoid improper
27 disposal of covered products.

28 (4) The statewide education and outreach program shall include
29 a survey to consumers and contractors regarding their awareness
30 of the producer responsibility plan, their use of resources available
31 to them under the producer responsibility plan, including collection
32 sites, and why they do or do not use those resources. The survey
33 shall occur once every three years.

34 (j) Include a contingency plan that takes effect in the event the
35 producer responsibility plan expires or is revoked. The contingency
36 plan shall guarantee that the contracts, financial data, and other
37 necessary authority and assets to operate the program shall vest in
38 a trustee approved by the department. The trustee shall operate the
39 most recently approved producer responsibility plan, subject to
40 the direction of the department, until that time as a new producer

responsibility plan is approved. Upon producer responsibility plan expiration or revocation of the producer responsibility plan, the balance of the producer responsibility organization's operating reserves collected pursuant to subdivision (d) shall be transferred to the control of the trustee within five calendar days, along with all documents, digital records, contracts, and files related to the operation of the producer responsibility plan.

(k) Allocate annual grants to apprenticeship programs for training apprentices and journey-level carpet installers in proper carpet recycling techniques, including installation and removal techniques that maximize the recyclability of carpet. The producer responsibility plan shall provide for annual grants to joint apprenticeship programs approved by the Division of Apprenticeship Standards to train carpet installers, with the amount divided evenly between programs in northern California and southern California.

(l) (1) Prioritize expenditure of assessments collected pursuant to Section 42972 on activities to carry out the producer responsibility plan in California.

(2) Consistent with paragraph (4) of subdivision (a) of Section 42972, commencing with the fiscal year beginning July 1, 2025, and for each fiscal year thereafter, the program shall allocate 8 percent of assessments collected pursuant to Section 42972, as determined by the department, for grants to apprenticeship programs, subject to the requirements and conditions of this section. Any portion of the 8 percent that is not awarded and used in a fiscal year shall be credited to the amount to be allocated or awarded in the following fiscal year pursuant to this section, thereby reducing the amount allocated or awarded in the following fiscal year by the amount of the credit.

(3) An apprenticeship program shall apply to the producer responsibility organization for a grant. The apprenticeship program shall submit a report to the producer responsibility organization and the department outlining its expenditure of the grant funds for purposes of this program prior to receipt of new grants.

(m) Provide for the payment to an approved collection site for accepting, collecting, storing, transporting, and handling covered products in an amount determined by the approved collection site and the producer responsibility organization. Payment of these costs shall be reflected in the budget pursuant to subdivision (e).

(n) Explain how producers will, on and after January 1, 2027, through the use of a standardized stamping or some other means, provide a visual mark on the back of a covered product that is a synthetic material to allow expeditious sorting of the carpet, by 2027.

(o) Require carpet to contain 5 percent of postconsumer recycled carpet content by 2028. The department may, for the year 2029 and any year thereafter, set the rate for postconsumer recycled carpet to be required in carpet.

(p) Include written certification by an authorized representative of the producer responsibility organization that, at the time of submission to the department, the producer responsibility plan, including all aspects of the producer responsibility plan related to the collection, transportation, and management of covered products, is in compliance with all applicable state and federal laws and regulations.

SEC. 170. Section 42968.62 of the Public Resources Code is amended to read:

42968.62. On or before July 1 of each year, the producer responsibility organization shall submit in the form and manner determined by the department an annual report and make the report publicly available on the producer responsibility organization's internet website. The report shall include all of the following information for the preceding calendar year:

(a) The producer responsibility organization's revenues and costs, with the costs according to the cost categories established in the producer responsibility plan.

(b) A summary of any anticipated changes to allocations in cost categories for the following calendar year.

(c) Any changes to the distribution of participating ~~producer's~~ *producers'* costs pursuant to subdivision (a) of Section 42968.23.

(d) The square footage, yardage, weight, or other metric, as determined by the department, of covered products, by carpet type, for each of the following:

- (1) Covered product that was collected.
- (2) Covered product that was processed.
- (3) Covered product that was recycled.
- (4) Covered product that was disposed.

(e) A list of the producer responsibility organization's collection sites, by name, location, and type.

1 (f) An updated list of the names and contact information,
2 including email address, phone number, and physical and mailing
3 addresses of producers.

4 (g) A description of methods used to collect, transport, recycle,
5 and divert covered products by the producer responsibility
6 organization including a description of all of the following:

7 (1) How the producer responsibility organization handled and
8 managed covered products according to the priority of waste
9 management practices provided in Section 40051.

10 (2) How the producer responsibility organization maximized
11 recycling of all covered products.

12 (3) How the producer responsibility organization minimized
13 disposal of all covered products collected by the producer
14 responsibility organization.

15 (4) Results of the producer responsibility organization's
16 assessment of the efficacy of the collection, sorting, and
17 transportation ~~process~~ *processes* pursuant to paragraph (8) of
18 subdivision (h) of Section 42968.32.

19 (h) A description of how the producer responsibility organization
20 improved the collection, processing, and recycling operations for
21 covered products, including, but not limited to, pilot programs to
22 test new processes, methods, or equipment.

23 (i) A description of outreach efforts and education, including,
24 but not limited to, education and outreach provided by the producer
25 responsibility organization for the purpose of promoting the
26 collection, reuse, and recycling of covered products. This includes
27 messaging on environmentally preferable purchasing.

28 (j) Findings from the evaluation of the comprehensive statewide
29 education and outreach program required by subdivision (i) of
30 Section 42968.32.

31 (k) A report on activities the producer responsibility organization
32 has undertaken to prioritize the use of sorting and recycling
33 facilities located closer to the point of generation to minimize
34 transportation emissions and increase accountability for the
35 ultimate disposition of collected covered products.

36 (l) Any other information deemed relevant by the producer
37 responsibility organization for the department to determine
38 compliance with the approved producer responsibility plan.

39 (m) Any other information required by regulations adopted
40 pursuant to Section 42968.1.

1 SEC. 171. Section 42968.71 of the Public Resources Code is
2 amended to read:

3 42968.71. (a) An administrative penalty up to the following
4 amounts may be administratively imposed by the department on
5 the producer responsibility organization or a producer who is in
6 violation of any provision of this chapter:

7 (1) Ten thousand dollars (\$10,000) per day.
8 (2) Twenty-five thousand dollars (\$25,000) per day if the
9 violation is intentional or knowing.

10 (b) In assessing or reviewing the amount of an administrative
11 penalty imposed pursuant to subdivision (a) for a violation of this
12 chapter, the department or the court shall consider all of the
13 following:

14 (1) The nature and extent of the violation.
15 (2) The number and severity of the violation or violations.
16 (3) The economic effect of the penalty on the violator.
17 (4) Whether the violator took good faith measures to comply
18 with this chapter and the period of time over which these measures
19 were taken.
20 (5) The willfulness of the violator's misconduct.
21 (6) The deterrent effect that the imposition of the penalty would
22 have on both the violator and the regulated community.
23 (7) Any other factor that justice may require.

24 (c) Upon a written finding that a producer responsibility
25 organization, producer, importer, distributor, ~~wholesaler~~
26 *wholesaler*, or any other party regulated has not met a material
27 requirement of this chapter, in addition to any other penalties
28 authorized under this chapter, the department may take one or both
29 of the following actions to ensure compliance with the requirements
30 of this chapter, after affording the producer responsibility
31 organization, producer, importer, distributor, wholesaler, or any
32 other party regulated a reasonable opportunity to respond to, or
33 rebut, the finding:

34 (1) Revoke the producer responsibility organization's producer
35 responsibility plan approval or require the producer responsibility
36 organization to resubmit the producer responsibility plan.

37 (2) Require additional reporting relating to compliance with the
38 material requirement of this chapter that was not met.

1 (d) The department shall establish, through regulations adopted
2 pursuant to Section 42968.1, a process that shall include an
3 informal hearing process by which the penalties will be assessed.

4 (e) The department shall deposit all penalties collected pursuant
5 to this section into the Carpet Responsibility Penalty Account.
6 Upon appropriation by the Legislature, moneys in the Carpet
7 Responsibility Penalty Account shall be available for expenditure
8 by the department on activities related to the collection and
9 recycling of covered products, grants for related purposes, and the
10 administration and enforcement of this chapter.

11 (f) The Administrative Adjudication Bill of Rights, as set forth
12 in Chapter 4.5 (commencing with Section 11400) of Part 1 of
13 Division 3 of Title 2 of the Government Code, applies to hearings
14 conducted under this chapter and mandates minimum due process.

15 SEC. 172. Section 42968.74 of the Public Resources Code is
16 amended to read:

17 42968.74. After the time for judicial review under Section
18 11523 of the Government Code has expired, the department may
19 apply to the small claims court or superior court, depending on the
20 jurisdictional amount and any other remedy sought, in the county
21 where the penalties, restitution, or other remedy was imposed by
22 the department, for a judgment to collect any unpaid penalties or
23 restitution or to enforce any other remedy provided by this chapter.
24 The application, which shall include a certified copy of the final
25 agency order or decision, shall constitute a sufficient showing to
26 warrant the issuance of the judgment. The court clerk shall enter
27 the judgment immediately in conformity with the application. The
28 judgment so entered shall have the same force and effect ~~as~~ *as*,
29 and shall be subject ~~to~~ *to*, all the provisions of law relating to a
30 judgment in a civil action and may be enforced in the same manner
31 as any other judgment of the court. The court shall make
32 enforcement of the judgment a priority.

33 SEC. 173. Section 42984.3 of the Public Resources Code is
34 amended to read:

35 42984.3. (a) (1) "Apparel" means clothing and accessory
36 items intended for regular wear or formal occasions and outdoor
37 activities. For purposes of this chapter "apparel" includes only
38 undergarments, shirts, pants, skirts, dresses, overalls, bodysuits,
39 costumes, vests, dancewear, suits, saris, scarves, tops, leggings,
40 school uniforms, leisurewear, athletic wear, sports uniforms,

1 swimwear, formal wear, onesies, bibs, footwear, handbags,
2 backpacks, knitted and woven accessories, jackets, coats, snow
3 pants, ski pants, and everyday uniforms for workwear.

4 (2) “Apparel” does not include any of the following:

5 (A) Personal protective equipment or clothing items for use by
6 the United States military.

7 (B) Personal protective equipment worn to protect the wearer
8 from health or environmental hazards.

9 (C) Reusable products designed to collect and absorb urine and
10 feces, or reusable products regulated by the United States Food
11 and Drug Administration that are designed to collect and absorb
12 menstruation or vaginal discharge.

13 (b) “Authorized collector” means a person or entity that has
14 entered into an agreement with a PRO to collect covered products.

15 (c) “Authorized sorter” means a person or entity that has entered
16 into an agreement with a PRO to sort covered products collected
17 by authorized collectors.

18 (d) “Authorized repair business” means a person or entity that
19 has entered into an agreement with a PRO to repair covered
20 products for resale after collection by an authorized collector or
21 after sorting by an authorized sorter.

22 (e) “Brand” means a trademark, including both a registered
23 trademark and an unregistered trademark, a logo, a name, a symbol,
24 a word, an identifier, or a traceable mark that identifies a covered
25 product and identifies the owner or licensee of the brand.

26 (f) “Collection box” means an unattended container, box,
27 receptacle, or similar device used for soliciting and collecting
28 donations of covered products, including apparel or textile articles.

29 (g) “Collection site” means a permanent or temporary location
30 operated by an authorized collector at which covered products are
31 collected and prepared for transport in accordance with the
32 requirements of this chapter.

33 (h) “Consumer” means an owner of a covered product, including
34 a person, business, corporation, limited partnership, nonprofit
35 organization, or governmental entity, and includes the ultimate
36 purchaser, owner, or lessee of a covered product, who is not, as to
37 that covered product, the distributor, importer, producer, recycler,
38 retailer, or PRO.

39 (i) (1) “Covered product” means an apparel or textile article.

40 (2) “Covered product” does not include any of the following:

1 (A) A product covered under the Used Mattress Recovery and
2 Recycling Act (Chapter 21 (commencing with Section 42985)).

3 (B) A product covered under the Electronic Waste Recycling
4 Act of 2003 (Chapter 8.5 (commencing with Section 42460)).

5 (C) A product covered under the Product Stewardship for
6 Carpets law (Chapter 20 (commencing with Section 42970)).

7 (D) An automated, motorized, battery, or manual window
8 covering that is operated using an electric motor or other automated
9 system, or manually adjusted by pulling cords or lifting
10 mechanisms.

11 (j) “Department” means the Department of Resources Recycling
12 and Recovery or a successor agency.

13 (k) “Distributor” means a company that has a contractual
14 relationship with one or more producers to market and sell covered
15 products to a retailer.

16 (l) “Importer” means either of the following:

17 (1) A person qualifying as an importer of record for purposes
18 of Section 1484(a)(2)(B) of Title 19 of the United States Code
19 with regard to the import of a covered product that is sold,
20 distributed for sale, or offered for sale in or into the state that was
21 manufactured or assembled by a company outside of the United
22 States.

23 (2) A person importing into the state for sale, distributing for
24 sale, or offering for sale in the state a covered product that was
25 manufactured or assembled by a company physically located
26 outside of the state.

27 (m) “Local jurisdiction” means a city, county, city and county,
28 or a regional agency formed pursuant to Chapter 5 (commencing
29 with Section 6500) of Division 7 of Title 1 of the Government
30 Code or Article 3 (commencing with Section 40970) of Chapter
31 1 of Part 2 of this code, or a special district that provides solid
32 waste collection services.

33 (n) “Mail-back program” means a method of collecting covered
34 products using prepaid, preaddressed mailing envelopes, boxes,
35 or other means that are reusable, recyclable, or compostable.

36 (o) “Needs assessment” means a needs assessment prepared
37 pursuant to Section 42984.6.

38 (p) “Nonprofit thrift store” has the same meaning as set forth
39 in Section 6363.3 of the Revenue and Taxation Code.

(q) “Online marketplace” has the same meaning as set forth in Section 1749.8 of the Civil Code.

(r) “Person” has the same meaning as set forth in Section 40170.

(s) (1) “Producer” means a person who manufactures a covered product and who owns or is the licensee of the brand or trademark under which that covered product is sold, offered for sale, or distributed for sale in or into the state.

(2) If there is no person in the state who is the producer for purposes of paragraph (1), the producer of the covered product is the owner of a brand or trademark or, if the owner is not in the state, the exclusive licensee of a brand or trademark under which the covered product is sold, imported for sale, offered for sale, or distributed for sale in or into the state, regardless of whether the trademark is registered. For purposes of this subdivision, an exclusive licensee is a person holding the exclusive right to use a trademark or brand in the state in connection with the manufacture, sale, or distribution for sale in or into the state of the covered product.

(3) If there is no person in the state who is the producer for purposes of paragraph (1) or (2), then the producer of the covered product is the person that imports the covered product into the state for sale or distribution.

(4) If there is no other person in the state who is the producer for purposes of ~~paragraphs~~ *paragraph* (1), (2), or (3), the producer of the covered product is the distributor, retailer, or wholesaler who sells the product in or into the state.

(5) For the purposes of this chapter, the sale of a covered product shall be deemed to occur in the state if the covered product is delivered to the consumer in the state.

(6) This chapter does not prohibit a person who manufactures, distributes, imports, offers for sale, or sells the covered product from assuming some or all of the duties and liabilities of the producer of the covered product and relieving from those duties and liabilities any other person who manufactures, distributes, imports, offers for sale, or sells the covered product.

(7) “Producer” does not include a seller that only sells secondhand covered products.

(8) “Producer” does not include a seller with less than one million dollars (\$1,000,000) in annual aggregate global turnover adjusted annually pursuant to the California Consumer Price Index

1 for All Urban Consumers for all items, as determined by the
2 Department of Industrial Relations. The aggregate global turnover
3 of a producer within the meaning of this chapter shall be calculated
4 by adding together the respective turnovers of all of the following:

5 (A) The producer concerned.

6 (B) Those entities in which the producer is concerned, directly
7 or indirectly, as follows:

8 (i) Owns more than one-half the capital or business assets.

9 (ii) Has the power to exercise more than one-half the voting
10 rights.

11 (iii) Has the power to appoint more than one-half the members
12 of the supervisory board, the administrative board, or bodies legally
13 representing the undertakings.

14 (iv) Has the right to manage the entities' affairs.

15 (C) Those entities that have in the producer concerned the rights
16 or powers listed in subparagraph (B).

17 (D) Those entities in which an entity referred to in subparagraph
18 (C) has the rights or powers listed in subparagraph (B).

19 (E) Those entities in which two or more entities as referred to
20 in subparagraphs (A) to (D), inclusive, jointly have the rights or
21 powers listed in subparagraph (B).

22 (t) "Producer responsibility organization" or "PRO" means an
23 organization that is exempt from taxation under Section 501(c)(3)
24 of the federal Internal Revenue Code of 1986, is formed for the
25 purpose of implementing a plan to meet the requirements of this
26 chapter, and is approved by the department.

27 (u) "Producer responsibility plan" or "plan" means the plan
28 developed by the PRO for the collection, transportation, repair,
29 recycling, and the safe and proper management of covered products
30 pursuant to subdivision (a) of Section 42984.8 and submitted to
31 the department for approval pursuant to subdivision (b) of Section
32 42984.8.

33 (v) "Recycle" or "recycling" has the same meaning as set forth
34 in paragraphs (1), (2), and (3) of subdivision (aa) of Section 42041.
35 To be considered recycled, covered products shall be recycled into
36 new, reused, or reconstituted products.

37 (w) "Repair" means any alteration or improvement of damaged
38 covered product deemed worth the cost of repair by criteria
39 established by the plan, including, but not limited to, any of the
40 following:

- 1 (1) Redesigning and repurposing.
- 2 (2) Mending rips, holes, seams, and hems.
- 3 (3) Removing and repairing surface damage, such as pilling,
- 4 stain removal, or abrasion.
- 5 (4) Securing and reattaching buttons and other fastenings.
- 6 (5) Dyeing, redyeing, overdyeing, or printing of images on
- 7 covered products.
- 8 (6) Preparation for reuse and resale.
- 9 (x) “Responsible end market” has the same meaning as set forth
- 10 in subdivision (ad) of Section 42041.
- 11 (y) “Retailer” means a person who sells or offers for sale a
- 12 covered product in or into the state to a person through any means,
- 13 including, but not limited to, sales outlets, catalogs, the telephone,
- 14 the internet, or any electronic means.
- 15 (z) “Reuse” means the resale of a collected covered product to
- 16 a consumer for its original intended use with or without repair.
- 17 (aa) “Secondhand covered product” means any covered
- 18 product that has been previously owned by a consumer.
- 19 (ab) “Secondhand markets” means a retailer who sells
- 20 secondhand covered products, including, but not limited to, thrift
- 21 stores, collection box operators, online resale platforms, and flea
- 22 markets.
- 23 (ac) “Sell” has the same meaning as set forth in Section 6006
- 24 of the Revenue and Taxation Code.
- 25 (ad) “Stewardship program” means a program established by a
- 26 PRO pursuant to this chapter for the free, convenient, and safe
- 27 collection, transportation, repair, recycling, and otherwise proper
- 28 management of covered products.
- 29 (ae) (1) “Textile article” means an item customarily used in
- 30 households or businesses that are made entirely or primarily from
- 31 a natural, artificial, or synthetic fiber, yarn, or fabric. For purposes
- 32 of this chapter, “textile article” includes only blankets, curtains,
- 33 fabric window coverings, knitted and woven accessories, towels,
- 34 tapestries, bedding, tablecloths, napkins, linens, and pillows.
- 35 (2) “Textile article” does not include single-use products
- 36 including paper towels, paper napkins, toilet paper, facial tissue,
- 37 and wet or dry wipes.
- 38 (af) “Third-party seller” has the same meaning as set forth in
- 39 Section 1749.8 of the Civil Code.

1 SEC. 174. Section 42984.10 of the Public Resources Code is
2 amended to read:

3 42984.10. A plan for covered products shall be designed to
4 accept and manage all postconsumer covered products and shall
5 include all of the following:

6 (a) The names and contact information, including email address,
7 phone number, and mailing and physical addresses, of producers
8 and brands of covered products covered under the plan.

9 (b) (1) A description of the method to establish and administer
10 a means for fully funding the PRO in a manner that distributes the
11 PRO's costs among the producers that are part of the stewardship
12 organization using a per unit eco-modulated fee that reflects
13 California sales volumes, existing producer collection, repair,
14 reuse, and recycling programs that help achieve the purpose of
15 this chapter, and the cost of reusing, repairing, recycling, or
16 otherwise managing covered products pursuant to subdivision (a)
17 of Section 42984.4.

18 (2) A five-year budget that establishes a funding level sufficient
19 to operate the PRO in a prudent and responsible manner. The
20 budget shall demonstrate how estimated revenues will cover all
21 budgeted costs for each cost category.

22 (3) Budgeted costs shall include, but not be limited to,
23 administrative costs, education and outreach costs, operational
24 costs, capital costs, and a reserve to operate the PRO should there
25 be unexpected events, such as losses of income, and large
26 unbudgeted expenses in order to protect the recycling infrastructure
27 the PRO relies upon in its plan, during any lapse in producer
28 participation during the life of the program. The plan shall include
29 a description of the types of activities related to each line-item cost
30 category. The reserve cost category shall include a reserve level
31 amount and description justifying the reserve level amount
32 indicated.

33 (4) The PRO shall maintain reserve funds sufficient to operate
34 the plan for no less than six months. If a new plan submitted by a
35 PRO is approved by the department, the PRO shall establish its
36 reserve and maintain the required reserve fund balance by the end
37 of the second year of plan operation.

38 (5) Administrative costs shall include the department's actual
39 and reasonable regulatory costs, which include full personnel costs,
40 to implement and enforce this chapter as the criteria for all the

1 costs that are defined in the regulations adopted pursuant to Section
2 42984.2. For the purposes of this paragraph, PRO implementation
3 begins once the department approves a PRO's plan, except the
4 department's costs shall include actual regulatory development
5 costs and other startup costs incurred prior to plan submittal and
6 approval.

7 (c) Quantifiable five-year and annual performance standards
8 and metrics unless or until the department publishes performance
9 standards pursuant to Section 42984.19. The PRO shall amend its
10 plan to meet or exceed the performance standards published by
11 the department.

12 (d) A description of how the PRO will provide for a free and
13 convenient dropoff or collection system for covered products,
14 which shall include permanent collection sites and may include
15 temporary collection sites and mail-back options, in each county
16 of the state that meets both of the following requirements:

17 (1) Provides for a minimum of 10 permanent collection sites or
18 one permanent collection site per 25,000 people, whichever is
19 greater, except as provided below:

20 (A) A county with a population of 18,000 and under, as reported
21 annually by the Department of Finance, shall have a minimum of
22 three collection locations.

23 (B) A county with a population of between 18,001 and 50,000,
24 inclusive, as reported annually by the Department of Finance, shall
25 have a minimum of four collection locations.

26 (C) A county with a population between 50,001 and 100,000,
27 inclusive, as reported annually by the Department of Finance, shall
28 have a minimum of eight collection locations.

29 (2) Provides for a reasonable geographic spread of permanent
30 collection sites and an explanation for the geographic spread.

31 (e) A description of how collection sites will be authorized and
32 managed, including all of the following:

33 (1) A description of the process by which local jurisdictions can
34 request to be a collection site pursuant to Section 42984.7.

35 (2) A description of how the PRO will provide to collection
36 sites at no cost the appropriate containers for covered products,
37 training, signage, safety guidance, and educational materials.

38 (3) An explanation of the process by which the PRO will provide
39 for the transport of covered products at no cost from the collection

1 sites to an authorized sorter, or directly to an authorized repair
2 business, or recycling facility.

3 (4) A description of how collection sites will be allowed to
4 divert collected covered products to secondhand markets for reuse.
5 Any diversion by collection sites pursuant to this paragraph shall
6 be consistent with the rules established pursuant to paragraph (5).

7 (5) A list of all proposed rules, conditions, and requirements
8 for authorized collectors, authorized sorters, and authorized repair
9 businesses, including a template proposed agreement for each of
10 those types of entities, as applicable.

11 (6) A description of how the PRO will prioritize the use of
12 secondhand markets and nonprofit thrift stores, as described in
13 Section 6363.3 of the Revenue and Taxation Code, when
14 establishing collection sites to meet the minimum requirements in
15 subdivision (d).

16 (7) How collection sites will be instructed to identify and reject
17 counterfeit covered products.

18 (f) (1) A description of the process by which collected covered
19 products will be sorted, transported, processed, reused, and recycled
20 following collection at collection sites, including all of the
21 following:

22 ~~(1)~~

23 (2) A description of how covered products will be handled and
24 managed according to the waste management practices pursuant
25 to Section 40051, including both of the following:

26 (A) (i) How the plan will prioritize the reuse, including repair,
27 of collected covered products.

28 (ii) Products designed for use by infants and children under 12
29 years of age with components that pose a risk of detachment, thus
30 creating choking hazards, or containing components subject to
31 Part 1303 (commencing with Section 1303.1) and Part 1307
32 (commencing with Section 1307.1) of Title 16 of the Code of
33 Federal Regulations, including, but not limited to, metallic, vinyl,
34 or plastic snaps, zippers, grommets, closures, or appliques may be
35 excluded from repair and reuse by the PRO.

36 (B) (i) How the plan will include the incentive payments, grants,
37 and market development investments specified in clause (vii) to
38 encourage reuse over recycling and other methods.

39 (ii) A description of how covered products will be sorted by
40 authorized sorters, including a description of how the flow of

1 covered products to and from authorized collectors, authorized
2 sorters, authorized repair businesses, and recyclers will be tracked
3 through final disposition.

4 (iii) A description of how the PRO will maximize the reuse and
5 recycling of all covered products.

6 (iv) A description of how the PRO will minimize disposal of
7 covered products collected by the PRO.

8 (v) A description of how the PRO will prioritize, to the extent
9 feasible, the use and development of sorting, repair, and recycling
10 facilities located closer to the point of collection to minimize
11 transportation-related emissions and increase accountability for
12 the ultimate disposition of the covered products.

13 (vi) A description of the annual assessment the PRO will conduct
14 and the metrics it will use to determine how collection, sorting,
15 and transportation outcomes aligned with projections.

16 (vii) A description of how the plan will provide incentive
17 payments, grants, and market development investments to support
18 the infrastructure necessary to effectively implement the plan,
19 including how incentive payments, grants, and market development
20 investments will prioritize infrastructure closer to the point of
21 generation pursuant to clause (v).

22 (viii) A description of how the actions taken pursuant to clause
23 (vii) will ensure that covered products are reused or recycled and
24 have responsible and economically viable end markets.

25 (g) A comprehensive statewide education and outreach program
26 designed to educate consumers and promote participation in the
27 program offered by the PRO. At a minimum, the comprehensive
28 statewide education and outreach program shall include all of the
29 following:

30 (1) A description of the education and communications for
31 strategy being implemented to effectively promote participation
32 in the stewardship program and provide the information necessary
33 for effective participation by consumers, retailers, distributors,
34 wholesalers, local jurisdictions, and others.

35 (2) A joint internet website in coordination with all other PROs,
36 as applicable, that publicizes the location of collection sites and
37 provides information to consumers on how to drop off covered
38 products at the free and convenient network of collection sites
39 offered by the PRO, including any information reasonably

1 necessary to safely and conveniently access the collection, repair,
2 and recycling services offered by the PRO.

3 (3) Signage that is prominently displayed and easily visible.

4 (4) All signage and materials required for collection sites by
5 the PRO, and the method by which collection sites can access
6 replacement materials at no cost to the collection site.

7 (5) A description of efforts to support participation by all
8 California communities, including a description of efforts to
9 communicate with consumers in languages other than English.

10 (6) Promotional materials or activities, or both, that explain the
11 purpose of the PRO and the means by which it is being carried
12 out.

13 (7) A description of how the PRO will encourage users to
14 separate products that are not covered products from covered
15 products, when appropriate, before submitting the covered products
16 to an authorized collection site or mail-back program.

17 (8) Materials designed to inform third-party sellers on online
18 platforms of their duty to comply with the law and how to join the
19 PRO.

20 (9) Information to the public on secondhand markets and the
21 benefits of reuse, including repair.

22 (10) (A) The statewide education and outreach program shall
23 promote the safe and proper management of covered products,
24 including information on where consumers can purchase repaired
25 and reused covered products. This includes education and training
26 for authorized collectors to incentivize domestic resale of usable
27 covered products.

28 (B) The statewide education and outreach program shall not
29 promote the disposal of covered products in a manner inconsistent
30 with the services offered by the plan.

31 (C) The statewide education and outreach plan shall include
32 information for consumers about how to avoid improper disposal
33 of covered products.

34 (h) A description of the strategies, goals, and metrics the PRO
35 will use to annually assess and evaluate the efficacy of the
36 comprehensive statewide education and outreach program.

37 (i) A description of how the PRO will coordinate with other
38 PROs to avoid confusion to the public regarding program activities,
39 including, but not limited to, education and outreach, including
40 establishing point-of-sale messaging, a joint website, and toll-free

1 telephone number for purposes of providing information on the
2 program.

3 (j) Coordination with, and a description of the efforts and
4 methods used to coordinate activities with, all of the following
5 entities who are responsive to a request from the PRO:

6 (1) Other PROs.

7 (2) Existing collection, reuse, and recycling programs.

8 (3) Community-based organizations, including nonprofit thrift
9 stores as described in Section 6363.3 of the Revenue and Taxation
10 Code, that contact the PRO and that are qualified to run or support
11 collection events.

12 (k) A contingency plan in the event the plan expires or is
13 revoked. The contingency plan shall guarantee that the contracts,
14 financial data, and other necessary authority and assets to operate
15 the program shall vest in a trustee approved by the department.
16 The trustee shall operate the most recently approved plan, subject
17 to the direction of the department, until such time as a new plan
18 is approved. Upon plan expiration or revocation of the plan, the
19 balance of the PRO's operating reserves collected pursuant to
20 paragraph (4) of subdivision (b) shall be transferred to the control
21 of the trustee within five calendar days. All documents, digital
22 records, contracts, and files related to the operation of the plan
23 shall be transferred to the control of the trustee within five calendar
24 days.

25 (l) Develop a program to support laundries for laundering
26 covered products that includes funding for technology that reduces
27 water consumption and improves microfiber and microplastic
28 filtration.

29 (m) A description of how the plan will address the presence of
30 PFAS and other chemicals regulated under Chapter 6.6
31 (commencing with Section 25249.5) of Division 20 of the Health
32 and Safety Code and Chapter 12.5 (commencing with Section
33 108945) of, and Chapter 13.5 (commencing with Section 108970)
34 of, Part 3 of Division 104 of the Health and Safety Code, including,
35 but not limited to, the actions and investments needed to avoid
36 contamination in the recycling process and available end markets
37 for recycled material that cannot be remanufactured into textiles
38 or textile articles in California.

39 (n) Develop strategies to address design challenges for covered
40 products, including, but not limited to, compostability, reduction

1 and removal of harmful chemicals, microfiber and microplastic
2 shedding, and mixed material blends.

3 (o) A description of how the PRO will minimize the negative
4 environmental and human health impacts of all operations
5 associated with the plan, including impacts from collected covered
6 products exported outside of California.

7 (p) A process by which the financial activities of the PRO or
8 individual producers that are related to implementation of the plan
9 will be subject to an independent audit consistent with generally
10 accepted accounting principles (GAAP).

11 SEC. 175. Section 42984.21 of the Public Resources Code is
12 amended to read:

13 42984.21. (a) An administrative civil penalty up to the
14 following amounts may be administratively imposed by the
15 department on any person who is in violation of any provision of
16 this chapter:

17 (1) Ten thousand dollars (\$10,000) per day.

18 (2) Fifty thousand dollars (\$50,000) per day if the violation is
19 intentional or knowing.

20 (b) In assessing or reviewing the amount of a civil penalty
21 imposed pursuant to subdivision (a) for a violation of this chapter,
22 the department or the court shall consider all of the following:

23 (1) The nature and extent of the violation.

24 (2) The number and severity of the violation or violations.

25 (3) The economic effect of the penalty on the violator.

26 (4) Whether the violator took good faith measures to comply
27 with this chapter and the period of time over which these measures
28 were taken.

29 (5) The willfulness of the violator's misconduct.

30 (6) The deterrent effect that the imposition of the penalty would
31 have on both the violator and the regulated community.

32 (7) Any other factor that justice may require.

33 (c) The department shall establish, through regulations adopted
34 pursuant to Section 42984.2, a process that shall include an
35 informal hearing process by which the penalties will be assessed.

36 (d) The department shall deposit all penalties collected pursuant
37 to this section into the Textile Stewardship Recovery Penalty
38 Account, which is hereby created in the Textile Stewardship
39 Recovery Fund. Upon appropriation by the Legislature, moneys
40 in the Textile Stewardship Recovery Penalty Account shall be

1 available for expenditure by the department on activities related
2 to the collection and recycling of covered products, grants for
3 related purposes, and the administration and enforcement of this
4 chapter.

5 (e) The Administrative Adjudication Bill of Rights, as set forth
6 in ~~Chapter 4.5~~ *Article 6* (commencing with Section 11425.10) of
7 *Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government*
8 *Code*, applies to hearings conducted under this chapter and
9 mandates minimum due process.

10 SEC. 176. Section 42999 of the Public Resources Code is
11 amended to read:

12 42999. (a) The department shall, upon appropriation by the
13 Legislature, administer a grant program to provide financial
14 assistance to promote in-state development of infrastructure, food
15 waste prevention, or other projects to reduce organic waste, sort
16 and aggregate or process organic and other recyclable materials
17 into new, value-added products, or divert items from disposal
18 through enhanced reuse opportunities. Moneys appropriated by
19 the Legislature from the Greenhouse Gas Reduction Fund, created
20 pursuant to Section 16428.8 of the Government Code, to the
21 department shall be expended consistent with the requirements of
22 Article 9.7 (commencing with Section 16428.8) of Chapter 2 of
23 Part 2 of Division 4 of Title 2 of the Government Code and Chapter
24 4.1 (commencing with Section 39710) of Part 2 of Division 26 of
25 the Health and Safety Code.

26 (b) Eligible financial assistance shall be provided for any of the
27 following:

- 28 (1) Organics composting.
- 29 (2) Organics in-vessel digestion.
- 30 (3) Recyclable material manufacturing.
- 31 (4) Activities that expand and improve organic waste diversion
32 and recycling, including, but not limited to, the recovery of food
33 for human consumption and food waste prevention.
- 34 (5) Preprocessing organic materials for composting or organics
35 in-vessel digestion.
- 36 (6) Codigestion at existing wastewater treatment plants.
- 37 (7) Increasing opportunities for reuse of materials diverted from
38 landfill disposal.

1 (8) Recyclable material recovery, sorting, or ~~baling~~ *baling*
2 equipment for use at publicly owned facilities. Eligibility for
3 funding under this paragraph is limited to local jurisdictions.

4 (c) For purposes of this section, eligible infrastructure projects
5 include, but are not limited to, any of the following:

6 (1) Capital investments in new facilities and increased
7 throughput at existing facilities for activities, such as converting
8 windrow composting to aerated-static-pile composting to use food
9 waste as feedstock.

10 (2) Designing and constructing organics in-vessel digestion
11 facilities to produce products, such as biofuels to be used or
12 distributed onsite, bioenergy, and soil amendments.

13 (3) Designing and constructing or expanding facilities for
14 processing recyclable materials.

15 (4) Projects to improve the quality of recycled materials.

16 (5) Projects undertaken by a local government at publicly owned
17 facilities to improve the recovery, sorting, or baling of recyclable
18 materials to get those materials into the marketplace, including
19 related equipment purchasing and installation costs.

20 (6) Purchase of equipment and construction of facilities to help
21 develop, implement, or expand edible food waste recovery
22 operations.

23 (7) Establishment of reuse programs to divert items from landfill
24 disposal for reuse by members of the public.

25 (8) Deployment of bear bins to minimize adverse
26 human-and-bear interactions related to the collection and
27 management of solid and organic waste. Any funding provided
28 pursuant to this paragraph shall be limited to those areas where
29 there are significant public safety issues associated with food waste
30 collection as a result of local bear populations, as corroborated by
31 information from local, state, or federal public safety or wildlife
32 officials, and shall be limited to the primary residence for those
33 residents earning below the area median household income limit
34 established by the Department of Housing and Community
35 Development pursuant to Section 50093 of the Health and Safety
36 Code.

37 (d) In awarding a grant for organics composting or organics
38 in-vessel digestion pursuant to this section, the department shall
39 consider all of the following:

1 (1) The amount of reductions of emissions of greenhouse gases
2 that may result from the project.

3 (2) The amount of organic material that may be diverted from
4 landfills as a result of the project.

5 (3) If and how the project may benefit disadvantaged or
6 low-income communities, as defined in Section 39713 of the Health
7 and Safety Code.

8 (4) For a grant awarded for an organics in-vessel digestion
9 project, if and how the project maximizes resource recovery,
10 including the production of clean energy or low-carbon or carbon
11 negative transportation fuels.

12 (5) Project readiness and permitting that the project may require.

13 (6) Air and water quality benefits that the project may provide.

14 (e) To the degree that funds are available, the department may
15 provide larger grant awards for large-scale regional integrated
16 projects that provide cost-effective organic waste diversion and
17 maximize environmental benefits.

18 SEC. 177. Section 48704.1 of the Public Resources Code is
19 amended to read:

20 48704.1. (a) A stewardship organization's funding mechanism
21 shall provide a stewardship assessment for each container of a
22 paint product and sold by manufacturers in this ~~state~~ *state*, and the
23 assessment shall be remitted to the stewardship organization, if
24 applicable.

25 (b) The stewardship assessment shall be added to the cost of all
26 paint products sold to California retailers and distributors, and
27 each California retailer or distributor shall add the assessment to
28 the purchase price of all paint products covered by the program
29 sold in the state.

30 (c) The stewardship assessment shall be approved by the
31 department as part of a stewardship plan, and shall be sufficient
32 to recover, but not exceed, the cost of the stewardship program.
33 A stewardship plan shall require that any surplus funds be put back
34 into the program to reduce the costs of the program, including the
35 assessment amount.

36 SEC. 178. Section 311 of the Public Utilities Code is amended
37 to read:

38 311. (a) The commission, each commissioner, the executive
39 director, and the assistant executive directors may administer oaths,
40 certify to all official acts, and issue subpoenas for the attendance

1 of witnesses and the production of papers, waybills, books,
2 accounts, documents, and testimony in any inquiry, investigation,
3 hearing, or proceeding in any part of the state.

4 (b) The administrative law judges may administer oaths,
5 examine witnesses, issue subpoenas, and receive evidence, under
6 rules that the commission adopts.

7 (c) The evidence in any hearing shall be taken by the
8 commissioner or the administrative law judge designated for that
9 purpose. The commissioner or the administrative law judge may
10 receive and exclude evidence offered in the hearing in accordance
11 with the rules of practice and procedure of the commission.

12 (d) Consistent with the procedures contained in Sections 1701.1,
13 1701.2, 1701.3, 1701.4, and 1701.8, the assigned commissioner
14 or the administrative law judge shall prepare and file an opinion
15 setting forth recommendations, findings, and conclusions. The
16 opinion of the assigned commissioner or the administrative law
17 judge is the proposed decision and a part of the public record in
18 the proceeding. The proposed decision of the assigned
19 commissioner or the administrative law judge shall be filed with
20 the commission and served upon all parties to the action or
21 proceeding without undue delay, not later than 90 days after the
22 matter has been submitted for decision. The commission shall issue
23 its decision not sooner than 30 days following filing and service
24 of the proposed decision by the assigned commissioner or the
25 administrative law judge, except that the 30-day period may be
26 reduced or waived by the commission in an unforeseen emergency
27 situation or upon the stipulation of all parties to the proceeding or
28 as otherwise provided by law. The commission may, in issuing its
29 decision, adopt, modify, or set aside the proposed decision or any
30 part of the decision. Where the modification is of a decision in an
31 adjudicatory hearing it shall be based upon the evidence in the
32 record. Every finding, opinion, and order made in the proposed
33 decision and approved or confirmed by the commission shall, upon
34 that approval or confirmation, be the finding, opinion, and order
35 of the commission.

36 (e) Any item appearing on the commission's public agenda as
37 an alternate item to a proposed decision or to a decision subject to
38 subdivision (g) shall be served upon all parties to the proceeding
39 without undue delay and shall be subject to public review and
40 comment before it may be voted upon. For purposes of this

1 subdivision, “alternate” means either a substantive revision to a
2 proposed decision that materially changes the resolution of a
3 contested issue or any substantive addition to the findings of fact,
4 conclusions of law, or ordering paragraphs. The commission shall
5 adopt rules that provide for the time and manner of review and
6 comment and the rescheduling of the item on a subsequent public
7 agenda, except that the item shall not be rescheduled for
8 consideration sooner than 30 days following service of the alternate
9 item upon all parties. The alternate item shall be accompanied by
10 a digest that clearly explains the substantive revisions to the
11 proposed decision. The commission’s rules may provide that the
12 time and manner of review and comment on an alternate item may
13 be reduced or waived by the commission in an unforeseen
14 emergency situation.

15 (f) The commission may specify that the administrative law
16 judge assigned to a proceeding involving an electrical, gas,
17 telephone, railroad, or water corporation, or a highway carrier,
18 initiated by customer or subscriber complaint need not prepare,
19 file, and serve an opinion, unless the commission finds that to do
20 so is required in the public interest in a particular case.

21 (g) (1) Before voting on any commission decision not subject
22 to subdivision (d), the decision shall be served on parties and
23 subject to at least 30 days public review and comment. Any
24 alternate to any commission decision shall be subject to the same
25 requirements as provided for alternate decisions under subdivision
26 (e). For purposes of this subdivision, “decision” also includes
27 resolutions, including resolutions on advice letter filings.

28 (2) The 30-day period may be reduced or waived in an
29 unforeseen emergency situation, upon the stipulation of all parties
30 in the proceeding, for an uncontested matter in which the decision
31 grants the relief requested, or for an order seeking temporary
32 injunctive relief, or, in the case of a catastrophic wildfire
33 proceeding, may be reduced to no less than 15 days at the discretion
34 of the assigned commissioner.

35 (3) This subdivision does not apply to uncontested matters that
36 pertain solely to water corporations, or to orders instituting
37 investigations or rulemakings, categorization resolutions under
38 Sections 1701.1 to 1701.4, inclusive, and Section 1701.8, or orders
39 authorized by law to be considered in executive session. Consistent
40 with regulatory efficiency and the need for adequate prior notice

1 and comment on commission decisions, the commission may adopt
2 rules, after notice and comment, establishing additional categories
3 of decisions subject to waiver or reduction of the time period in
4 this section.

5 (h) Notwithstanding any other law, amendments, revisions, or
6 modifications by the commission of its Rules of Practice and
7 Procedure shall be submitted to the Office of Administrative Law
8 for prior review in accordance with Sections 11349, 11349.3,
9 11349.4, 11349.5, 11349.6, and 11350.3 of, and subdivisions (a)
10 and (b) of Section 11349.1 of, the Government Code. If the
11 commission adopts an emergency revision to its Rules of Practice
12 and Procedure based upon a finding that the revision is necessary
13 for the preservation of the public peace, health and safety, or
14 general welfare, this emergency revision shall only be reviewed
15 by the Office of Administrative Law in accordance with
16 subdivisions (b) to (d), inclusive, of Section 11349.6 of the
17 Government Code. The emergency revision shall become effective
18 upon filing with the Secretary of State and shall remain in effect
19 for no more than 120 days. A petition for writ of review pursuant
20 to Section 1756 of a commission decision amending, revising, or
21 modifying its Rules of Practice and Procedure shall not be filed
22 until the regulation has been approved by the Office of
23 Administrative Law, the Governor, or a court pursuant to Section
24 11350.3 of the Government Code. If the period for filing the
25 petition for writ of review would otherwise have already
26 commenced under Section 1733 or 1756 at the time of that
27 approval, then the period for filing the petition for writ of review
28 shall continue until 30 days after the date of that approval. This
29 subdivision does not require the commission to comply with Article
30 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of
31 Division 3 of Title 2 of the Government Code. This subdivision
32 is only intended to provide for the Office of Administrative Law
33 review of procedural commission decisions relating to commission
34 Rules of Practice and Procedure, and not general orders,
35 resolutions, regulations, ~~and~~ guidelines related to the California
36 Environmental Quality Act (Division 13 (commencing with Section
37 21000) of the Public Resources Code), or other substantive
38 regulations.

39 (i) The commission shall immediately notify the Legislature
40 whenever the commission reduces or waives the time period for

1 public review and comment due to an unforeseen emergency
2 situation, as provided in subdivision (d), (e), or (g).

3 SEC. 179. Section 17052.1 of the Revenue and Taxation Code
4 is amended to read:

5 17052.1. (a) (1) For each taxable year beginning on or after
6 January 1, 2019, there shall be allowed against the “net tax,” as
7 defined by Section 17039, a young child tax credit to a qualified
8 taxpayer, in an amount as determined under paragraph (2).

9 (2) (A) (i) The amount of the young child tax credit shall be
10 equal to one thousand one hundred seventy-six dollars (\$1,176),
11 multiplied by the earned income tax credit adjustment factor for
12 the taxable year as specified for in Section 17052.

13 (ii) The amount of the young child tax credit specified under
14 clause (i) shall be recomputed annually in the same manner as the
15 recomputation of income tax brackets under subdivision (h) of
16 Section 17041.

17 (B) The young child tax credit allowable in any taxable year to
18 any qualified taxpayer shall be limited to the maximum amount
19 specified in clause (i) of subparagraph (A) as recomputed under
20 clause (ii) of subparagraph (A).

21 (C) (i) The young child tax credit shall be reduced by twenty
22 dollars (\$20) for each one hundred dollars (\$100), or fraction
23 thereof, by which the qualified taxpayer’s earned income, as
24 defined in Section 17052, exceeds the “threshold amount.” For
25 purposes of this section, the “threshold amount” shall be
26 twenty-five thousand dollars (\$25,000).

27 (ii) (I) For each taxable year beginning on or after January 1,
28 2022, and before January 1, 2023, the twenty dollars (\$20) in clause
29 (i) shall be recomputed annually in the same manner as the
30 recomputation of income tax brackets under subdivision (h) of
31 Section 17041, except that the resulting products shall be rounded
32 off to the nearest cent.

33 (II) For taxable years beginning after the taxable year in which
34 the minimum wage, as defined in paragraph (1) of subdivision (b)
35 of Section 1182.12 of the Labor Code, is set at fifteen dollars (\$15)
36 per hour, and before January 1, 2024, the amount calculated under
37 subclause (I) shall substitute for the twenty dollars (\$20) in clause
38 (i).

39 (III) The Franchise Tax Board shall calculate a graduated
40 reduction amount in such a manner that, for a qualified taxpayer

with earned income of one dollar (\$1) or more in excess of the maximum earned income that results in a credit amount greater than zero dollars (\$0) pursuant to Section 17052, the amount of the credit under this section is equal to zero. For taxable years beginning on or after January 1, 2024, the graduated reduction amount calculated pursuant to this subclause shall be substituted for the twenty dollars (\$20) in clause (i).

(iii) For taxable years beginning after the taxable year in which the minimum wage, as defined in paragraph (1) of subdivision (b) of Section 1182.12 of the Labor Code, is set at fifteen dollars (\$15) per hour, the “threshold amount” in this subparagraph shall be recomputed annually in the same manner as the recomputation of income tax brackets under subdivision (h) of Section 17041.

(D) The young child tax credit authorized by this section shall only be operative for taxable years for which resources are authorized in the annual Budget Act for the Franchise Tax Board to oversee and audit returns associated with the credit allowed under Section 17052.

(b) (1) “Qualified taxpayer” means an eligible individual who has at least one qualifying child and who satisfies either of the following:

(A) Has been allowed a tax credit under Section 17052.

(B) Meets all of the following requirements:

(i) Would otherwise have been allowed a tax credit under Section 17052, but has earned income, as defined in Section 32(c)(2) of the Internal Revenue Code, as modified by Section 17052, of zero dollars (\$0) or less.

(ii) Does not have net losses in excess of thirty thousand dollars (\$30,000) in the taxable year.

(iii) Does not have wages, salaries, tips, and other employee compensation in excess of thirty thousand dollars (\$30,000) in the taxable year.

(2) For each taxable year beginning on or after January 1, 2022, the amounts specified under clauses (ii) and (iii) of ~~subparagraph (B)~~ *subparagraph (B)* shall be recomputed annually in the same manner as the recomputation of income tax brackets under subdivision (h) of Section 17041.

(c) “Qualifying child” shall have the same meaning as under Section 17052, except that the child shall be younger than six years of age as of the last day of the taxable year.

(d) (1) The Franchise Tax Board may prescribe rules, guidelines, procedures, or other guidance to carry out the purposes of this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(2) (A) The Franchise Tax Board may prescribe any regulations necessary or appropriate to carry out the purposes of this section, including any regulations to prevent improper claims from being filed or improper payments from being made with respect to net earnings from self-employment.

(B) The adoption of any regulations pursuant to subparagraph (A) may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and shall be deemed an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these emergency regulations shall not be subject to the review and approval of the Office of Administrative Law. The regulations shall become effective immediately upon filing with the Secretary of State, and shall remain in effect until revised or repealed by the Franchise Tax Board.

(e) If the amount allowable as a credit under this section exceeds the tax liability computed under this part for the taxable year, the excess shall be credited against other amounts due, if any, and the balance, if any, shall be paid from the Tax Relief and Refund Account and refunded to the qualified taxpayer.

(f) Notwithstanding any other law, amounts refunded pursuant to this section shall be treated in the same manner as the federal earned income refund for the purpose of determining eligibility to receive benefits under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code or amounts of those benefits.

(g) (1) In accordance with Section 41, the purpose of the Young Child Tax Credit is to reduce poverty among California's poorest working families and young children. To measure whether the

1 credit achieves its intended purpose, the Franchise Tax Board shall
2 annually prepare a written report on the following:

3 (A) The number of tax returns claiming the credit.

4 (B) The number of qualifying children represented on tax returns
5 claiming the credit.

6 (C) The average credit amount on tax returns claiming the credit.

7 (2) The Franchise Tax Board shall provide the written report to
8 the Senate Committee on Budget and Fiscal Review, the Assembly
9 Committee on Budget, the Senate and Assembly Committees on
10 Appropriations, the Senate Committee on Governance and Finance,
11 the Assembly Committee on Revenue and Taxation, and the Senate
12 and Assembly Committees on Human Services.

13 (h) The Legislature finds and declares that, to the extent they
14 are otherwise qualified for a credit under this section,
15 undocumented persons are eligible for the tax credit authorized
16 by this section within the meaning of subsection (d) of Section
17 1621 of Title 8 of the United States Code.

18 (i) The amendments made to this section by the act adding this
19 subdivision shall apply for taxable years beginning on or after
20 January 1, 2022, except as provided in subparagraph (C) of
21 paragraph (2) of subdivision (a).

22 SEC. 180. Section 36005 of the Revenue and Taxation Code
23 is amended to read:

24 36005. (a) There is hereby established in the State Treasury
25 the Gun Violence Prevention and School Safety Fund to receive
26 moneys pursuant to Section 36041.

27 (b) All moneys in the Gun Violence Prevention and School
28 Safety Fund, including interest or dividends earned by the fund,
29 shall be distributed annually in accordance with the allocation
30 formula provided in subdivision (c), provided that the dollar
31 amounts specified in that subdivision shall be annually adjusted
32 to account for changes in the California Consumer Price Index.

33 (c) Moneys in the Gun Violence Prevention and School Safety
34 Fund shall be annually allocated in the following order:

35 (1) The first seventy-five million dollars (\$75,000,000) available
36 in the fund, or as much of that amount as is available, shall be
37 continuously appropriated annually to the Board of State and
38 Community Corrections, or other successor agency designated by
39 law as the administering agency for the California Violence
40 Intervention and Prevention (CalVIP) Grant Program, to fund

1 CalVIP Grants and administration and evaluations of
2 CalVIP-supported programs, in accordance with Title 10.2
3 (commencing with Section 14130) of Part 4 of the Penal Code.

4 (2) The next fifty million dollars (\$50,000,000) available in the
5 fund, or as much of that amount as is available, if any, shall, upon
6 appropriation by the Legislature, be annually allocated to the State
7 Department of Education to enhance school safety by addressing
8 risk factors for gun violence affecting pupils in kindergarten and
9 grades 1 to 12, inclusive, through the funding of related measures,
10 including, without limitation, the measures described in
11 subparagraphs (A) to (D), inclusive. The ~~department~~ *State*
12 *Department of Education* may use these funds to support both
13 activities conducted directly by the ~~department~~ *State Department*
14 *of Education* and those conducted through contracts with, or grants
15 to, other entities.

16 (A) Physical security improvements, including, but not limited
17 to, the installation of interior locks for purposes of Section 17586
18 of the Education Code.

19 (B) Physical safety assessments.

20 (C) School-based or school-linked mental health and behavioral
21 services, including training for teachers and employees.

22 (D) Before school and after school programs for at-risk pupils,
23 including programs offered by entities eligible to receive funding
24 under the Bipartisan Safer Communities Act Stronger Connections
25 Grant Program.

26 (3) The next fifteen million dollars (\$15,000,000) available in
27 the fund, or as much of that amount as is available, if any, shall,
28 upon appropriation by the Legislature, be annually allocated to the
29 Judicial Council to support a court-based firearm relinquishment
30 grant program to be administered in coordination with the
31 Department of Justice to ensure the prompt, consistent, and safe
32 removal of firearms by the Department of Justice and local law
33 enforcement agencies from individuals who become prohibited
34 from owning or possessing firearms and ammunition pursuant to
35 a criminal conviction or other criminal or civil court order,
36 including, but not limited to, criminal protective orders, domestic
37 violence restraining orders, gun violence restraining orders, civil
38 harassment restraining orders, and workplace violence restraining
39 orders. The grant program shall be designed to reduce the number
40 of people who are entered into or remain in the Armed Prohibited

1 Persons System, including by supporting partnerships with courts
2 and local law enforcement agencies.

3 (4) The next fifteen million dollars (\$15,000,000) available in
4 the fund, or as much of that amount as is available, if any, shall,
5 upon appropriation by the Legislature, be annually allocated to the
6 Department of Justice to fund a victims of gun violence grant
7 program. The purpose of this program is to support evidence-based
8 activities to equitably improve investigations and clearance rates
9 in firearm homicide and firearm assault investigations in
10 communities disproportionately impacted by firearm homicides
11 and firearm assaults, and thereby help reduce gun violence in
12 communities across California. Grants from this program shall be
13 made on a competitive basis to state, local, or tribal law
14 enforcement agencies and prosecuting offices for activities that
15 have the specific objective of increasing clearance rates for firearm
16 homicides and nonfatal shootings, which may include, without
17 limitation, hiring and training detectives dedicated to investigating
18 these offenses, hiring and training personnel or other partners to
19 coordinate with victims and witnesses or to collect, process, and
20 test relevant evidence, improving data analysis, forensics, and
21 technological capacities, and promoting recurring and
22 trauma-informed engagement with victims, witnesses, and other
23 impacted community members in a manner that builds trust, safety,
24 and collaboration.

25 (5) The next two million five hundred thousand dollars
26 (\$2,500,000) available in the fund per year, or as much of that
27 amount as is available, if any, shall, upon appropriation by the
28 Legislature, be annually allocated to the Department of Justice to
29 support activities to inform firearm and ammunition purchasers
30 and firearm owners about gun safety laws and responsibilities,
31 such as safe firearm storage, and to promote implementation and
32 coordination of gun violence prevention efforts through activities
33 such as technical assistance, training, capacity building, and local
34 gun violence data and problem analysis support for local
35 governments, law enforcement agencies, community-based service
36 providers, and other stakeholders. ~~The department~~ *Department of*
37 *Justice* may use these funds to support activities conducted directly
38 by the ~~department~~ *Department of Justice* or conducted through
39 contracts with, or grants to, other entities.

(6) The next two million five hundred thousand dollars (\$2,500,000) available in the fund, or as much of that amount as is available, if any, shall, upon appropriation by the Legislature, be annually allocated to the Office of Emergency Services to provide counseling and trauma-informed support services to direct and secondary victims of mass shootings and other gun homicides and to individuals who have experienced chronic exposure to community gun violence. The office may use these funds to support activities directly conducted by the office, or conducted through contracts with, or grants to, other entities, and to help reduce gun violence in communities across California.

(7) The next one million dollars (\$1,000,000) available in the fund, or as much of that amount as is available, if any, shall, upon appropriation by the Legislature, be allocated to the University of California, Davis, California Firearm Violence Research Center, if those funds are accepted by the Regents of the University of California, for a one-time grant for gun violence research and initiatives to educate health care providers and other stakeholders about clinical tools and other interventions for preventing firearm suicide and injury. This allocation may, if sufficient funds are not available, be made over the course of more than one budget year; however, the total amount allocated pursuant to this paragraph across all years shall not exceed one million dollars (\$1,000,000).

(d) Any remaining moneys available in the fund each year after the allocations described in subdivision (c) shall, upon appropriation by the Legislature, be allocated to fund and support activities and programs focused on preventing gun violence, supporting victims of gun violence, and otherwise remediating the harmful effects of gun violence.

(e) Except as otherwise provided in this section or in any other law, a department or agency may reserve up to 5 percent of the funds appropriated to that department or agency under subdivision (c) for the costs of administering and promoting the effectiveness of programs supported by this act, including, without limitation, costs to employ personnel, develop and review grant solicitations, publicize grant opportunities, engage with and provide technical assistance to prospective grant applicants and grantees, and conduct or support data collection or research evaluations.

SEC. 181. Section 94.4 of the Streets and Highways Code is amended to read:

1 94.4. (a) It shall be unlawful for a person to:

2 (1) Knowingly and with intent to defraud, fraudulently obtain,
3 retain, attempt to obtain or retain, or aid another in fraudulently
4 obtaining or retaining or attempting to obtain or retain, certification
5 as a minority business enterprise for the purposes of this article.

6 (2) Willfully and knowingly make a false statement with the
7 intent to defraud, whether by affidavit, report, or other
8 representation, to a state official or employee for the purpose of
9 influencing the certification or denial of certification of any entity
10 as a minority business enterprise.

11 (3) Willfully and knowingly obstruct, impede, or attempt to
12 obstruct or impede any state official or employee who is
13 investigating the qualifications of a business entity which has
14 requested certification as a minority business enterprise.

15 (4) Knowingly and willfully with intent to defraud, fraudulently
16 obtain, attempt to obtain, or aid another person in fraudulently
17 obtaining or attempting to obtain, public moneys to which the
18 person is not entitled under this article.

19 (b) Any person who is found by the department to have violated
20 any of the provisions of subdivision (a) is subject to a civil penalty
21 of not more than five thousand dollars (\$5,000).

22 (c) If a contractor, subcontractor, supplier, subsidiary, or affiliate
23 thereof, has been found by the department to have violated
24 subdivision (a) and that violation occurred within three years of
25 another violation of subdivision (a) found by the department, the
26 department shall prohibit that contractor, subcontractor, supplier,
27 subsidiary, or affiliate thereof, from entering into a state project
28 or state contract and from further bidding to a state entity, and
29 from being a subcontractor to a contractor for a state entity and
30 from being a supplier to a state entity.

31 (d) For the purposes of this section, “minority” means an
32 individual who can be identified as being part of one of the
33 following groups:

34 (1) Black Americans, including, but are not limited to, persons
35 having origins in any of the Black racial groups of Africa.

36 (2) Hispanic Americans, including, but are not limited to,
37 persons of Mexican, Puerto Rican, Cuban, Central or South
38 American, or other Spanish culture or origin, regardless of race.

39 (3) Native Americans, including, but are not limited to, persons
40 who are American Indians, Inuit, Aleuts, or Native Hawaiians.

(4) Asian-Pacific Americans, including, but are not limited to, persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, and the Northern Marianas.

(5) Asian-Indian Americans, including, but are not limited to, persons whose origins are from India, Pakistan, and Bangladesh.

(6) Those persons determined by the department, on a case-by-case basis, as socially and economically disadvantaged in accordance with applicable federal regulations.

(e) For the purposes of this section, “minority business enterprise” means a small business concern, as defined in Section 632 of Title 15 of the United States Code, and which also meets the following requirements:

(1) It is at least 51 percent owned by one or more women or minority individuals or, in the case of any ~~publicly-owned~~ *publicly owned* business, at least 51 percent of its stock is owned by one or more women or minority individuals.

(2) Its management and daily business operations are controlled by one or more of the women or minority individuals who own it.

SEC. 182. Section 31490 of the Streets and Highways Code is amended to read:

31490. (a) Except as otherwise provided in this section, a transportation agency may not sell or otherwise provide to any other person or entity personally identifiable information of any person who subscribes to an electronic toll or electronic transit fare collection system or who uses a toll bridge, toll lane, or toll highway that employs an electronic toll collection system.

(b) A transportation agency that employs an electronic toll collection or an electronic transit fare collection system shall establish a privacy policy regarding the collection and use of personally identifiable information and provide to subscribers of that system a copy of the privacy policy in a manner that is conspicuous and meaningful, such as by providing a copy to the subscriber with the transponder, electronic transit pass, or other device used as an electronic toll or transit fare collection mechanism, or, if the system does not use a mechanism, with the application materials. A transportation agency shall conspicuously post its privacy policy on its internet website. For purposes of this subdivision, “conspicuously post” has the same meaning as that term is defined in paragraphs (1) to (4), inclusive, of subdivision

1 (b) of Section 22577 of the Business and Professions Code. The
2 policy shall include, but need not be limited to, a description of
3 the following:

4 (1) The types of personally identifiable information that is
5 collected by the agency.

6 (2) The categories of third-party persons or entities with whom
7 the agency may share personally identifiable information.

8 (3) The process by which a transportation agency notifies
9 subscribers of material changes to its privacy policy.

10 (4) The effective date of the privacy policy.

11 (5) The process by which a subscriber may review and request
12 changes to any of the subscriber's personally identifiable
13 information.

14 (c) A transportation agency may, within practical business and
15 cost constraints, store only personally identifiable information of
16 a person such as, to the extent applicable, the account name, credit
17 card number, billing address, vehicle information, and other basic
18 account information required to perform account functions such
19 as billing, account settlement, or enforcement activities. All other
20 information shall be discarded no more than four years and six
21 months after the billing cycle has concluded, the bill has been paid,
22 and all toll or fare violations, if applicable, have been resolved.

23 (d) A transportation agency shall make every effort, within
24 practical business and cost constraints, to purge the personal
25 account information of an account that is closed or terminated. In
26 no case shall a transportation agency maintain personal information
27 more than four years and six months after the date an account is
28 closed or terminated.

29 (e) (1) Except as authorized in paragraphs (2) and (3), a
30 transportation agency may make personally identifiable information
31 of a person available to a law enforcement agency only pursuant
32 to a search warrant. Absent a provision in the search warrant to
33 the contrary, the law enforcement agency shall immediately, but
34 in any event within no more than five days, notify the person that
35 the person's records have been obtained and shall provide the
36 person with a copy of the search warrant and the identity of the
37 law enforcement agency or peace officer to whom the records were
38 provided.

39 (2) This section does not prohibit a peace officer, as defined in
40 Section 830.1 or 830.2 of the Penal Code, when conducting a

1 criminal or traffic collision investigation, from obtaining personally
2 identifiable information of a person if the officer has good cause
3 to believe that a delay in obtaining this information by seeking a
4 search warrant would cause an adverse result, as defined in
5 subparagraphs (A) to (E), inclusive, of paragraph (2) of subdivision
6 (a) of Section 1524.2 of the Penal Code.

7 (3) This section does not prohibit a transportation agency that
8 employs an electronic toll collection system from providing the
9 date, time, and location of a vehicle license plate read captured by
10 the system to a peace officer, as defined in Section 830.1 or 830.2
11 of the Penal Code, in response to an alert pursuant to Section 8594,
12 8594.5, 8594.10, 8594.11, 8594.13, 8594.14, or 8594.15 of the
13 Government Code containing a license plate number of a vehicle.

14 (f) This section does not prohibit a transportation agency in
15 subdivision (a) from providing aggregated traveler information
16 derived from collective data that relates to a group or category of
17 persons from which personally identifiable information has been
18 removed.

19 (g) This section does not prohibit a transportation agency, with
20 respect to an electronic toll collection system, from providing the
21 license plate number of an intermodal chassis to the owner of the
22 chassis for purposes of locating the driver of the chassis in the
23 event the driver fails to pay a toll.

24 (h) This section, with respect to an electronic toll collection
25 system, does not prohibit a transportation agency from sharing
26 data with another transportation agency solely to comply with
27 interoperability specifications and standards adopted pursuant to
28 Section 27565 regarding electronic toll collection devices and
29 technologies. A third-party vendor may not use personally
30 identifiable information obtained under this subdivision for a
31 purpose other than described in this subdivision.

32 (i) Subdivision (d) shall not prohibit a transportation agency,
33 or its designee, from performing financial and accounting functions
34 such as billing, account settlement, enforcement, or other financial
35 activities required to operate and manage the electronic toll
36 collection system or transit fare collection system. This section,
37 with respect to electronic transit fare collection systems, does not
38 prohibit the sharing of data between transportation agencies for
39 the purpose of interoperability between those agencies. A
40 third-party vendor may not use personally identifiable information

1 obtained under this subdivision for a purpose other than as
2 described in this subdivision.

3 (j) This section does not prohibit a transportation agency from
4 communicating, either directly or through a contracted third-party
5 vendor, to subscribers of an electronic toll collection system or an
6 electronic transit fare collection system about products and services
7 offered by, the agency, a business partner, or the entity with which
8 it contracts for the system, using personally identifiable information
9 limited to the subscriber's name, address, and email address,
10 provided that the transportation agency has received the
11 subscriber's express written consent to receive the communications.

12 (k) A transportation agency may not use a nonsubscriber's
13 personally identifiable information obtained using an electronic
14 toll collection or electronic transit fare collection system to market
15 products or services to that nonsubscriber. This subdivision shall
16 not apply to toll-related products or services contained in a notice
17 of toll evasion issued pursuant to Section 23302 of the Vehicle
18 Code.

19 (l) For purposes of this section, "transportation agency" means
20 the Department of Transportation, the Bay Area Toll Authority,
21 any entity operating a toll bridge, toll lane, or toll highway within
22 the state, any entity administering an electronic transit fare
23 collection system and any transit operator participating in that
24 system, or any entity under contract with any of the above entities.

25 (m) For purposes of this section, "electronic toll collection
26 system" is a system where a transponder, camera-based vehicle
27 identification system, or other electronic medium is used to deduct
28 payment of a toll from a subscriber's account or to establish an
29 obligation to pay a toll, and "electronic transit fare collection
30 system" means a system for issuing an electronic transit pass that
31 enables a transit passenger subscriber to use the transit systems of
32 one or more participating transit operators without having to pay
33 individual fares, where fares are instead deducted from the
34 subscriber's account as loaded onto the electronic transit pass.

35 (n) For purposes of this section, "person" means any person
36 who subscribes to an electronic toll collection or electronic transit
37 fare collection system or any person who uses a toll bridge, toll
38 lane, or toll road that employs an electronic toll collection system.

39 (o) For purposes of this section, "personally identifiable
40 information" means any information that identifies or describes a

1 ~~person~~ *person*, including, but not limited to, travel pattern data,
2 address, telephone number, email address, license plate number,
3 photograph, bank account information, or credit card number. For
4 purposes of this section, with respect to electronic transit fare
5 collection systems, “personally identifiable information” does not
6 include photographic or video footage.

7 (p) For purposes of this section, “interoperability” means the
8 sharing of data, including personally identifiable information,
9 across multiple transportation agencies for the sole purpose of
10 creating an integrated transit fare payment system, integrated toll
11 payment system, or both.

12 (q) (1) In addition to any other remedies provided by law, a
13 person whose personally identifiable information has been
14 knowingly sold or otherwise provided in violation of this section
15 may bring an action to recover either actual damages or two
16 thousand five hundred dollars (\$2,500) for each individual
17 violation, whichever is greater, and may also recover reasonable
18 costs and attorney’s fees.

19 (2) A person whose personally identifiable information has been
20 knowingly sold or otherwise provided three or more times in
21 violation of this section may bring an action to recover either actual
22 damages or four thousand dollars (\$4,000) for each individual
23 violation, whichever is greater, and may also recover reasonable
24 costs and attorney’s fees.

25 (r) Nothing in subdivisions (c) and (d) shall preclude compliance
26 with a court order or settlement agreement that has been approved
27 on or before April 25, 2010.

28 (s) A transportation agency that employs an electronic toll
29 collection or electronic transit fare collection system may impose
30 an administrative fee on persons who use those systems in an
31 amount sufficient to cover the cost of implementing this section.

32 SEC. 183. Section 679 of the Unemployment Insurance Code
33 is amended to read:

34 679. (a) (1) Notwithstanding Sections 606.5 and 678, for the
35 purposes of this code, “employer” means any employing unit that
36 is a motion picture payroll services company that pays and controls
37 the payment of wages of a motion picture production worker for
38 services either to a motion picture production company or to an
39 allied motion picture services company, and files a timely statement

1 of its intent to be the employer of motion picture production
2 workers pursuant to subdivision (b).

3 (2) Notwithstanding Sections 606.5 and 678 and paragraph (1),
4 solely for the purpose of remitting employment taxes under this
5 code, and any related obligations arising therefrom under this code,
6 including, but not limited to, this division and Division 6
7 (commencing with Section 13000), a loan-out company is the
8 employer of the employee-owners or members who are engaged
9 by the loan-out company to provide services to a motion picture
10 production company or an allied motion picture services company.

11 (3) For purposes of this code, and consistent with paragraph
12 (2), neither a loan-out company nor an individual whose services
13 are provided by a loan-out company shall be considered an
14 employee of the motion picture payroll services company.

15 (b) (1) Any employing unit meeting the requirements of a
16 motion picture payroll services company that intends to be treated
17 as an employer of motion picture production workers pursuant to
18 subdivision (a) shall file a statement with the department that
19 declares its intent to be the employer of motion picture production
20 workers, pursuant to this section, within 15 days after first paying
21 wages to the workers. The statement shall include identification
22 of each affiliated entity.

23 (2) Any employing unit operating as a motion picture payroll
24 services company as of January 1, 2007, that intends to be treated
25 as an employer of motion picture production workers pursuant to
26 this section, shall file a statement with the department that declares
27 its intent to be the employer of motion picture production workers,
28 pursuant to this section, by January 15, 2007. The statement shall
29 include identification of each affiliated entity.

30 (3) Any motion picture payroll company that quits business
31 shall:

32 (A) Within 10 days of quitting business:

33 (i) File with the director a final return and report of wages of
34 its workers, as required by Section 1116.

35 (ii) File all statements required by this subdivision.

36 (B) Forty-five days in advance of quitting business, notify each
37 motion picture production company and allied motion picture
38 services company, with respect to which they have been treated
39 as the employer of the motion picture production workers, of its
40 intent to quit business.

1 (4) The director may prevent a motion picture payroll services
2 company that fails to file a timely statement from being treated as
3 an employer of motion picture production workers, for a period
4 not to exceed the period for which the statement is required.

5 (5) Any statement filed by a motion picture payroll services
6 company pursuant to this subdivision shall be applied to each
7 affiliated entity of the motion picture payroll services company in
8 existence at the time the statement is filed.

9 (c) For each rating period beginning on or after January 1, 2007,
10 in which an employer operating as a motion picture payroll services
11 company obtains or attempts to obtain a more favorable rate of
12 contributions under this section in a manner that is due to deliberate
13 ignorance, reckless disregard, fraud, intent to evade,
14 misrepresentation, or willful nondisclosure, the director shall assign
15 the maximum contribution rate plus 2 percent for each applicable
16 rating period, the current rating period, and the subsequent rating
17 period. Contributions paid in excess of the maximum rate under
18 this section shall not be credited to the employing unit's reserve
19 account.

20 (d) (1) On and after January 1, 2007, whenever a motion picture
21 payroll services company creates or acquires a motion picture
22 payroll services company, or acquires substantially all of the assets
23 of a motion picture payroll services company, the created or
24 acquired motion picture payroll services company shall:

25 (A) Constitute a separate employing unit, notwithstanding
26 Sections 135.1 and 135.2.

27 (B) Have its reserve account and rate of contributions
28 determined in accordance with subdivision (e).

29 (C) Notify the department of the entity being created or acquired
30 and the nature of its affiliation to that entity.

31 (2) The department may promulgate regulations requiring a
32 motion picture payroll services company, prior to the creation or
33 acquisition of a motion picture payroll services company that will
34 be an affiliated entity, to seek the approval of the department to
35 apply this section to the created or acquired entity.

36 (e) When a motion picture payroll services company transfers
37 all or part of its business or payroll to another motion picture
38 payroll services company the reserve account attributable to the
39 transferor shall be transferred to the transferee motion picture
40 payroll services company, and the transferee's rate of contribution

1 shall be determined in accordance with Section 1052. The
2 transferee shall notify the department within 15 days of the transfer
3 of the business or payroll.

4 (f) For purposes of this section:

5 (1) “Affiliated entity” means any one or more motion picture
6 payroll services company or companies that are united by factors
7 of common ownership, management, or control as prescribed by
8 Section 1061.

9 (2) “Allied motion picture services company” means any person
10 engaged in an industry closely allied with, and whose work is
11 integral to, a motion picture production company in the
12 development, production, or postproduction of a motion picture,
13 excluding the distribution of the completed motion picture and
14 any activity occurring thereafter, and who hires from the same
15 pool of craft and guild or union workers, actors, or extras as a
16 motion picture production company.

17 (3) “Loan-out company” means a corporation, or limited liability
18 company that is classified as a corporation for federal income tax
19 purposes, the principal activity of which is the performance of
20 personal services for a motion picture production company or
21 allied motion picture services company, provided that those
22 services are substantially performed by an employee of the
23 corporation who owns, on any day during the taxable year, more
24 than 10 percent of the outstanding stock of the corporation.

25 (4) “Motion picture” means a motion picture of any type,
26 including, but not limited to, a theatrical motion picture, a
27 television production, a television commercial, or a music video,
28 regardless of its theme or the technology used in its production or
29 distribution.

30 (5) (A) “Motion picture payroll services company” means any
31 employing unit that directly or through its affiliated entities meets
32 all of the following criteria:

33 (i) Contractually provides the services of motion picture
34 production workers to a motion picture production company or to
35 an allied motion picture services company, or provides payments
36 to a loan-out company as directed by a motion picture production
37 company or an allied motion picture services company.

38 (ii) Is a signatory to a collective bargaining agreement for one
39 or more of its clients.

(iii) Controls the payment of wages to the motion picture production workers and pays those wages from its own account or accounts.

(iv) Is contractually obligated to pay wages to the motion picture production workers without regard to payment or reimbursement by the motion picture production company or allied motion picture services company.

(v) At least 80 percent of the wages paid by the motion picture payroll services company each calendar year are paid to workers associated between contracts with motion picture production companies and motion picture payroll services companies.

(B) If the director determines that any employing unit is operating as a motion picture payroll services company but is failing to comply with any of the provisions of subparagraph (A) of paragraph (4), (A), the employing unit is subject to determination of the employer-employee relationship pursuant to this code. When the director's ruling becomes final, the director may preclude the employing unit from being classified as a motion picture payroll services company pursuant to this section for up to three years from the date of the determination.

(6) "Motion picture production company" means any employing unit engaged in the development, production, and postproduction of a motion picture, excluding the distribution of the completed motion picture and any activities occurring thereafter.

(7) "Motion picture production worker" means an individual who provides services to a motion picture production company or allied motion picture services company and who, with regard to those services, is reported under this part as an employee by the motion picture payroll services company. An individual who has been reported as an employee by the motion picture payroll services company, without regard to the individual's status as an employee or independent contractor, shall be the employee of the motion picture payroll services company for the purposes of this code throughout the contractual period with the motion picture payroll services company.

(8) "Wages" shall have the same meaning given the term in Article 2 (commencing with Section 926) of Chapter 4 of Part 1 of Division 1, 4, and shall include residual payments.

(g) If the director determines that an entity does not meet any requirement of this section, the director shall give notice of its

1 determination to that entity pursuant to Section 1206. The notice
2 shall contain a statement of the facts and circumstances upon which
3 the determination was made. The entity so noticed shall have the
4 right to petition for review of the director's determination within
5 30 days of the notice, as provided in Section 1222.

6 (h) The director shall prescribe the form and manner of the
7 statements and information required to be filed or reported by this
8 section.

9 SEC. 184. Section 9250.14 of the Vehicle Code is amended to
10 read:

11 9250.14. (a) (1) In addition to any other fees specified in this
12 code and the Revenue and Taxation Code, upon the adoption of a
13 resolution by any county board of supervisors, a fee of one dollar
14 (\$1) shall be paid at the time of registration or renewal of
15 registration of every vehicle, except vehicles described in
16 subdivision (a) of Section 5014.1, registered to an address within
17 that county except those expressly exempted from payment of
18 registration fees. The fees, after deduction of the administrative
19 costs incurred by the department in carrying out this section, shall
20 be paid quarterly to the Controller.

21 (2) (A) If a county has adopted a resolution to impose a
22 one-dollar (\$1) fee pursuant to paragraph (1), the county may
23 increase the fee specified in paragraph (1) to two dollars (\$2) in
24 the same manner as the imposition of the initial fee pursuant to
25 paragraph (1). The two dollars (\$2) shall be paid at the time of
26 registration or renewal of registration of a vehicle, and quarterly
27 to the Controller, as provided in paragraph (1).

28 (B) If a county has not adopted a resolution to impose a
29 one-dollar (\$1) fee pursuant to paragraph (1), the county may
30 instead adopt a fee of two dollars (\$2) in the manner prescribed in
31 paragraph (1).

32 (C) A resolution to impose a fee of two dollars (\$2) pursuant
33 to subparagraph (A) or (B) shall be submitted to the department
34 at least six months before the operative date of the fee increase.

35 (3) In addition to the service fee imposed pursuant to paragraph
36 (1), and upon the implementation of the permanent trailer
37 identification plate program, and as part of the Commercial Vehicle
38 Registration Act of 2001 (Chapter 861 of the Statutes of 2000),
39 all commercial motor vehicles subject to Section 9400.1 registered
40 to an owner with an address in the county that established a service

1 authority under this section, shall pay an additional service fee of
2 two dollars (\$2).

3 (4) (A) If a county imposes a service fee of two dollars (\$2) by
4 adopting a resolution pursuant to subparagraph (A) or (B) of
5 paragraph (2), the fee specified in paragraph (3) shall be increased
6 to four dollars (\$4). The four dollars (\$4) shall be paid at the time
7 of registration or renewal of registration of a vehicle, and quarterly
8 to the Controller as provided in paragraph (1).

9 (B) A resolution to increase the additional service fee from two
10 dollars (\$2) to four dollars (\$4) pursuant to subparagraph (A) or
11 (B) of paragraph (2) shall be submitted to the department at least
12 six months before the operative date of the fee increase.

13 (b) Notwithstanding Section 13340 of the Government Code,
14 the moneys paid to the Controller are continuously appropriated,
15 without regard to fiscal years, for the administrative costs of the
16 Controller, and for disbursement by the Controller to each county
17 that has adopted a resolution pursuant to subdivision (a), based
18 upon the number of vehicles registered, or whose registration is
19 renewed, to an address within that county.

20 (c) (1) Except as otherwise provided in this subdivision, moneys
21 allocated to a county pursuant to subdivision (b) shall be expended
22 exclusively to fund programs that enhance the capacity of local
23 police and prosecutors to deter, investigate, and prosecute vehicle
24 theft crimes. In any county with a population of 250,000 or less,
25 the moneys shall be expended exclusively for those vehicle theft
26 crime programs and for the prosecution of crimes involving driving
27 while under the influence of alcohol or drugs, or both, in violation
28 of Section 23152 or 23153, or vehicular manslaughter in violation
29 of Section 191.5 of the Penal Code or subdivision (c) of Section
30 192 of the Penal Code, or any combination of those crimes.

31 (2) For purposes of this subdivision, “vehicle theft crimes”
32 means the theft of a vehicle, unlawful taking of a vehicle, burglary
33 of a vehicle, or theft of vehicle parts or components.

34 (d) The moneys collected pursuant to this section shall not be
35 expended to offset a reduction in any other source of funds, nor
36 for any purpose not authorized under this section.

37 (e) Any funds received by a county before January 1, 2000,
38 pursuant to this section, that are not expended to deter, investigate,
39 or prosecute crimes pursuant to subdivision (c) shall be returned
40 to the Controller, for deposit in the Motor Vehicle Account in the

1 State Transportation Fund. Those funds received by a county shall
2 be expended in accordance with this section.

3 (f) Each county that adopts a resolution under subdivision (a)
4 shall submit, on or before the 13th day following the end of each
5 quarter, a quarterly expenditure and activity report to the designated
6 statewide Vehicle Theft Investigation and Apprehension
7 Coordinator in the Department of the California Highway Patrol.

8 (g) A county that imposes a fee under subdivision (a) shall issue
9 a fiscal year-end report to the Controller on or before November
10 30 of each year. The report shall include a detailed accounting of
11 the funds received and expended in the immediately preceding
12 fiscal year, including, at a minimum, all of the following:

13 (1) The amount of funds received and expended by the county
14 under subdivision (b) for the immediately preceding fiscal year.

15 (2) The total expenditures by the county under subdivision (c)
16 for the immediately preceding fiscal year.

17 (3) Details of expenditures made by the county under
18 subdivision (c), including salaries and expenses, purchase of
19 equipment and supplies, and any other expenditures made listed
20 by type with an explanatory comment.

21 (4) A summary of vehicle theft abatement activities and other
22 vehicle theft programs funded by the fees collected pursuant to
23 this section.

24 (5) The total number of stolen vehicles recovered and the value
25 of those vehicles during the immediately preceding fiscal year.

26 (6) The total number of vehicles stolen during the immediately
27 preceding fiscal year as compared to the fiscal year before the
28 immediately preceding fiscal year.

29 (7) Any additional, unexpended fee revenues received under
30 subdivision (b) for the county for the immediately preceding fiscal
31 year.

32 (h) A county that imposes a fee under subdivision (a) shall post
33 the report described in subdivision (g) on ~~the~~ its internet website.

34 (i) Each county that fails to submit the report required pursuant
35 to subdivision (g) by November 30 of each year shall have the fee
36 suspended by the Controller for one year, commencing on July 1
37 following the Controller's determination that a county has failed
38 to submit the report.

39 (j) (1) On or before January 1 of each year, the Controller shall
40 provide to the Department of the California Highway Patrol copies

1 of the year-end reports submitted by the counties under subdivision
2 (g) and, in consultation with the Department of the California
3 Highway Patrol, shall review the fiscal year-end reports submitted
4 by each county pursuant to subdivision (g) to determine if fee
5 revenues are being utilized in a manner consistent with this section.
6 If the Controller determines that the use of the fee revenues is not
7 consistent with this section, the Controller shall consult with the
8 participating counties' designated regional coordinators. If the
9 Controller determines that use of the fee revenues is still not
10 consistent with this section, the authority to collect the fee by that
11 county shall be suspended for one year.

12 (2) If the Controller determines that a county has not submitted
13 a fiscal year-end report as required in subdivision (g), the
14 authorization to collect the service fee shall be suspended for one
15 year pursuant to subdivision (i).

16 (3) If the Controller determines that a fee shall be suspended
17 for a county, the Controller shall inform the Department of Motor
18 Vehicles on or before February 1 of each year that the authority
19 to collect a fee for that county is suspended.

20 (k) On or before January 1 of each year, the Controller shall
21 prepare and post on the Controller's internet website a revenue
22 and expenditure summary for each participating county that
23 includes all of the following:

24 (1) The total revenues received by each county.

25 (2) The total expenditures by each county.

26 (3) The unexpended revenues for each county.

27 (l) For the purposes of this section, a county-designated regional
28 coordinator is that agency designated by the participating county's
29 board of supervisors as the agency in control of its countywide
30 vehicle theft apprehension program.

31 SEC. 185. Section 21214.7 of the Vehicle Code is amended to
32 read:

33 21214.7. (a) This section shall be known, and may be cited,
34 as the San Diego Electric Bicycle Safety Pilot Program.

35 (b) A local authority within the County of San Diego, or the
36 County of San Diego in unincorporated areas, may, by ordinance
37 or resolution, prohibit a person under 12 years of age from
38 operating a class 1 or 2 electric bicycle.

39 (c) (1) A violation of an ordinance or resolution adopted
40 pursuant to this section shall be punishable as follows:

1 (A) For the first 60 days after the prohibition comes into effect,
2 a warning notice.

3 (B) After the first 60 days, a violation of the ordinance or
4 resolution shall be an infraction punishable by a fine of twenty-five
5 dollars (\$25).

6 (2) A record of the action shall not be transmitted to the court
7 and a fee shall not be imposed upon a citation for this infraction
8 if the parent or legal guardian of the person who violated the
9 prohibition delivers proof to the issuing agency within 120 days
10 after the citation was issued that the person has completed an
11 electric bicycle safety and training program pursuant to Section
12 894 of the Streets and Highways Code.

13 (3) If an unemancipated minor violates an ordinance or
14 resolution adopted pursuant to this section, a parent or legal
15 guardian with control or custody of the minor shall be jointly and
16 severally liable with the minor for the amount of a fine imposed
17 pursuant to this subdivision.

18 (d) (1) If an ordinance or resolution is adopted pursuant to this
19 section, the county shall, by January 1, 2028, submit a report to
20 the Legislature that includes all of the following:

21 (A) The total number of traffic stops initiated for a violation of
22 the ordinance or resolution adopted pursuant to this section.

23 (B) The results of those traffic stops, including whether a
24 warning or citation was issued, property was seized, or an arrest
25 was made.

26 (C) The number of times a person was stopped for allegedly
27 operating a class 1 or class 2 electric bicycle while under 12 years
28 of age but was found to be over the age limit.

29 (D) If a warning or citation was issued, a description of the
30 warning or the violation cited.

31 (E) If an arrest or traffic stop was made, the offense cited by
32 the officer for the arrest or traffic stop and the perceived race or
33 ethnicity, gender, and approximate age of the person stopped,
34 provided that the identification of these characteristics is solely
35 based on the observation and perception of the peace officer who
36 initiated the traffic stop.

37 (F) The actions taken by a peace officer during a traffic stop,
38 including, but not limited to, all of the following:

39 (i) Whether the peace officer asked for consent to search the
40 person and, if so, whether consent was provided.

1 (ii) Whether the peace officer searched the person or ~~property~~,
2 *property* and, if so, the basis for the search and the type of
3 contraband or evidence discovered.

4 (iii) Whether the peace officer seized property and, if so, the
5 type of property that was seized and the basis for seizing the
6 property.

7 (G) The number of times a person opted to complete, and did
8 complete, the training course in lieu of paying the fine.

9 (H) The number of times that a person under 12 years of age
10 was operating an electric bicycle and was involved in a crash that
11 resulted in a permanent, serious injury, as defined in Section 20001,
12 or a fatality in the six months prior to the adoption of the ordinance
13 or resolution, the cause of the crash, and the class of the electric
14 bicycle that was being operated at the time of the crash.

15 (I) The number of times that a person under 12 years of age was
16 operating an electric bicycle and was involved in a crash that
17 resulted in a permanent, serious injury, as defined in Section 20001,
18 or a fatality after the adoption of the ordinance or resolution, the
19 cause of the crash, and the class of the electric bicycle that was
20 being operated at the time of the crash.

21 (2) A report submitted pursuant to this section shall be submitted
22 in compliance with Section 9795 of the Government Code.

23 (e) A local authority shall administer a public information
24 campaign for at least 30 calendar days prior to the enactment of
25 an ordinance or resolution adopted pursuant to this section, which
26 shall include public announcements in major media outlets and
27 press releases.

28 (f) This section shall remain in effect only until January 1, 2029,
29 and as of that date is repealed.

30 SEC. 186. Section 73510 of the Water Code is amended to
31 read:

32 73510. Notwithstanding Section 116500 of the Health and
33 Safety Code, the State Water Resources Control Board shall ensure
34 that the bay area regional water system is operated in compliance
35 with the California Safe Drinking Water Act (Chapter 4
36 (commencing with Section ~~116275~~) 116270) of Part 12 of Division
37 104 of the Health and Safety Code) and the guidelines established
38 by the United States Environmental Protection Agency for the
39 purposes of administering the comparable provisions of the federal
40 Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.).

1 SEC. 187. Section 361.31 of the Welfare and Institutions Code
2 is amended to read:

3 361.31. (a) If an Indian child is removed from the physical
4 custody of their parents or Indian custodian pursuant to Section
5 361, the child's placement shall comply with this section. The
6 placement shall be analyzed each time there is a change in
7 placement.

8 (b) Any foster care or guardianship placement of an Indian child,
9 or any emergency removal of a child who is known to be, or if
10 there is reason to know that the child is, an Indian child shall be
11 in the least restrictive setting that most approximates a family
12 situation and in which the child's special needs, if any, may be
13 met. The child shall also be placed within reasonable proximity
14 to the child's home, taking into account any special needs of the
15 child. Preference shall be given to the child's placement with one
16 of the following, in descending priority order:

17 (1) A member of the child's extended family, as defined in
18 subdivision (c) of Section 224.1 and Section 1903 of the federal
19 Indian Child Welfare Act of 1978 (25 U.S.C. Sec. 1901 et seq.).

20 (2) A foster home licensed, approved, or specified by the child's
21 Indian tribe.

22 (3) An Indian foster home licensed or approved by an authorized
23 non-Indian licensing authority.

24 (4) An institution for children approved by an Indian tribe or
25 operated by an Indian organization that has a program suitable to
26 meet the Indian child's needs.

27 (c) In any adoptive placement of an Indian child, preference
28 shall be given to a placement with one of the following, in
29 descending priority order:

30 (1) A member of the child's extended family, as defined in
31 subdivision (c) of Section 224.1 and Section 1903 of the federal
32 Indian Child Welfare Act of 1978 (25 U.S.C. Sec. 1901 et seq.).

33 (2) Other members or citizens of the child's Indian tribe.

34 (3) Another Indian family.

35 (d) Notwithstanding the placement preferences listed in
36 subdivisions (b) and (c), if a different order of placement preference
37 is established by the child's Indian tribe, the court shall give full
38 faith and credit to the preference established by the tribe, as they
39 would to the laws of another state under *the* United States
40 Constitution, and the agency effecting the placement shall follow

1 that order of preference, so long as the placement is the least
2 restrictive setting appropriate to the particular needs of the child
3 as provided in subdivision (b).

4 (e) Where appropriate, the placement preference of the Indian
5 child, if of sufficient age, or parent shall be considered. In applying
6 the preferences, a consenting parent's request for anonymity shall
7 also be given weight by the court or agency effecting the
8 placement.

9 (f) The prevailing social and cultural standards of the Indian
10 community in which the parent or extended family members of
11 an Indian child reside, or with which the parent or extended family
12 members maintain social and cultural ties, or the prevailing social
13 and cultural standards of the Indian child's tribe shall be applied
14 in meeting the placement preferences under this section. A
15 determination of the applicable prevailing social and cultural
16 standards may be confirmed by the Indian child's tribe or by the
17 testimony or other documented support of a qualified expert
18 witness, as defined in subdivision (c) of Section 224.6, who is
19 knowledgeable regarding the social and cultural standards of the
20 Indian community.

21 (g) Any person, county welfare agency, or probation department
22 involved in the placement of an Indian child shall conduct a diligent
23 search for placements that meet the placement preferences and use
24 the services of the Indian child's tribe, whenever available through
25 the tribe, in seeking to secure placement within the order of
26 placement preference established in this section and in the
27 supervision of the placement. The responsibility for seeking a
28 placement consistent with subdivision (b), (c), and (d) shall remain
29 with the person, county welfare agency, or probation department
30 seeking the placement.

31 (h) If a party asserts that good cause not to follow the placement
32 preferences exists, the reason for that assertion shall be stated
33 orally on the record or provided in writing to the parties to the
34 Indian child custody proceeding and the court.

35 (i) The party seeking departure from the placement preferences
36 shall bear the burden of proving by clear and convincing evidence
37 that there is good cause to depart from the placement preferences.

38 (j) A state court's determination of good cause to depart from
39 the placement preferences shall be made on the record or in writing
40 and shall be based on one or more of the following considerations:

1 (1) The request of one or both of the Indian child's parents, if
2 they attest that they have reviewed the placement options, if any,
3 that comply with the order of preference.

4 (2) The request of the child, if the child is of sufficient age and
5 capacity to understand the decision that is being made.

6 (3) The presence of a sibling attachment that can be maintained
7 only through a particular placement.

8 (4) The extraordinary physical, mental, or emotional needs of
9 the Indian child, including specialized treatment services that may
10 be unavailable in the community where families who meet the
11 placement preferences live.

12 (5) The unavailability of a suitable placement after a
13 determination by the court that a diligent search was conducted.
14 For purposes of this paragraph, the standard for determining
15 whether a placement is unavailable shall conform to the prevailing
16 social and cultural standards of the Indian community in which
17 the Indian child's parent or extended family resides or with which
18 the Indian child's parent or extended family members maintain
19 social and cultural ties.

20 (k) A placement shall not depart from the preferences based on
21 the socioeconomic status of any placement relative to another
22 placement.

23 (l) A placement shall not depart from the preferences based
24 solely on ordinary bonding or attachment that flowed from time
25 spent in a nonpreferred placement that was made in violation of
26 the federal Indian Child Welfare Act of 1978 (25 U.S.C. Sec. 1901
27 et seq.).

28 (m) A record of each foster care placement or adoptive
29 placement of an Indian child shall be maintained in perpetuity by
30 the State Department of Social Services. The record shall document
31 the active efforts to comply with the applicable order of preference
32 specified in this section, and shall be made available within 14
33 days of a request by the child's tribe.

34 SEC. 188. Section 706.6 of the Welfare and Institutions Code
35 is amended to read:

36 706.6. (a) Services to minors are best provided in a framework
37 that integrates service planning and delivery among multiple
38 service systems, including the mental health system, using a
39 team-based approach, such as a child and family team. A child
40 and family team brings together individuals that engage with the

1 child or youth and family in assessing, planning, and delivering
2 services. Use of a team approach increases efficiency, and thus
3 reduces cost, by increasing coordination of formal services and
4 integrating the natural and informal supports available to the child
5 or youth and family.

6 (b) (1) For the purposes of this section, “child and family team”
7 has the same meaning as in paragraph (4) of subdivision (a) of
8 Section 16501.

9 (2) In its development of the case plan, the probation agency
10 shall consider and document any recommendations of the child
11 and family team, as defined in paragraph (4) of subdivision (a) of
12 Section 16501. The agency shall document the rationale for any
13 inconsistencies between the case plan and the child and family
14 team recommendations.

15 (c) A case plan prepared as required by Section 706.5 shall be
16 submitted to the court. It shall either be attached to the social study
17 or incorporated as a separate section within the social study. The
18 case plan shall include, but not be limited to, the following
19 information:

20 (1) A description of the circumstances that resulted in the minor
21 being placed under the supervision of the probation department
22 and in foster care.

23 (2) Documentation of the preplacement assessment of the
24 minor’s and family’s strengths and service needs showing that
25 preventive services have been provided, and that reasonable efforts
26 to prevent out-of-home placement have been made. The assessment
27 shall include the type of placement best equipped to meet those
28 needs.

29 (3) (A) A description of the type of home or institution in which
30 the minor is to be placed, and the reasons for that placement
31 decision, including a discussion of the safety and appropriateness
32 of the placement, including the recommendations of the child and
33 family team, if available.

34 (B) An appropriate placement is a placement in the least
35 restrictive, most family-like environment that promotes normal
36 childhood experiences, in closest proximity to the minor’s home,
37 that meets the minor’s best interests and special needs.

38 (4) Effective January 1, 2010, to ensure the educational stability
39 of the child while in foster care, both of the following:

1 (A) Information providing assurances that the placement agency
2 has taken into account the appropriateness of the current
3 educational setting and the proximity to the school in which the
4 child is enrolled at the time of placement.

5 (B) Information providing assurances that the placement agency
6 has coordinated with appropriate local educational agencies to
7 ensure that the child remains in the school in which the child is
8 enrolled at the time of placement, or, if remaining in that school
9 is not in the best interests of the child, that the placement agency
10 and the local educational agency are to provide immediate and
11 appropriate enrollment in a new school and provide all of the
12 child's educational records to the new school.

13 (5) Specific time-limited goals and related activities designed
14 to enable the safe return of the minor to the minor's home, or in
15 the event that return to the minor's home is not possible, activities
16 designed to result in permanent placement or emancipation.
17 Specific responsibility for carrying out the planned activities shall
18 be assigned to one or more of the following:

19 (A) The probation department.

20 (B) The minor's parent or parents or legal guardian or guardians,
21 as applicable.

22 (C) The minor.

23 (D) The foster parents or licensed agency providing foster care.

24 (6) The projected date of completion of the case plan objectives
25 and the date services will be terminated.

26 (7) (A) Scheduled visits between the minor and the minor's
27 family and an explanation if no visits are made.

28 (B) Whether the child has other siblings, and, if any siblings
29 exist, all of the following:

30 (i) The nature of the relationship between the child and the
31 child's siblings.

32 (ii) The appropriateness of developing or maintaining the sibling
33 relationships under Section 16002.

34 (iii) If the siblings are not placed together in the same home,
35 why the siblings are not placed together and what efforts are being
36 made to place the siblings together, or why those efforts are not
37 appropriate.

38 (iv) If the siblings are not placed together, all of the following:

39 (I) The frequency and nature of the visits between the siblings.

1 (II) If there are visits between the siblings, whether the visits
2 are supervised or unsupervised. If the visits are supervised, a
3 discussion of the reasons why the visits are supervised, and what
4 needs to be accomplished in order for the visits to be unsupervised.

5 (III) If there are visits between the siblings, a description of the
6 location and length of the visits.

7 (IV) Any plan to increase visitation between the siblings.

8 (v) The impact of the sibling relationships on the child's
9 placement and planning for legal permanence.

10 (vi) The continuing need to suspend sibling interaction, if
11 applicable, under subdivision (c) of Section 16002.

12 (C) The factors the court may consider in making a
13 determination regarding the nature of the child's sibling
14 relationships may include, but are not limited to, whether the
15 siblings were raised together in the same home, whether the
16 siblings have shared significant common experiences or have
17 existing close and strong bonds, whether either sibling expresses
18 a desire to visit or live with the child's sibling, as applicable, and
19 whether ongoing contact is in the child's best emotional interests.

20 (8) (A) When placement is made in a resource family home,
21 short-term residential therapeutic program, or other children's
22 residential facility that is either a substantial distance from the
23 home of the minor's parent or legal guardian or out of state, the
24 case plan shall specify the reasons why the placement is the most
25 appropriate and is in the best interest of the minor.

26 (B) When an out-of-state residential facility placement is
27 recommended or made, the case plan shall comply with Section
28 727.1 of this code and Section 7911.1 of the Family Code. In
29 addition, the case plan shall include documentation that the county
30 placing agency has satisfied Section 16010.9. The case plan also
31 shall address what in-state services or facilities were used or
32 considered and why they were not recommended.

33 (9) If applicable, efforts to make it possible to place siblings
34 together, unless it has been determined that placement together is
35 not in the best interest of one or more siblings.

36 (10) A schedule of visits between the minor and the probation
37 officer, including a monthly visitation schedule for those children
38 placed in short-term residential therapeutic programs or out-of-state
39 residential facilities, as defined in subdivision (b) of Section 7910
40 of the Family Code.

1 (11) Health and education information about the minor, school
2 records, immunizations, known medical problems, and any known
3 medications the minor may be taking, names and addresses of the
4 minor's health and educational providers; the minor's grade level
5 performance; assurances that the minor's placement in foster care
6 takes into account proximity to the school in which the minor was
7 enrolled at the time of placement; and other relevant health and
8 educational information.

9 (12) When out-of-home services are used and the goal is
10 reunification, the case plan shall describe the services that were
11 provided to prevent removal of the minor from the home, those
12 services to be provided to assist in reunification and the services
13 to be provided concurrently to achieve legal permanency if efforts
14 to reunify fail.

15 (13) (A) For a permanency planning hearing, an updated
16 recommendation for a permanent plan for the minor. The identified
17 permanent plan for a minor under 16 years of age shall be *to return*
18 home, adoption, legal guardianship, or placement with a fit and
19 willing relative. The case plan shall identify any barriers to
20 achieving legal permanence and the steps the agency will take to
21 address those barriers.

22 (B) If, after considering reunification, adoptive placement, legal
23 guardianship, or permanent placement with a fit and willing relative
24 the probation officer recommends placement in a planned
25 permanent living arrangement for a minor 16 years of age or older,
26 the case plan shall include documentation of a compelling reason
27 or reasons why termination of parental rights is not in the minor's
28 best interest. For purposes of this subdivision, a "compelling
29 reason" shall have the same meaning as in subdivision (c) of
30 Section 727.3. The case plan shall also identify the intensive and
31 ongoing efforts to return the minor to the home of the parent, place
32 the minor for adoption, establish a legal guardianship, or place the
33 minor with a fit and willing relative, as appropriate. Efforts shall
34 include the use of technology, including social media, to find
35 biological family members of the minor.

36 (14) For each review hearing, an updated description of the
37 services that have been provided to the minor under the plan and
38 an evaluation of the appropriateness and effectiveness of those
39 services.

(15) A statement that the parent or legal guardian and the minor have had an opportunity to participate in the development of the case plan, to review the case plan, to sign the case plan, and to receive a copy of the plan, or an explanation of why the parent, legal guardian, or minor was not able to participate or sign the case plan.

(16) For a minor in out-of-home care who is 14 years of age or older, a written description of the programs and services, which will help the minor prepare for the transition from foster care to successful adulthood.

(17) On and after the date required by paragraph (9) of subdivision (h) of Section 11461:

(A) The minor's tier, if applicable, as determined by the IP-CANS assessment for purposes of the Tiered Rate Structure under subdivision (h) of Section 11461.

(B) If applicable, the plan to meet the minor's ~~Immediate Needs~~, *immediate needs*, as defined in paragraph (2) of subdivision (c) of Section 16562, using funding made available for that purpose.

(C) The strengths building activities the minor is engaged in, or desires to be engaged in, a brief description of the strengths building goals identified in the IP-CANS, and the Spending Plan Report, as defined in subdivision (c) of Section 16565, for a minor eligible for the Strengths Building Child and Family Determination Program established in Section 16565.

(d) The following shall apply:

(1) The agency selecting a placement shall consider, in order of priority:

(A) Placement with relatives, nonrelated extended family members, and tribal members.

(B) Foster family homes and certified homes or resource families of foster family agencies.

(C) Treatment and intensive treatment certified homes or resource families of foster family agencies, or multidimensional treatment foster homes or therapeutic foster care homes.

(D) Group care placements in the following order:

(i) Short-term residential therapeutic programs.

(ii) Group homes vendored by a regional center.

(iii) Community treatment facilities.

(iv) Out-of-state residential facilities as authorized by subdivision (b) of Section 727.1.

1 (2) In an Indian child custody proceeding as defined in
2 subdivision (d) of Section 224.1, the placement shall comply with
3 the placement preferences set forth in Section 361.31.

4 (3) Although the placement options shall be considered in the
5 preferential order specified in paragraph (1), the placement of a
6 child may be with any of these placement settings in order to ensure
7 the selection of a safe placement setting that is in the child's best
8 interests and meets the child's special needs.

9 (4) (A) A minor may be placed into a community care facility
10 licensed as a short-term residential therapeutic program, as defined
11 in subdivision (ad) of Section 11400, provided the case plan
12 indicates that the placement is for the purposes of providing
13 short-term, specialized, intensive, and trauma-informed treatment
14 for the minor, the case plan specifies the need for, nature of, and
15 anticipated duration of this treatment, and the case plan includes
16 transitioning the minor to a less restrictive environment and the
17 projected timeline by which the minor will be transitioned to a less
18 restrictive environment.

19 (B) On and after October 1, 2021, within 30 days of the minor's
20 placement in a short-term residential therapeutic program, and, on
21 and after July 1, 2022, within 30 days of the minor's placement in
22 a community treatment facility, the case plan shall document all
23 of the following:

24 (i) The reasonable and good faith effort by the probation officer
25 to identify and include all required individuals in the child and
26 family team.

27 (ii) All contact information for members of the child and family
28 team, as well as contact information for other relatives and
29 nonrelative extended family members who are not part of the child
30 and family team.

31 (iii) Evidence that meetings of the child and family team,
32 including the meetings related to the determination required under
33 Section 4096, are held at a time and place convenient for the
34 family.

35 (iv) If reunification is the goal, evidence that the parent from
36 whom the minor or nonminor dependent was removed provided
37 input on the members of the child and family team.

38 (v) Evidence that the determination required under Section 4096
39 was conducted in conjunction with the child and family team.

(vi) The placement preferences of the minor or nonminor dependent and the child and family team relative to the determination and, if the placement preferences of the minor or nonminor dependent or the child and family team are not the placement setting recommended by the qualified individual conducting the determination, the reasons why the preferences of the team or minor or nonminor dependent were not recommended.

(C) Following the court review required pursuant to Section 727.12, the case plan shall document the court's approval or disapproval of the placement.

(D) When the minor or nonminor dependent has been placed in a short-term residential therapeutic program or a community treatment facility for more than 12 consecutive months or 18 nonconsecutive months, or, in the case of a minor who has not attained 13 years of age, for more than 6 consecutive or nonconsecutive months, the case plan shall include both of the following:

(i) Documentation of the information submitted to the court pursuant to subparagraph (B) of paragraph (1) of subdivision (c) of Section 706.5.

(ii) Documentation that the chief probation officer of the county probation department, or their designee, has approved the continued placement of the minor or nonminor dependent in the setting.

(E) (i) On and after October 1, 2021, prior to discharge from a short-term residential therapeutic program, and, on and after July 1, 2022, prior to discharge from a community treatment facility, the case plan shall include a description of the type of in-home or institution-based services to encourage the safety, stability, and appropriateness of the next placement, including the recommendations of the child and family team, if available.

(ii) A plan, developed in collaboration with the short-term residential therapeutic program or community treatment facility, as applicable, for the provision of discharge planning and family-based aftercare support pursuant to Section 4096.6.

SEC. 189. Section 4095 of the Welfare and Institutions Code is amended to read:

4095. (a) It is the intent of the Legislature that essential and culturally relevant mental health assessment, case management, and treatment services be available to wards of the court and dependent children of the court placed out of home or who are at

1 risk of requiring out-of-home care. This can be best achieved at
2 the community level through the active collaboration of county
3 social service, probation, education, mental health agencies, and
4 foster care providers.

5 (b) Therefore, using the Children's Mental Health Services Act
6 (Part 4 (commencing with Section 5850) of Division 5) as a
7 guideline, the State Department of Health Care Services, in
8 consultation with the County Behavioral Health Directors
9 Association of California, the State Department of Social Services,
10 the County Welfare Directors Association of California, the Chief
11 Probation Officers of California, and foster care providers, shall
12 do all of the following:

13 (1) By July 1, 1994, develop an individualized mental health
14 treatment needs assessment protocol for wards of the court and
15 dependent children of the court.

16 (2) Define supplemental services to be made available to the
17 target population, including, but not limited to, services defined
18 in ~~Section 540 and following~~ *Article 4 (commencing with Section*
19 *540)* of Title 9 of the California Code of Regulations as of January
20 1, 1994, family therapy, prevocational services, and crisis support
21 activities.

22 (3) Establish statewide standardized rates for the various types
23 of services defined by the department in accordance with paragraph
24 (2), and provided pursuant to this section. The rates shall be
25 designed to reduce the impact of competition for scarce treatment
26 resources on the cost and availability of care. The rates shall be
27 implemented only when the state provides funding for the services
28 described in this section.

29 (4) By January 1, 1994, to the extent state funds are available
30 to implement this section, establish, by regulation, all of the
31 following:

32 (A) Definitions of priority ranking of subsets of the court wards
33 and dependents target population.

34 (B) A procedure to certify the mental health programs.

35 (c) (1) Only those individuals within the target population as
36 defined in regulation and determined to be eligible for services as
37 a result of a mental health treatment needs assessment may receive
38 services pursuant to this section.

(2) Allocation of funds appropriated for the purposes of this section shall be based on the number of wards and dependents and may be adjusted in subsequent fiscal years to reflect costs.

(3) The counties shall be held harmless for failure to provide any assessment, case management, and treatment services to those children identified in need of services for whom there is no funding.

(d) (1) The State Department of Health Care Services shall make information available to the Legislature, on request, on the service populations provided mental health treatment services pursuant to this section, the types and costs of services provided, and the number of children identified in need of treatment services who did not receive the services.

(2) The information required by paragraph (1) may include information on need, cost, and service impact experience from the following:

(A) Family preservation pilot programs.

(B) Pilot programs implemented under the former Children's Mental Health Services Act, ~~as contained in Act (former Chapter 6.8 (commencing with Section 5565.10) of Part 1 of Division 5.~~

(C) Programs implemented under Chapter ~~26~~ 26.5 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code and Section 11401.

(D) County experience in the implementation of Section 4096.

SEC. 190. Section 5404 of the Welfare and Institutions Code is amended to read:

5404. (a) Counties may designate facilities to provide evaluation and treatment in accordance with Article 1 (commencing with Section 5150) of Chapter 2 of this part, and intensive treatment in accordance with ~~Articles 4 through 4.7, Article 4 (commencing with Section 5250) to Article 4.7 (commencing with Section 5270.10), inclusive, and Article 6 (commencing with Section 5300)~~ of Chapter 2 of this part. Designated facilities shall meet those designation requirements duly established by the State Department of Health Care Services. Subject to requirements duly established by the State Department of Health Care Services, counties may designate appropriate facilities, that are not hospitals or clinics.

(b) The State Department of Health Care Services shall approve county designation of facilities to provide the types of treatment described in subdivision (a).

(c) All regulations relating to the approval of facilities designated by the county in accordance with this part, heretofore adopted by the State Department of Mental Health, or a successor, shall remain in effect and shall be fully enforceable by the State Department of Health Care Services with respect to the designation of any facility or program required to be approved to provide the types of treatment described in subdivision (a), unless and until readopted, amended, or repealed by the State Department of Health Care Services. The State Department of Health Care Services shall succeed to and be vested with all duties, powers, purposes, functions, responsibilities, and jurisdiction of the State Department of Mental Health, or a successor, as they relate to approval of facilities to provide the types of treatment described in subdivision (a).

(d) The State Department of Health Care Services shall, in consultation with the County Behavioral Health Directors Association of California, provider representatives, substance use treatment representatives, patients' rights advocates, disability rights advocates, and other relevant stakeholders, establish updated regulations for the purpose of developing designation requirements for facilities who are admitting and treating persons involuntarily pursuant to this part. At a minimum, the regulations shall include all of the following:

(1) Minimum substance use disorder related service requirements with sufficient substance use disorder staff to maintain appropriate substance use disorder only and cooccurring disorder programs, treatment setting, services, and safety measures, based on the individual patient's substance use disorder needs.

(2) Standards for offering medications for addiction treatment (MAT) or an effective referral process in place with narcotic treatment programs, community health centers, or other MAT providers.

(3) Length of stay standards consistent with evidence-based care for substance use disorders.

(4) Discharge planning for substance use disorder services, consistent with existing requirements.

(5) Privacy and data sharing requirements, including, but not limited to, developing guidance and tools to facilitate data sharing for care coordination and discharge purposes.

1 (6) The process for transitioning and assisting designated
2 facilities to meet updated regulatory requirements, including, but
3 not limited to, providing substance use disorder services.

4 (7) Systems of public accountability and oversight that include,
5 but are not limited to, readiness to meet, and ongoing maintenance
6 of, required standards for staffing, facilities, and care established
7 pursuant to this section.

8 (e) Notwithstanding Chapter 3.5 (commencing with Section
9 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
10 the State Department of Health Care Services may implement,
11 interpret, or make specific this section, in whole or in part, by
12 means of plan or county letters, information notices, plan or
13 provider bulletins, or other similar instructions, until the time
14 regulations are adopted no later than December 31, 2027.

15 SEC. 191. Section 5610 of the Welfare and Institutions Code,
16 as added by Section 25 of Chapter 790 of the Statutes of 2023, is
17 amended to read:

18 5610. (a) (1) Each county behavioral health system shall
19 comply with reporting requirements developed by the State
20 Department of Health Care Services, in consultation with the
21 California Behavioral Health Planning Council and the Behavioral
22 Health Services Oversight and Accountability Commission, which
23 shall be uniform and simplified.

24 (2) The department shall review existing data requirements to
25 eliminate unnecessary requirements and consolidate requirements
26 that are necessary.

27 (3) These requirements shall provide comparability between
28 counties in reports.

29 (b) (1) The department and the California Health and Human
30 Services Agency shall develop, in consultation with the
31 Performance Outcome ~~Committee~~, *Committee* and the California
32 Behavioral Health Planning Council, ~~and pursuant to Section 5611,~~
33 *as well as* the Behavioral Health Services Oversight and
34 Accountability Commission, ~~pursuant to Section 5611,~~ uniform
35 definitions and formats for a statewide, nonduplicative, client-based
36 information system that includes all information necessary to meet
37 federal mental health grant requirements, state and federal Medicaid
38 reporting requirements, and other state requirements established
39 by law.

1 (2) The data system, including performance outcome measures
2 reported pursuant to Section 5613, shall be developed by July 1,
3 1992.

4 (c) Unless determined necessary by the department to comply
5 with federal law and regulations, the data system developed
6 pursuant to subdivision (b) shall not be more costly than that in
7 place during the 1990–91 fiscal year.

8 (d) (1) The department shall develop unique client identifiers
9 that permit development of client-specific cost and outcome
10 measures and related research and analysis.

11 (2) The department's collection and use of client information,
12 and the development and use of client identifiers, shall be
13 consistent with clients' constitutional and statutory rights to privacy
14 and confidentiality.

15 (3) (A) Data reported to the department may include name and
16 other personal identifiers.

17 (B) That information is confidential and subject to Section 5328
18 and any other state and federal law regarding confidential client
19 information.

20 (4) Personal client identifiers reported to the department shall
21 be protected to ensure confidentiality during transmission and
22 storage through encryption and other appropriate means.

23 (5) (A) Information reported to the department may be shared
24 with local public behavioral health agencies submitting records
25 for the same person.

26 (B) The information described in this paragraph is subject to
27 Section 5328.

28 (e) All client information reported to the department pursuant
29 to Chapter 2 (commencing with Section 4030) of Part 1 of Division
30 4 and Sections 5328 to ~~5772.5~~, 5772, inclusive, Chapter 8.9
31 (commencing with Section 14700), and any other state and federal
32 law regarding reporting requirements, consistent with Section
33 5328, shall not be used for purposes other than those purposes
34 expressly stated in the reporting requirements referred to in this
35 subdivision.

36 (f) The department may adopt emergency regulations to
37 implement this section in accordance with the Administrative
38 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
39 Part 1 of Division 3 of Title 2 of the Government Code). The
40 adoption of emergency regulations to implement this section that

1 are filed with the Office of Administrative Law within one year
2 of the date on which the act that added this subdivision took effect
3 shall be deemed to be an emergency and necessary for the
4 immediate preservation of the public peace, health and safety, or
5 general welfare and shall remain in effect for no more than 180
6 days.

7 (g) This section shall become operative on July 1, 2026, if
8 amendments to the Mental Health Services Act are approved by
9 the voters at the March 5, 2024, statewide primary election.

10 SEC. 192. The heading of Chapter 6.5 (commencing with
11 Section 9320) of Division 8.5 of the Welfare and Institutions Code
12 is amended and renumbered to read:

13
14 CHAPTER ~~6.5~~.4.3. SENIOR LEGAL SERVICES

15
16 SEC. 193. Section 10492.2 of the Welfare and Institutions
17 Code is amended to read:

18 ~~10492.2~~

19 10492.2. (a) (1) The State Department of Social Services, in
20 consultation with the State Department of Education, shall convene
21 a public workgroup to provide recommendations to the State
22 Department of Social Services for the development of the
23 Framework, the Equity Tool, and recommended uses of the Equity
24 Tool for early childhood investments and whole child resources
25 to address racial and economic inequities for California's youngest
26 children.

27 (2) The workgroup shall include parents and families from
28 historically underserved communities and shall include, but not
29 be limited to, other stakeholders that bring insight to support the
30 whole child, which may include practitioners, experts, researchers,
31 or advocates in childcare and development, physical and mental
32 health, childhood adversity, family support and engagement,
33 community safety, economic well-being, and built environments,
34 representatives from First 5 California and local First 5
35 commissions, representatives of duly designated collective
36 bargaining agents of family childcare home providers, and
37 representatives from resource and referral agencies, local planning
38 councils, and county offices of education. Workgroup members
39 shall reflect the racial, ethnic, linguistic, and economic diversities
40 of the State of California and represent the interests of individuals

1 who are Black, Latinx, and Indigenous, people of color,
2 multilingual communities, LGBTQIA+ families, children with
3 disabilities, and families from socioeconomically disadvantaged
4 communities that have been disproportionately marginalized. The
5 workgroup shall provide updates to the Early Childhood Policy
6 Council to ensure that the council is informed on the workgroup's
7 recommendations.

8 (3) The workgroup is subject to the Bagley-Keene Open Meeting
9 Act (Article 9 (commencing with Section 11120) of Chapter 1 of
10 Part 1 of Division 3 of Title 2 of the Government Code).

11 (b) On or before January 1, 2025, with input from the
12 workgroup, the State Department of Social Services shall finalize
13 and present the Framework, the Equity Tool, and recommended
14 uses of the Equity Tool to the Legislature. The Framework and
15 the Equity Tool shall be used to build on the existing strengths of
16 communities and support them to address their critical needs of
17 young children.

18 (c) The State Department of Social Services shall publish the
19 tool for public use, including the data and methodology, on the
20 department's internet website.

21 SEC. 194. Section 14149.95 of the Welfare and Institutions
22 Code is amended to read:

23 14149.95. (a) The department shall prepare written
24 informational materials that effectively explain and clarify the
25 scope and nature of early and periodic screening, diagnostic, and
26 treatment (EPSDT) services that are available under the Medi-Cal
27 program. The informational materials shall use clear and
28 nontechnical language.

29 (b) (1) The informational materials shall include, but not be
30 limited to, the information required in Section 441.56(a) of Title
31 42 of the Code of Federal Regulations or its successor.

32 (2) The informational materials shall include content designed
33 for youth, for purposes of delivery of that content to the
34 beneficiaries described in paragraph (2) of subdivision (d).

35 (3) The department may standardize the informational materials
36 for use by the department and Medi-Cal managed care plans, as
37 deemed appropriate by the department to implement this section.

38 (c) (1) The department shall, in consultation with stakeholders,
39 regularly review the informational materials to ensure that the
40 materials are up to date.

(2) To ensure that the informational materials use clear and nontechnical language that effectively informs Medi-Cal beneficiaries, the department shall test the quality, clarity, and cultural concordance of translations of the informational materials with Medi-Cal beneficiaries.

(d) (1) A Medi-Cal managed care plan shall provide to the respective beneficiary who is eligible for EPSDT services, or to the parent or other authorized representative of that beneficiary, as applicable, the informational materials described in this section within a maximum number of calendar days, as specified by the department, after that beneficiary's enrollment in a managed care plan and annually thereafter for beneficiaries who continue to be enrolled with the same Medi-Cal ~~Managed Care Plan~~. *managed care plan*. For beneficiaries in fee-for-service Medi-Cal, the ~~Department~~ *department* or its representative shall provide to the respective beneficiary who is eligible for EPSDT services, or to the parent or other authorized representative of that beneficiary, as applicable, the informational materials described in this section within 60 calendar days after that beneficiary's initial Medi-Cal eligibility determination and annually thereafter, for beneficiaries who continue to be enrolled in fee-for-service Medi-Cal.

(2) The department or the Medi-Cal managed care plan, as applicable, shall provide the content designed for youth, as described in paragraph (2) of subdivision (b), to a beneficiary who is 12 years of age or older but under 21 years of age, in accordance with the schedule described in paragraph (1).

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

(1) "EPSDT services" means services covered under subdivision (v) of Section 14132 and that meet the standards set forth in Section 1396d(r) of Title 42 of the United States Code.

(A) In addition to the screening, vision, dental, and hearing services described in Section 1396d(r)(1)-(4) of Title 42 of the United States Code, EPSDT services include such other necessary health care, diagnostic services, treatment, and other measures described in Section 1396d(a) of Title 42 of the United States Code to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not those services are covered under the Medi-Cal State plan, in accordance with Section 1396d(r)(5) of Title 42 of the United States Code.

1 (B) EPSDT services also include all age-specific assessments
2 and services listed under the most current periodicity schedule by
3 the American Academy of Pediatrics (AAP) and Bright Futures,
4 and any other medically necessary assessments and services that
5 exceed those listed by AAP and Bright Futures.

6 (2) A service is “medically necessary” if it meets the applicable
7 medical necessity standards set forth in Sections 14059.5 and
8 14184.402.

9 SEC. 195. Section 16501.35 of the Welfare and Institutions
10 Code is amended to read:

11 16501.35. (a) County child welfare agencies and probation
12 departments shall implement policies and procedures that require
13 social workers and probation officers to do all of the following:

14 (1) Identify children receiving child welfare services, including
15 dependents or wards in foster care, nonminor dependents, and
16 youth receiving services pursuant to Section 677 of Title 42 of the
17 United States Code, who are, or are at risk of becoming, victims
18 of commercial sexual exploitation.

19 (2) Document individuals identified pursuant to paragraph (1)
20 in the statewide child welfare information system and any other
21 agency record as determined by the county.

22 (3) Determine appropriate services for the child or youth
23 identified pursuant to paragraph (1).

24 (4) Receive relevant training in the identification,
25 documentation, and determination of appropriate services for any
26 child or youth identified in paragraph (1).

27 (b) County child welfare agencies and probation departments
28 shall develop and implement specific protocols to expeditiously
29 locate any child or nonminor dependent missing from foster care.
30 At a minimum, these policies shall do all of the following:

31 (1) Describe the efforts used by county child welfare or
32 probation staff to expeditiously locate any child or nonminor
33 dependent missing from foster care, including, but not limited to,
34 the timeframe for reporting missing youth, the individuals or
35 entities entitled to notice that a youth is missing, any required
36 initial and ongoing efforts to locate youth, and plans to return youth
37 to placement.

38 (2) Require the social worker or probation officer to do all of
39 the following:

1 (A) Determine the primary factors that contributed to the child
2 or nonminor dependent running away or otherwise being absent
3 from care.

4 (B) Respond to factors identified in subparagraph (A) in
5 subsequent placements, to the extent possible.

6 (C) Determine the child's or nonminor dependent's experiences
7 while absent from care.

8 (D) Determine whether the child or nonminor dependent is a
9 possible victim of commercial sexual exploitation.

10 (E) Document the activities and information described in
11 subparagraphs (A) to (D), inclusive, for federal reporting purposes,
12 consistent with instructions from the department.

13 (F) Provide notice immediately, but in no case later than 24
14 hours from receipt of information that the child or nonminor
15 dependent is missing from foster care, to all of the following
16 parties:

17 (i) The child's or nonminor dependent's parents or Indian
18 custodians, unless parental notification has been limited or
19 terminated by the court.

20 (ii) The child's or nonminor dependent's legal guardians, unless
21 guardian notification has been limited or terminated by the court.

22 (iii) The attorneys for the parents, legal guardians, or Indian
23 custodians unless notification of the parents, ~~guardians~~ *guardians*,
24 or Indian custodians has been limited or terminated by the court.

25 (iv) The child's or nonminor dependent's attorney appointed
26 pursuant to subdivision (c) of Section 317, or Section 634.

27 (v) The child's or nonminor dependent's Court-Appointed
28 Special Advocate, if one has been appointed.

29 (vi) The court of jurisdiction.

30 (vii) The child's or nonminor dependent's tribe or tribal
31 representative, if the child or nonminor dependent is, or may be,
32 an Indian child, as defined in Section 224.1.

33 (viii) Any known sibling of the child or nonminor dependent
34 who is 10 years of age or older and adjudged to be a dependent
35 child of the juvenile court, if such notice would not be contrary to
36 the safety and well-being of that sibling. Notice to siblings shall
37 be provided in a trauma-informed manner.

38 (ix) The local law enforcement agency, including, if applicable,
39 any tribal law enforcement agency for the child's tribe in the case
40 of an Indian child, as defined in Section 224.1.

(G) Notices issued pursuant to subparagraph (F) shall include contact information for an appropriate social worker or probation officer within the agency issuing the notice.

(c) (1) For purposes of this section, “missing from foster care” means when the whereabouts of a child subject to an order of foster care placement are unknown to the county child welfare agency or probation department, or when the county child welfare agency or probation department has located a child subject to an order of foster care placement in a location not approved by the court that may pose a risk to the child, taking into account the age, intelligence, mental functioning, and physical condition of the child.

(2) Paragraph (1) shall only apply to a nonminor dependent if, based on the totality of the circumstances, the county child welfare agency or probation department suspects that the nonminor dependent did not voluntarily leave foster care or is at risk of substantial harm.

(d) In consultation with stakeholders, including, but not limited to, the County Welfare Directors Association of California, the Chief Probation Officers of California, former foster youth, and child advocacy organizations, the department shall, no later than January 1, 2020, develop model policies, procedures, and protocols to assist the counties to comply with this section. In addition, the department shall consult with the State Department of Education, the State Department of Health Care Services, state and local law enforcement, and agencies with experience serving children and youth at risk of commercial sexual exploitation in the development of the model policies and procedures described in subdivision (a).

(e) Notwithstanding the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department may implement this section through all-county letters or similar instructions until regulations are adopted.

SEC. 196. The heading of Division 26 of the Welfare and Institutions Code is repealed.

~~DIVISION 26. NATURALIZATION SERVICES PROGRAM~~

1 SEC. 197. Section 1 of Chapter 526 of the Statutes of 1919,
2 as amended by Section 1 of Chapter 107 of the Statutes of 2024,
3 is amended to read:

4 Sec.1. There is hereby granted to the County of Orange and to
5 its successors all of the right, title, and interest of the State of
6 California held by said state by virtue of its sovereignty in and to
7 all that portion of the tidelands and submerged lands, whether
8 filled or unfilled, bordering upon and under Newport Bay in the
9 said County of Orange, that were outside of the corporate limits
10 of the City of Newport Beach, a municipal corporation, on July
11 25, 1919, the same to be forever held by said county and by its
12 successors in trust for the uses and purposes and upon the following
13 express conditions:

14 (a) That said lands shall be used by said county and its
15 successors for purposes there is a general statewide interest in, as
16 follows:

17 (1) For the establishment, improvement, and conduct of a public
18 harbor, and for the construction, maintenance, and operation
19 thereon of wharves, docks, piers, slips, quays, ways, and streets,
20 and other utilities, structures, and appliances necessary or
21 convenient for the promotion or accommodation of commerce and
22 navigation, provided that any use of any portion of the lands
23 described in subdivision (a) of Section 2 shall be permitted only
24 if the use is compatible and does not unreasonably interfere with
25 the use of any portion of said lands for one of the purposes set
26 forth in paragraph (3).

27 (2) For the establishment, improvement, and conduct of public
28 bathing beaches, public marinas, public aquatic playgrounds, and
29 similar recreational facilities open to the general public, and for
30 the construction, reconstruction, repair, maintenance, and operation
31 of all works, buildings, facilities, utilities, structures, and appliances
32 incidental, necessary, or convenient for the promotion and
33 accommodation of any uses, provided that any use of any portion
34 of the lands described in subdivision (a) of Section 2 shall be
35 permitted only if the use is compatible and does not unreasonably
36 interfere with the use of any portion of said lands for one of the
37 purposes set forth in paragraph (3).

38 (3) For the preservation, maintenance, and enhancement of said
39 lands in their natural state and the reestablishment of the natural
40 state of said lands so that they may serve as ecological units for

scientific study, as open space and as environments that provide food and habitat for birds and marine life, and that favorably affect the scenery and climate of the area.

(b) Except as otherwise provided in this section, said county or its successors shall not, at any time, grant, convey, give, or alienate said lands, or any part thereof, to any individual, firm, or corporation for any purposes whatever, provided that said county or its successors may grant franchises thereon for a period not exceeding 66 years for wharves and other public uses and purposes, and may lease said lands or any part thereof for a period not exceeding 66 years for purposes consistent with the trust permitting that said lands are held by the State of California, and with the uses specified in this section.

(c) Said lands shall be improved without expense to the state, provided, however, that nothing contained in this act shall preclude expenditures for the development of said lands for any public purpose not inconsistent with commerce, navigation, and fishery, by the state, or any board, agency, or commission thereof, nor by the county of any funds received for these purposes from the state or any board, agency, or commission thereof.

(d) In the management, conduct, operation, and control of said lands or any improvements, betterments, or structures thereon, the county or its successors shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith.

(e) The State of California shall have the right to use without charge any transportation, landing or storage improvements, ~~betterments~~ betterments, or structures constructed upon said lands for any vessel or other watercraft or railroad owned or operated by the State of California.

(f) There is hereby reserved to the people of the State of California the right to fish in the waters on said lands with the right of convenient access to said water over said lands for said purpose, and these rights shall be subject to the rules and regulations as are necessary for the accomplishment of the uses specified in subdivision (a).

(g) There is hereby excepted and reserved in the State of California all deposits of minerals, including oil and gas, in said lands, and to the State of California, the right to prospect for, mine, and remove deposits from said lands, provided, however, that the prospecting, mining, and removal shall not unreasonably interfere

1 with the use of the lands granted herein for the purposes set forth
2 in paragraph (3) of subdivision (a).

3 (h) Within 90 days of the effective date of the amendment of
4 this section at the 1975–76 Regular Session of the Legislature, the
5 county shall grant to the State of California, acting by and through
6 the State Lands Commission, such portions of said lands as are
7 located within the parcel of property described in subdivision (a)
8 of Section 2, for the establishment, and improvement and conduct
9 of an ecological reserve, or wildlife refuge, or both, and other
10 compatible uses by the Department of Fish and Wildlife, provided,
11 however, that if at any time the Department of Fish and Wildlife
12 no longer uses the portions of the lands so granted by the county
13 to the State Lands Commission for that purpose, the lands so
14 granted shall revert to the county to be held pursuant to the
15 provisions of this grant. Forthwith upon receipt of the grant from
16 the county to the State Lands Commission, the State Lands
17 Commission shall lease the lands so granted to the Department of
18 Fish and Wildlife. The public benefit shall be the sole consideration
19 to be received by the State Lands Commission from the Department
20 of Fish and Wildlife for said lease. Any and all income received
21 by the Department of Fish and Wildlife from the lands so leased
22 shall be used only in connection with the department's
23 improvement and administration of the leased lands. For purposes
24 of this subdivision, the term "ecological reserve" means the same
25 as defined in Sections 1580 to 1584, inclusive, of the Fish and
26 Game Code.

27 (i) The county may grant to the City of Newport Beach, a
28 municipal corporation, that portion of said lands described in
29 subdivision (b) of Section 2 (presently known as North Star Beach)
30 for the establishment, improvement, and conduct of a public beach
31 and related public facilities, provided, however, that if at any time
32 the City of Newport Beach no longer uses said portion of said
33 lands so granted by the county to the City of Newport Beach for
34 that purpose, the lands so granted shall revert to the county to be
35 held pursuant to the provisions of this grant. The use of any lands
36 conveyed by the county pursuant to the provisions of this
37 subdivision shall be compatible and not unreasonably interfere
38 with any use of adjacent lands in accordance with paragraph (3)
39 of subdivision (a) and subdivision (h).

1 (j) The provisions of Section 6359 of the Public Resources Code
2 shall not be applicable to this amendment of the grant to the county.

3 (k) The county shall establish a separate tidelands trust fund or
4 funds in a manner as may be approved by the State Lands
5 Commission and the county shall deposit in the fund or funds all
6 moneys received directly from, or indirectly attributable to, the
7 granted tidelands in the county.

8 (l) Notwithstanding any other law, the county, acting either
9 alone or jointly with another local or state agency, may use
10 revenues accruing from or out of the use of the granted tidelands
11 for any or all of the purposes set forth in this act.

12 (m) The revenues may be deposited in one or more reserve funds
13 for use in accordance with the terms and conditions set forth in
14 this act.

15 (n) As to the accumulation and expenditure of revenues for any
16 single capital improvement on the granted lands involving an
17 amount in excess of two hundred fifty thousand dollars (\$250,000)
18 in the aggregate, the county shall file with the State Lands
19 Commission a detailed description of the capital improvement not
20 less than 90 days before the time of any disbursement therefor or
21 in connection therewith, excepting preliminary planning. The State
22 Lands Commission may, within 90 days after the time of the filing,
23 determine and notify the county that the capital improvement is
24 not in the statewide interest and benefit or is not authorized by the
25 provisions of subdivision (l). The State Lands Commission may
26 request the opinion of the Attorney General on the matter, and if
27 it does so, a copy of the opinion shall be delivered to the county
28 with the notice of its determination. In the event the State Lands
29 Commission notifies the county that the capital improvement is
30 not authorized, the county shall not disburse any revenue for or in
31 connection with the capital improvement, unless and until it is
32 determined to be authorized by a final order or judgment of a court
33 of competent jurisdiction. The county is authorized to bring suit
34 against the state for the purpose of securing an order or
35 adjudication, and the suit shall have priority over all other civil
36 matters. Service shall be made upon the Executive Officer of the
37 State Lands Commission and the Attorney General, and the
38 Attorney General shall defend the state in the suit. If judgment be
39 given against the state in the suit, no costs shall be recovered
40 against it.

(o) (1) At the end of every third fiscal year, beginning June 30, 1977, that portion of the county tideland trust revenues in excess of two hundred fifty thousand dollars (\$250,000) remaining after current and accrued operating costs and expenditures directly related to the operation or maintenance of tideland trust activities have been made shall be deemed excess revenues, provided that any funds deposited in a reserve fund for future capital expenditures or any funds used to retire bond issues for the improvement or operation of the granted lands shall not be deemed excess revenue. Capital improvements of the granted lands for purposes authorized by this act, including improvements that may be paid for by the county from revenues within the lands to be conveyed to the state pursuant to this act, may be considered as expenditures for the purposes of determining net revenues, provided, however, that if made after the effective date of this act they may be so considered only if made in accordance with subdivision (n).

(2) The excess revenue, as determined pursuant to subdivision (n), shall be divided as follows:

(A) ~~85-Eighty-five~~ percent to the General Fund in the State Treasury.

(B) ~~15-Fifteen~~ percent to the county to be deposited in the trust fund and used for any purpose authorized by subdivision (l).

(p) The State Lands Commission, at the request of the county, shall grant an extension of time, not to exceed 30 calendar days, for filing any report or statement required by this act that was not filed due to mistake or inadvertence.

(q) In the event that the county fails or refuses to file with the State Lands Commission any report, statement, or document required by any provision of this act, or any extension period granted pursuant to this act, or fails or refuses to carry out the terms of this act, the Attorney General shall, upon the request of the State Lands Commission, bring judicial proceedings for correction and enforcement as are appropriate, and shall act to protect any improvements to, or assets situated upon, the granted lands or diverted therefrom. The State Lands Commission shall notify the Chief Clerk of the Assembly and the Secretary of the Senate within 30 days of the occurrence of any failure or refusal and of actions taken as a result thereof.

1 (r) The State Lands Commission shall, from time to time,
2 recommend to the Legislature amendments as it may deem
3 necessary in the terms and conditions of this act.

4 (s) The State Lands Commission shall, from time to time,
5 institute a formal inquiry to determine that the terms and conditions
6 of this act, and amendments thereto, have been complied with in
7 good faith.

8 (t) The State Lands Commission shall, on or before December
9 31 of each year, report to the Chief Clerk of the Assembly and to
10 the Secretary of the Senate the full details of any transaction or
11 condition reported to the commission pursuant to this act that it
12 deems in probable conflict with the requirements of this act, or
13 with any other provision of law.

14 (u) The Attorney General, on request by resolution of either
15 house of the Legislature, or upon formal request of the State Lands
16 Commission made only after a noticed public hearing where the
17 grantee has been given an opportunity to fully express any
18 disagreement with the commission's findings or to describe any
19 extenuating circumstances causing the violation, shall bring an
20 action in the Superior Court in the County of Orange to declare
21 that the grant under which the county holds the tidelands and
22 submerged lands is revoked for gross and willful violation of the
23 provisions of this act or other legislative enactment, or to compel
24 compliance with the terms and conditions of the grant and any
25 other provision of law, including, but not limited to, this act.

26 (v) The county shall cause to be made and filed with the State
27 Lands Division, annually, a detailed statement of receipts and
28 expenditures by it of all rents, revenues, issues, and profits in any
29 manner hereafter arising from the granted lands or any
30 improvements, betterments, or structures thereon. The Department
31 of Fish and Wildlife and City of Newport Beach, in lieu of the
32 county, shall establish funds, make deposits, and make statements
33 as to any lands conveyed to said department and city pursuant to
34 subdivisions (h) and (i).

35 (w) The provisions of Sections 6701 to 6706, inclusive, of the
36 Public Resources Code shall be applicable to this section.

37 SEC. 198. Any section of any act enacted by the Legislature
38 during the 2025 calendar year that takes effect on or before January
39 1, 2026, and that amends, amends and renumbers, adds, repeals
40 and adds, or repeals a section that is amended, amended and

- 1 renumbered, added, repealed and added, or repealed by this act,
- 2 shall prevail over this act, whether that act is enacted before, or
- 3 subsequent to, the enactment of this act.

O