

AMENDED IN SENATE APRIL 1, 2024

SENATE BILL

No. 1261

Introduced by Senator Alvarado-Gil
(Coauthors: Senators Hurtado and Min)
(Coauthors: Assembly Members Bains and Connolly)

February 15, 2024

An act to amend Sections 19620.1 and 19620.15 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1261, as amended, Alvarado-Gil. Horse racing: state-designated fairs: allocation of revenues: gross receipts for sales and use tax.

Existing law requires a tax return filed with the California Department of Tax and Fee Administration (CDTFA) that reports gross receipts for sales and use tax purposes to segregate the gross receipts of the seller and the sales price of the property on a line or a separate form when the place of sale in this state or for use in this state is on or within the real property of a state-designated fair, as defined, or any real property of a state-designated fair that is leased to another party. Existing law requires, on or before November 1 of each year, the CDTFA to report to the Department of Finance the amount of the total gross receipts segregated on these tax returns for the prior fiscal year, and that $\frac{3}{4}$ of 1% of the total gross receipts be included in the next annual Governor's Budget for use by the Department of Food and Agriculture for allocation to fairs and that those funds be transferred by the Controller to the Fair and Exposition Fund, which is continuously appropriated, as prescribed.

This bill would instead ~~adjust~~ *increase* the amount of the total gross receipts required to be included in the next annual Governor's Budget for use by the Department of Food and Agriculture and transferred to

the Fair and Exposition Fund, as specified, from $\frac{3}{4}$ of 1% to ~~an unspecified percentage.~~ 5%. The bill would make other nonsubstantive changes regarding appropriations to the department for fairs.

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

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

1 SECTION 1. Section 19620.1 of the Business and Professions
2 Code is amended to read:

3 19620.1. From the total revenue received by the department,
4 the Legislature shall annually appropriate to the department those
5 sums as it deems necessary for the following purposes:

- 6 (a) For the oversight of the network of California fairs receiving
7 money from the fund.
- 8 (b) For the auditing of all district agricultural association fairs,
9 county fairs, and citrus fruit fairs.

10 SEC. 2. Section 19620.15 of the Business and Professions
11 Code is amended to read:

12 19620.15. (a) Notwithstanding any other law, a return filed
13 with the California Department of Tax and Fee Administration
14 (CDTFA) to report gross receipts for sales and use tax purposes
15 shall segregate the gross receipts of the seller and the sales price
16 of the property on a line or a separate form as prescribed by the
17 CDTFA when the place of sale in this state or for use in this state
18 is on or within the real property of a state-designated fair or any
19 real property of a state-designated fair that is leased to another
20 party.

21 (b) For purposes of this section, “state-designated fair” means
22 a state-designated fair as defined in Sections 19418, 19418.1,
23 19418.2, and 19418.3.

24 (c) The CDTFA shall add a line to a current return form, or
25 develop a separate form for purposes of this section.

26 (d) (1) The CDTFA shall report the amount of the total gross
27 receipts segregated on the returns filed for the prior fiscal year
28 pursuant to subdivision (a) to the Department of Finance on or
29 before November 1 of each year.

30 (2) The total gross receipts shall be subject to review by the
31 CDTFA for errors. The review may be a review of a sample of
32 returns. The CDTFA shall note any errors identified in the review

1 and the approximate impact of those errors on the total gross
2 receipts in its report to the Department of Finance to allow an
3 adjusted total gross receipt amount to be determined.

4 (e) An amount equal to _____ 5 percent of the total amount of
5 gross receipts, or adjusted gross receipts, for the prior fiscal year
6 reported to the Department of Finance by the CDTFA as specified
7 in subdivision (d) shall be included in the next annual Governor's
8 Budget for the Department of Food and Agriculture for allocation
9 to fairs pursuant to Section 19620.2. No later than 30 days after
10 the enactment of the annual Budget Act, the amount appropriated
11 by the Legislature to the Department of Food and Agriculture
12 pursuant to this section shall be transferred by the Controller to
13 the Fair and Exposition Fund in the State Treasury and shall be
14 continuously appropriated and available to be allocated pursuant
15 to Section 19620.2.

16 (f) The CDTFA shall be paid the actual cost for administering
17 this section from the funds appropriated pursuant to subdivision
18 (e) before any allocation is made to fairs in accordance with Section
19 19620.2.

20 (g) (1) Any revenues deposited into the Fair and Exposition
21 Fund pursuant to this section shall only be allocated to a
22 state-designated fair if nonmanagement employees at that
23 state-designated fair, or nonmanagement employees at any real
24 property of that state-designated fair that is leased to another party,
25 are provided the following working conditions:

26 (A) The employee receives a meal period of not less than 30
27 minutes for a work period of more than five hours per day, unless
28 the work period per day of the employee is less than six hours and
29 the meal period is waived by mutual consent of both the employer
30 and the employee.

31 (B) The employee receives a second meal period of not less
32 than 30 minutes for a work period of more than 10 hours per day,
33 unless the work period per day of the employee is less than 12
34 hours, the second meal period is waived by mutual consent of both
35 the employer and the employee, and the first meal period was not
36 waived.

37 (C) Any work in excess of eight hours in one workday, any
38 work in excess of 40 hours in any one workweek, and the first
39 eight hours worked on the seventh day of work in any one

1 workweek is compensated at the rate of no less than one and
2 one-half times the regular rate of pay for an employee.

3 (D) Any work in excess of 12 hours in one day is compensated
4 at the rate of no less than twice the regular rate of pay for an
5 employee.

6 (E) Any work in excess of eight hours on any seventh day of a
7 workweek is compensated at the rate of no less than twice the
8 regular rate of pay for an employee.

9 (2) This subdivision does not apply to full-time carnival ride
10 operators employed by a traveling carnival.

11 (3) For purposes of this subdivision, “employee” does not
12 include an employee covered by a valid collective bargaining
13 agreement if that agreement expressly provides for all of the
14 following:

15 (A) Wages, hours of work, and working conditions of the
16 employees.

17 (B) Meal periods for the employees, including final and binding
18 arbitration of disputes concerning application of its meal period
19 provisions.

20 (C) Premium wage rates for all overtime hours worked, and a
21 regular hourly rate of pay of not less than 30 percent more than
22 the state minimum wage.