



This report captures selected proposed measures of interest to our local government clients. This report includes status updates. As noted below, May 31 reflects the last day for bills to be passed out of the house of origin.

DEADLINES

May 3: Last day for policy committees to hear and report bills to the Floor non-fiscal bills introduced in their house.

May 10: Last day for policy committees to meet prior to June 3.

May 17: Last day for fiscal committees to hear and report bills introduced in their house. Last day for fiscal committees to meet prior to June 3.

May 28 to May 31: Floor Session only (other than conference or Rules committee).

May 31: Last day for bills to be passed out of the house of origin.

June 3: Committee meetings may resume.

June 15: Budget Bill must be passed by midnight.

Selected Proposals Impacting Local Revenues

- 1) Sales and Use Tax (Page 1)
- 2) Wayfair Implementation / E-Commerce (Page 3)
- 3) Economic Incentives/ Tax Reform (Page 4)
- 4) Manufacturing Exemptions (Page 4)
- 5) Property Tax / RDA (Page 5)
- 6) TOT / Short Term Rentals (Page 3)
- 7) Sweetened Beverage Tax (Page 6)
- 8) Cannabis / Deliveries (Page 6)
- 9) UUT / AB 1717 and AB 523 (Page 8)
- 10) Business License (Page 9)

Proposals Impacting Local Governance

- 11) Unclaimed Property / Local Property (Page 9)
- 12) Public Records/ Recording Fees (Page 10)
- 13) Economic Dev. / Opportunity Zones (Page 10)
- 14) Consumer Privacy (Page 11)
- 15) Local Balloting / Use of Public Funds (Page 11)
- 16) Transportation Funds (Page 11)
- 17) Parking / Safe Parking (Page 11)
- 18) Water / Municipal Storm Systems (Page 12)
- 19) Housing / SB 1 Funds (Page 13)
- 20) Local Government Administration (Page 13)

1) Sales Tax

Sales Tax Exemptions and Exclusions

Sales Tax Exemption for Diapers: Exempts diapers for infants and toddlers from sales and use taxes beginning January 1, 2020 and until January 1, 2025; does not apply to adult diapers. Revenue Impact: Estimated annual revenue losses of approximately \$35 million. [The Governor in his May Revision is calling for an exemption for diapers.](#) (AB 66 / Gonzalez, April 30, 2019 Version)

Sales Tax Exemption for Feminine Hygiene Products: Exempts specified feminine hygiene products from sales and use taxes beginning January 1, 2020 and until January 1, 2025. Revenue Impact: Annual General Fund revenue loss of \$4.4 million in 2019-20 and \$8.8 million each year thereafter. [The Governor in his May Revision is calling for an exemption for feminine hygiene products.](#) (AB 31 / C. Garcia, Bonta, Gonzalez, Mathis, April 4, 2019 Version)

Sales and Use Tax Exemption for Retail Hydrogen Fuel: Exempts beginning January 1, 2020 and until January 1, 2024 retail hydrogen vehicle fuel. [The bill was held under submission in Assembly Appropriations.](#) (AB 745 / Petrie-Norris, April 3, 2019 Version)

Sales Tax Exemptions for Remanufactured Trucks: An exemption until January 1, 2024 on the purchase of a remanufactured truck with an unladen weight of 6,000 pounds or more that is delivered to an in-state purchaser but subsequently is moved or used outside California. [The bill cleared the Assembly and is now in the Senate.](#) (AB 321 / Patterson, March 27, 2019 Version)

Sales and Use Tax Exemption for Water Treatment: Exempts until January 1, 2025 chemicals and other agents used by a city, county, public utility, or sanitation district to treat water, recycled water, or wastewater, regardless of whether those chemicals or other agents become a component part and whether the treatment takes place before or after delivery to consumers. Revenue Impact: Annual GF revenue loss of \$6 million in 2019-20 and \$12.4 million starting in 2021-21. Costs up to \$250,000 for the CDTFA to administer the program and for the required annual report. [The bill was held under submission in Assembly Appropriations.](#) (AB 405 / B. Rubio, April 25, 2019 Version)

**Sales and Use Tax Exemption for California Hybrid Zero Emission Truck and Bus Voucher Incentive Program:**

Would, until January 1, 2024, provide a partial exemption from those taxes relating to the sale of specified zero-emission technology medium- and heavy-duty transit bus vehicles. AB 784 is supported by the California Transit Association. Revenue Impact: Annual GF revenue loss of approximately \$980,000. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 784 / Mullin, April 9, 2019 Version)

Sales and Use Tax Exemption for all Volunteer Fire Department Equipment:

Exempts until January 1, 2025 equipment that is purchased for exclusive use by an all-volunteer fire department for firefighting. Revenue Impact: Annual GF revenue loss of approximately \$295,000. *The bill was held under submission in Assembly Appropriations.* (AB 1049 / Grayson, April 10, 2019 Version)

Sales and Use Tax Exemption for Oak Barrels: Exempts until January 1, 2025 new or used oak barrels for a person who purchases that oak barrel for the purpose of incorporating oak into distilled spirits. Revenue Impact: Annual GF revenue loss of approximately \$3.2 million in 2019-20 and \$6.2 million for each year thereafter. *The bill was held under submission in Assembly Appropriations.* (AB 1120 / Cunningham, March 25, 2019 Version)

Sales and Use Tax Exemption for Automotive Adaptive Equipment: Veterans:

Exempts beginning July 1, 2020 and until July 1, 2030 add-on, automotive adaptive equipment sold to a veteran, or active duty member of the U.S. Air Force services on active duty, who is disabled, regardless of whether the disability is service related. The author notes there are approximately 390,000 disabled veterans living in California, and many physically disabled veterans need add-on equipment to help them safely enter and operate a vehicle. Revenue Impact: Annual GF revenue loss of approximately \$120,000. *At the time of print, the bill is on the Assembly Floor consent calendar.* (AB 1257 / Salas, April 10, 2019 Version)

State Sales and Use Tax Exclusion for Low Emission Vehicle Trade In:

Would exclude until January 1, 2025 the value of a qualified trade-in motor vehicle that is traded for a qualified low emission vehicle if the value of trade-in motor vehicle is separately stated on the invoice or bill of sale or similar document provided to the purchaser. Revenue Impact: Annual GF revenue loss of approximately \$3.2 million in 2018-19 and \$6.0 million for each year thereafter. *The bill was held under submission in Assembly Appropriations.* (AB 938 / Rivas, April 22, 2019 Version)

Sales and Use Tax Exemptions for Newspapers:

Reinstates after January 1, 2020 and until January 1, 2025 an exemption from taxes for a photograph transferred one time for the purpose of being reproduced in a newspaper. Makes an exemption as well for newspapers. The exemption provided does not apply to newspapers during the term of a prepaid subscription, if the subscription was entered into and paid for prior to January 1, 2020. Revenue Impact: Annual GF revenue loss of approximately \$3.2 million in 2019-20 and \$6.2 million for each year thereafter. *The bill was held under submission in Assembly Appropriations.* (AB 1776 / Levine, April 30, 2019 Version)

Recreational Vehicle Donation: Registration Fee and Tax Exemptions: State of Emergency:

Waives applicable sales and use taxes and vehicle registration fees, upon the donation and transfer of ownership of a recreational vehicle, if the Governor has proclaimed a state of emergency, and the donee of the recreational vehicle is a person who has suffered a total loss of his or her residence as a result of the event that precipitated the state of emergency. *The bill has not had a hearing since its introduction.* (SB 32 / Nielsen, Introduced Version)

*Transactions and Use Tax***Transactions and Use Taxes: City of Scotts Valley:**

Authorizes the City to impose a transactions and use tax for general or specific purposes at a rate of no more than 0.25% that, in combination with other transactions and use taxes, would exceed the combined rate limit of 2%. *The bill cleared the Assembly and is now in the Senate.* (AB 618 / Stone, March 13, 2019 Version)



Transactions and Use Tax Approval: Transportation: Local Transportation Authorities: Authorizes the San Diego Regional Transportation Commission, the San Diego Association of Governments, the San Diego Metropolitan Transit System and the North County Transit District to impose a transactions and use tax applicable to only a portion of their jurisdictions. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1413 / Gloria, Introduced Version)

Transactions and Use Tax: South Coast Air Quality Management District: Would authorize the South Coast District Board to impose a transactions and use tax within the boundaries of the South Coast District. *The Senate Appropriations Committee hearing was cancelled at the request of the author.* (SB 732 / Allen, April 30, 2019 Version)

Transactions and Use Tax: Omnitrans Transit District in the County of San Bernardino: Authorizes the district to seek voter approval of retail transactions and use tax measures, and to issue revenue bonds. The jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1457 / Reyes, April 11, 2019 Version)

Additional Sales Tax Proposals

Office of Tax Appeals: Tax Panels: Requires the office until January 1, 2030 to establish a process under which a person filing an appeal may opt to appear before one administrative law judge, rather than a tax appeal panel, when the total amount in dispute is less than \$5,000 with respect to personal income taxes or arises from a tax or fee administered by CDTFA, where the total amount in dispute, including taxes and fees, is less than \$50,000, and the person filing the appeal has gross receipts of less than \$20 million. *The bill cleared the Assembly and is now in the Senate.* (AB 344 / McGuire, Introduced Version)

Study of Replacing the Sales Tax with Carbon Tax: Requires the California Air Resources Board to work with the CDTFA on the feasibility of replacing the sales tax with a carbon tax imposed on goods and products sold in California, with the stated intent of encouraging the use of less-carbon-intensive products. The tax would be revenue neutral. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the chamber of origin.* (SB 43 / Allen, April 29, 2019 Version)

2) Wayfair Implementation / AB 147 (Chapter 5, Statutes of 2019) / CDTFA Regulation Comments Due on June 7, 2019

AB 147 defines “doing business in California” for the purposes of collecting sales and use taxes as having \$500,000 in cumulative sales or deliveries into California in the preceding 12 months. AB 147 authorizes the CDTFA to grant relief for interest and penalties imposed on use tax liabilities if specified conditions are met.

CDTFA Notice: <http://www.cdtfa.ca.gov/taxes-and-fees/L565.pdf>

Third Parties: Beginning October 1, 2019, AB 147 defines “marketplace facilitators” as the seller and retailer for each sale facilitated through its marketplace, thus responsible for collecting and remitting sales & use tax for each transaction. To determine cumulative sales in California, a facilitator must include sales made on its own behalf and those sales facilitated on behalf of marketplace sellers. *District Taxes Imposed by Transit Districts:* The CDTFA confirmed that the district tax should remain the same because it would still be subject to the district use tax of the district where it is delivered when it is shipped from a fulfillment center in one district to a customer in a different district.

CDTFA Proposed Regulation to Implement AB 147: *Comments are due on June 7.* Regulation 1684, Collection of Use Tax by Retailers, and Regulation 1827, Collection of Use Tax by Retailers. <http://www.cdtfa.ca.gov/taxes-and-fees/1684IDPweb051019.pdf>

Article by the League: AB 147, California’s New Online Sales Tax Collection Law: What Cities Need to Know - See more at: <http://www.cacities.org/Top/News/News-Articles/2019/May/AB-147,-California-s-New-On-Line-Sales-Tax-Collect#sthash.DRRbw3Vw.uH2zJ3DY.dpuf>



E-Commerce

Online Sales: Point of Delivery: Would provide that, on and after January 1, 2021, for the purpose of distributing the sales tax revenues imposed pursuant to the Bradley-Burns Law, the retail sale of tangible personal property by a qualified retailer, that is transacted online is instead consummated at the point of the delivery or to any other delivery address designated by the purchaser. *In a conversation with the author's office, MuniServices was told that ACA 13 was introduced since Senator Glazer was no longer going forward with his version of last year's SCA 20. The bill has not had a hearing since its introduction.* (ACA 13 / Obernolte, Introduced Version)

Marketplaces: Marketplace Sellers: Requires a marketplace to ensure that their terms and conditions regarding commercial relationships with marketplace sellers meet specified requirements, including that the terms and conditions are drafted in plain and intelligible language. The bill would apply to a "marketplace seller" as a person residing in the state who has an agreement with a marketplace and makes retail sales of services or tangible personal property through a marketplace owned, operated, or controlled by that marketplace. *The bill cleared the Assembly and is now in the Senate.* (AB 1790 / Wicks, May 7, 2019 Version)

3) Economic Incentives / Tax Reform

Prohibits Economic Incentives: Prohibits, on or after January 1, 2020 a local agency from entering into any agreement that results, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to a retailer in exchange for that retailer locating or continuing to maintain a place of business that serves as the "place of sale" within the local jurisdiction offering the incentive if it generates sales tax revenue from the sale of tangible property delivered to and received by the purchaser in another jurisdiction. As noted in a League Floor Alert: "This measure is consistent with policies developed by the League as part of a comprehensive multi-year review of issues related to the collection and distribution of Bradley-Burns Sales and Use Tax. The League's policy states that sales tax agreements involving online retailers should be prohibited going forward because they have the effect of encouraging revenue to be shifted away from numerous communities and concentrated to the benefit of one agency with a

portion rebated to a retailer." Existing law prohibits cities and counties from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to any person, for any purpose, if the agreement results in a reduction in the amount of Bradley-Burns local tax revenues that, in the absence of the agreement, would be received by another local agency and the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency, with specified exceptions. *The bill cleared the Assembly and is now in the Senate.* (SB 531 / Glazer, April 29, 2019 Version)

Economic Development Subsidies: Requires effective January 1, 2020 a local agency to provide specified information to the public before approving an economic development subsidy for a warehouse distribution center, and to hold hearings and report on those subsidies. Current law (AB 562 / Williams 2013) requires cities to report specified information to the public before approving an economic development subsidy. AB 2853 (Medina) a near-identical bill from 2018 was vetoed. *The bill cleared the Assembly and is now in the Senate.* (AB 485 / Medina, Introduced Version)

Tax Reform: Makes legislative findings regarding the need for further efforts to modernize and restructure the state's tax system and would state the intent of the Legislature to enact legislation that would accomplish specified purposes, including realigning the state's current tax code with the State's 21st century economy. *The bill has not had a hearing since its introduction.* (SB 522 / Hertzberg, Introduced Version)

4) Manufacturing Exemptions

In 2013, the Legislature enacted AB 93 (Committee on Budget) and SB 90 (Committee on Budget and Fiscal Review). The measures included a state-only (3.9375%) sales and use tax exemption on purchases of manufacturing equipment made by taxpayers within specific North American Industrial Classification System codes, capped at \$200 million annually per taxpayer, effective July 1, 2014, and ending July 1, 2022.



In 2017, the Legislature expanded and extended this exemption, as part of an agreement to extend the Global Warming Solutions Act (AB 398). As a result, the exemption largely overlapped the state tax effects of the SB 71 and SB 1186 programs, as they applied to almost all the same taxpayers. Instead of applying to the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), taxpayers simply print a resale certificate from CDTFA's website, and present it to the retailer to purchase the property sales-tax free.

Alternative Energy Advanced Transportation

Financing: Manufacturing: Sales Tax Exclusion:

Requires, before January 1, 2020, the California Alternative Energy Advanced Transportation Financing Authority (Authority) to submit to the Legislature a report that responds to the report prepared by the LAO assessing the effectiveness of the SUT exclusion. In its report, the LAO found that the SUT exclusion likely increased equipment purchases by an additional 5% to 9%. However, the report found the overall economic effects of the SUT exclusion to be highly uncertain, explaining that the net economic effects of the SUT exclusion could be positive or negative depending on the alternative uses of the forgone sales tax revenue. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 176 / Cervantes, April 12, 2019 Version)

Alternative Energy and Advanced Transportation:

Sales Tax Exclusion: Exemption: Extends until January 1, 2030 the exclusion for projects including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. An SB 162 analysis states: "Because SB 93s and AB 90s state-only sales and use tax exemption apply to most of CAEATFA's applicants, almost all of the foregone revenue resulting from extending the program would flow to local agencies. It is unclear whether the revenue foregone is sales tax, which would be allocated to the jurisdiction where the equipment is purchased, or use tax, which would flow to the countywide pool in the county where the equipment is used, so it's hard to tell which local agencies are affected. CAEATFA indicates that they will begin collecting this information to quantify local revenue impacts should the program be extended." *At the time of print, the bill is on the Senate Floor.*

May 31 is the deadline for bills to pass the chamber of origin. (SB 162 / Galgiani, Introduced Version)

Capital Investment Incentive Program: Local

Governments: Property Tax Abatement: Allows beginning in the 2020-21 fiscal year, a city or county to pay, for up to 10 consecutive years, a capital investment incentive amount to the proponent of a qualified targeted manufacturing facility located within the jurisdiction equal to the taxes owed on the manufacturing property in excess of the first \$5 million assessment, upon making certain findings. *At the time of print, the bill is on the Assembly Floor consent calendar.* (AB 1248 / E. Garcia, April 29, 2019 Version)

5) Property Tax / RDA

Backfill Property Tax Revenue Losses / Wildfires:

Includes reimbursement to counties to offset property tax revenue losses from wildfires in 2017 and 2018. *Refer to the Governor's proposed 2019 State Budget and May Revision regarding additional funding. (Signed by the Governor)* (AB 72 / State Budget)

Property Tax Postponement: Income Level Eligibility:

Modifies the existing \$35,500 income eligibility threshold for the Property Tax Postponement (PTP) Program by making it the greater of either \$45,000 or the definition of "low income" for a two-person household, as defined by the Department of Housing and Community Development (HCD). Revenues from repayments and interest go into the PTP Fund, which supports new PTP tax payments to county agencies. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass their chamber of origin.* (AB 133 / Quirk-Silva, March 7, 2019 Version)

Property Tax: VLF: Provides property tax revenue to cities that had annexed inhabited territory in reliance on previous financial incentives that were removed by the passage of SB 89 in 2011. Over 140 cities were affected and lost over \$4.3 million annually.

MuniServices supports the bill. Refer to the link for a list of impacted cities:

<https://www.cacities.org/Resources-Documents/Annexation-Bill-Material/FY-2011-12-Loss-SB-89-Annexation-2019.aspx>. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 213 / Reyes, April 4, 2019 Version)

**Affordable Housing and Infrastructure Financing:**

Allows cities and counties to create affordable housing and infrastructure agencies to fund affordable housing and infrastructure projects using tax increment financing with state approval. *The bill is in the Assembly Appropriations Committee.* (AB 11 / Chiu, Aguiar-Curry, April 11, 2019 Version)

Low-income Housing Incentives: Leased Rental Housing: Counties of Alameda and Contra Costa:

Authorizes the county to pay a low-income rental housing incentive to a lessor who leases residential property to specified entities to operate as low-income rental housing if the lessor is ineligible for the welfare property tax exemption and the property is located within the county's or city's jurisdictional boundary. *The bill is in the Senate.* (AB 723 / Wicks, April 29, 2019 Version)

Property Taxation: Welfare Exemption: Provides an exemption for qualified property that meets the requirements of the welfare exemption and that is used exclusively for rental housing and related facilities. *At the time of print, the bill in the Senate.* (AB 1743 / Bloom, Introduced Version)

Property Tax Revenue Allocations: Local-State Sustainable Investment Program: Would authorize a city, a county, or a specified joint powers agency to apply to the DOF for funding for applicants that further certain purposes, including increasing the availability of affordable housing. Requires funding under the program be provided by an allocation of ad valorem property tax revenues; limits the amount of funding approved under the program to \$200,000,000 per fiscal year and \$1,000,000,000 total. *The bill was held under submission in Assembly Appropriations.* (SB 15 / Portantino, April 24, 2019 Version)

Property Taxation: Welfare Exemption: Low Income Housing: Amends existing law, which exempts from property taxation property used for rental housing and related facilities. Decreases the percentage of occupants that must be lower income households to qualify for exemption from 90% to 50% and requires that the total exemption amount be prorated based on the percentage of lower income households that occupy the property. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 294 / Hill, Introduced Version)

Split Roll: An initiative to scale back Proposition 13 protections for commercial and industrial properties is eligible for the November 2020 ballot. See: <https://lao.ca.gov/ballot/2017/170715.pdf> <https://publicpolicy.pepperdine.edu/davenport-institute/content/research/archived-reports/split-roll.pdf>

6) Transient Occupancy Taxes / Short Term Rentals

Short Term Rentals: San Diego County: Collection of TOT Revenues: Prohibits a hosting platform until January 1, 2025 from listing a residential property within an urbanized area or urban cluster of the coastal zone in San Diego County as a short-term rental for more than 30 days per calendar year unless the primary resident lives onsite full-time. This bill also requires a housing platform facilitator of a short-term rental to collect and remit the transient occupancy tax to the city or county. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1731 / Horvath, May 2, 2019 Version)

7) Sweetened Beverage Tax

Sweetened Beverage Tax: Creates a 2 cents per fluid ounce fee on sodas and other sugary beverages and use the new revenue to offset health and economic costs associated with overconsumption of sugar. In November 2014, Berkeley became the first city in the nation to adopt a soda tax after 30 other cities and states around the country failed. In November 2016, San Francisco, Oakland, and Albany all passed similar taxes. *AB 138 will not move forward for the remainder of the 2019 session.* (AB 138 / Bloom, April 11, 2019 Version)

8) Cannabis Tax and Delivery*Taxation and Revenue*

Cannabis: Tax Reduction: Reduces the excise tax on the purchase of cannabis and cannabis products to 11% on and after the operative date of this bill until July 1, 2022, at which time the excise tax rate would revert to 15%. *The bill was held under submission in Assembly Appropriations.* (AB 286 / Bonta, April 9, 2019 Version)



Medicinal Cannabis: Donations: No Reimbursement for Local Revenue Losses: Authorizes specified licensees to provide free cannabis or cannabis products to a medicinal cannabis patient if specified requirements are met. Exempts from the use tax medicinal cannabis or medicinal cannabis products that are donated. Medical cannabis is exempt from the sales and use tax if proper documentation is provided. SB 829 (Weiner, 2018) would have allowed specified cannabis licensees to donate medicinal cannabis and medicinal cannabis products to qualified patients and allow such donations to be exempt from the cultivation, use, and excise taxes. The bill was vetoed by the Governor. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 34 / Wiener, April 4, 2019 Version)

Medicinal Cannabis: Sales Tax Exemption: Veterans: Provides an exemption for medicinal cannabis or medicinal cannabis product purchased by a qualified patient or a primary caregiver of a qualified patient from a medicinal cannabis licensee if that qualified patient or primary caregiver provides an attending physician's recommendation, a valid state government-issued identification card, and a specified Veteran Health Identification Card. *The bill was taken up for testimony only in the Assembly Revenue and Taxation Committee.* (AB 1569 / Jones Sawyer, April 22, 2019 Version)

Cannabis Deliveries

Lawsuit to Invalidate California Bureau of Cannabis Control Regulation Regarding Deliveries: A recent lawsuit filed by 25 local governments seeks to invalidate recent regulations by the BCC that purport to allow delivery of commercial cannabis state-wide, including in communities that have regulated or banned commercial cannabis. The lawsuit filed in Fresno Superior Court alleges that BCC Regulation 5416(d) is invalid because it eliminates the ability of cities and counties to regulate commercial cannabis deliveries within their communities, a key promise in Proposition 64, which legalized commercial cannabis activities in California. The 25 locals are: Santa Cruz County, Agoura Hills, Angels Camp, Arcadia, Atwater, Beverly Hills, Ceres, Clovis, Covina, Dixon, Downey, McFarland, Newman, Oakdale, Palmdale, Patterson, Riverbank, Riverside, San Pablo, Sonora, Tehachapi, Temecula, Tracy, Turlock, and Vacaville.

Local Jurisdiction Restrictions on Cannabis Delivery: Authorizes a local jurisdiction to restrict or ban the delivery of cannabis or cannabis products to a location within that jurisdiction and establishes a grant program available only to localities that authorize or license both cultivation and retail cannabis activity. *The bill on April 8, 2019 failed in the Assembly Business in Professions Committee.* (AB 1530 / Cooley, Introduced Version)

Track and Trace / Licensing

Cannabis: Licensing: Retail Business Emblem: Track and Trace: Would, by December 31, 2019, require the BCC to establish a cannabis retail business emblem and would require, beginning on January 1, 2020, the bureau to issue an emblem to each retail licensee, microbusiness licensee, and nonprofit licensee, including provisional licensees, as provided, upon issuance of the license. *The bill was held under submission in Senate Appropriations.* (SB 658 / Bradford, April 24, 2019 Version)

Cannabis: Track and Trace: Requires the information captured by the track and trace program to additionally include the date of retail sale to a customer and whether the sale is on the retail premises or by delivery. Requires that the track and trace program is fully integrated into the California Law Enforcement Telecommunications System. The State Teletype System is used for official law enforcement business by the state, city, county, and city and county agencies. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1288 / Cooley, Introduced Version)

Cannabis: Temporary Licenses: Allows cannabis businesses that were issued temporary cannabis business licenses prior to January 1, 2019, to remain operable until state licensing agencies issue or deny the business a provisional or annual license. The Governor's proposed Budget also includes provisions that removes the January 1, 2020 repeal date for the provisional license program and extending the program indefinitely. The proposal removes the requirement that applicants must be in possession of a temporary license to qualify for a provisional license. *The bill is in the Assembly.* (SB 67 / McGuire, March 21, 2019 Version)



Cannabis: Licensing Fees: Prohibits State licensing authorities from setting application and license fees that exceed certain specified amounts that are consistent with regulations adopted as of January 1, 2019. *The bill cleared the Assembly and is now in the Senate.* (AB 1420 / Obernolte, Introduced Version)

License Type: Consumption Cafe: Creates a new cannabis license type for a “consumption cafe/lounge” where customers may consume cannabis and cannabis products onsite, was made a two-year bill and will be considered by the Legislature next year. *The Assembly Appropriations hearing for the bill was cancelled.* (AB 1465 / Bloom)

Licensing: Websites: Requires licensing entities to post, on their respective websites, certain information about applicants or licensees, including basic information, criminal, and disciplinary records beginning January 1, 2022. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass their chamber of origin.* (SB 581 / Caballero)

Cannabis Banking

Cannabis: Banking: Creates a limited-purpose, state-chartered bank license that would be administered and regulated by the Department of Business Oversight. Privately-funded banks that receive this charter would be able to provide limited banking services to licensed cannabis and cannabis-related businesses. Banks could issue checks to accountholders to be used only for certain purposes, including paying state and local taxes and fees and paying vendors from California for goods and services provided to the cannabis business. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 51 / Hertzberg, April 29, 2019 Version)

Additional Proposals Impacting Locals

Disclosure Requirements: Strengthens the disclosure requirements imposed on advertisements of cannabis products; also expands liability for assisting a person in engaging in unlicensed commercial cannabis activity. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1417 / Rubio)

Retail Commercial Cannabis Activity: This bill requires jurisdictions in which more than 50% of the electorate voted to approve the legalization of adult-use cannabis to issue a minimum number of local licenses to authorize retail cannabis commercial activity. The bill allows a jurisdiction to limit eligibility for licenses to only medicinal licensees. A Committee analysis noted the League’s and CSAC’s opposition. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1356 / Ting, April 30, 2019 Version)

9) Utility Users Tax

UUT Revenues from Prepaid Wireless (AB 1717 / 2014): The United States District Court on November 15, 2018 for the Northern District of California issued a ruling in *Metro PCS California, LLC v. Michael Picker et al.* The California Department of Tax and Fee Administration (CDTFA) will no longer enforce the Prepaid MTS Surcharge Collection under AB 1717 (2014). The CDTFA in December 2018 confirmed that the local UUT under AB 1717 will continue to be collected. AB 1717 (2014) will sunset on January 1, 2020. The League and CSAC support an extension of the AB 1717 program. MuniServices and industry stakeholders are collaborating on this issue. Please refer to MuniServices for up-to-date details. *See MuniServices May 14, 2019 Policy Update that provides additional detail and efforts for advocacy to support a local extension.*

Consumer Privacy: Telecommunication: Impact on UUT: Relates to when and how telephone corporations can use customer propriety network information (CPNI) to also include mobile phone users. MuniServices counsel drafted suggested amendments for the author’s consideration to protect local UUTs. On April 29, 2019 MuniServices in an email alert to clients, suggested that clients contact their respective representatives with concerns. MuniServices and other stakeholders received a verbal commitment from the author’s office that AB 523 will be amended in the Senate with MuniServices proposed amended language. *MuniServices suggested amendments were incorporated into AB 523 on May 20. At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 523/ Irwin, May 20, 2019 Version)



10) Business License

Exemptions / Fee Waiver

Business Licensing: Exemption: Veterans: Would exempt a veteran who is honorably discharged or honorably relieved from the Armed Forces of the United States and is a resident of this state from paying any state or local business license fees for a business that sells or provides services if the veteran is the sole proprietor of the business. *The bill cleared the Assembly and is now in the Senate.* (AB 498 / Weber, April 1, 2019 Version)

Partial Exemptions for Licenses: Exempts all honorably discharged veterans who own a business by at least 51% from the payment of any license tax or fee. *The Assembly Appropriations Committee hearing for the bill was cancelled.* (AB 994 / Mathis)

Family Daycare Homes / Business License Exclusion: Prohibits a city, county, or city and county from prohibiting large family day care homes on lots zoned for single-family dwellings, requires them to either classify these homes as a permitted use of residential property for zoning purposes or establish a process for applying for a permit to use the property as a large family day care home. Existing law prohibits a local jurisdiction from imposing a business license, fee, or tax for the privilege of operating a small family daycare home. *The bill cleared the Senate and is now in the Assembly.* (SB 234 / Skinner, April 9, 2019 Version)

State Agencies: Licenses: Fee Waiver: Authorizes any state agency that issues any "business license" to reduce or waive any required fees for licensure, renewal of licensure, or the replacement of a physical license if a person or business establishes to the satisfaction of the state agency that the person or business has been displaced or affected by a declared federal emergency or proclaimed state emergency. *The bill cleared the Senate and is now in the Assembly.* (SB 601 / Morrell, March 28, 2019 Version)

Notification / Demonstration

Gender Discrimination: Notification When Issuing a Business License: Requires a city or county that issues local business licenses to provide written notification, with respect to prohibiting discrimination to the

licensee at the time the business license is issued. Authorizes the agency to increase the fee for a business license to cover the reasonable costs of providing the notice. *The bill cleared the Assembly and is now in the Senate.* (AB 1607 / Horvath, Introduced Version)

Stormwater Quality Improvement Tax / New Requirements for Business Licenses: Requires applicable industrial facilities to demonstrate coverage under the Industrial General Permit (IGP) when applying for a business license or renewal. The author's fact sheet reports the bill would standardize the filing process for all facilities subject to an IGP, encouraging uniformity with water quality requirements. The bill permits a city or county to develop a provisional license procedure for business license renewals that provides businesses 3 months to comply with these provisions. *MuniServices met with the author's staff and shared concerns. At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 205 / Hertzberg, March 21, 2019 Version)

Administration

Name Change for CalGold to the California Business License Center: The intent of CalGold is to assist users in finding the appropriate permit information for a business and also provides contact information for the various state and local agencies. *An earlier version of last year's bill AB 767 would have re-named CalGold to "Master Business License Center." MuniServices requested that the author substitute "Master," with "California" or "State," to mitigate possible confusion with respect to local licensing requirements. MuniServices shared concerns with the author's office regarding AB 1806. The bill was held under submission in Assembly Appropriations.* (AB 1806 / Committee on Jobs, Economic Development & the Economy, Introduced Version)

11) Unclaimed Property / Local Government Property

Unclaimed Property: Local Government Property: Would permit property reported to, and received by, the Controller in the name of a state or local agency, as defined, to be transferred by the Controller directly to that agency without the filing of a claim. *The bill cleared the Assembly and is now in the Senate.* (AB 1637 / Smith, Introduced Version)



12) Public Records / Recording Fees

Counties: Recording Fees: Authorizes County Recorders to use an existing \$1 fee until January 1, 2026 for restoration and preservation of Recorder's permanent microfilm, to implement and fund an archive program, and to implement/maintain/utilize a trusted system for permanent preservation of recorded document images. *MuniServices confirmed with the author's office that the bill is clear with respect to how the revenue will be used and the bill is a non-mandate. The bill cleared the Assembly and is now in the Senate.* (AB 212 / Bonta, April 1, 2019 Version)

13) Economic Development / Opportunity Zones

Place Based Economic Strategies Act: Establishes the Office of Place-Based Economic Strategies within GO-Biz for the purpose of supporting local and regional economic development entities to access programs, such as the Opportunity Zone and Promise Zone programs. *The bill was held under submission in Assembly Appropriations.* (AB 742 / Cervantes)

Economic Development Strategic Action Plan: Requires the Governor's Office of Business and Economic Development to develop a California Economic Development Strategic Action Plan every five years. *The bill was held under submission in Assembly Appropriations.* (AB 906 / Cooley)

Tax Recovery in the Underground Economy: Establishes the Tax Recovery in the Underground Economy Criminal Enforcement Program within the Department of Justice to combat underground economic activities. This bill is the same as SB 1272 / 2018 (Galgiani), which was vetoed by the Governor. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1296 / Gonzalez, April 24, 2019 Version)

California Tourism: Assessments: Restaurants and Retail Industry: Would exempt from the assessments, certain businesses in the restaurants and retail industry category and derive less than 20% of their gross revenues annually from travel and tourism occurring within the state, unless the business elects to participate. *MuniServices was notified by the author's office that the measure is now a two-year bill.* (AB 1664 / Chiu, March 28, 2019 Version)

Microenterprise Development: Local Partnerships: When promoting the local partnerships, requires California communities and the public agencies that serve them to engage, to the extent feasible, microenterprise development providers for input on effective systems to support and effectively partner with microenterprises. *The bill cleared the Assembly and is now in the Senate.* (AB 1577 / Burke, April 29, 2019 Version)

Enhanced Infrastructure Financing District (EIFD) / Eliminates Voter Requirement: EIFD are tools for cities and counties to cooperate regionally to finance projects and encourage economic growth. Eliminates the voter requirement to issue EIFD bonds. The proposed State Budget also encourages the formation of additional EIFDs through removal of the 55% voter approval requirement to issue debt. *The bill cleared the Senate and is now in the Assembly.* (SB 128 / Beall, March 21, 2019 Version)

Opportunity Zones

The federal Tax Cut and Jobs Act of 2017 created the Opportunity Zone (OZ) program. The OZ program allows taxpayers to defer or eliminate federal taxes on capital gains in exchange for investments in designated census tracts. There are currently 879 OZ designated areas in California, and the governor proposes in his 2019-20 budget to include state-level tax incentives for investments in OZs. There are several proposed measures related to opportunity zones. Based on guidance from the U.S. Treasury, California had 3,516 eligible low-income census tracts, meaning California was able to nominate up to 879 census tracts. As census tracts are designed to capture geographic areas of approximately 4,000 people, more than 3 million Californians are potentially living within an Opportunity Zone.

SB 635 (Hueso), Chapter 888, Statutes of 2018, calls for the establishment of a California website to assist communities, investors, and community development partners: <https://opzones.ca.gov/>.



The Governor's budget also proposes combining the potential of Opportunity Zones with an existing state tax increment financing tool, Enhanced Infrastructure Financing Districts (EIFDs). The governor has proposed removing a requirement that EIFDs across the state obtain voter approval before issuing bonds funded by a portion of the growth in local property taxes. In Opportunity Zones, the budget proposes "layering" state programs and resources with EIFDs—and conforming state capital gains treatment to the new federal law—to maximize public and private investment in affordable housing and green energy projects, in particular.

14) Consumer Privacy / Impact on Local Government

MuniServices encourages its clients to track consumer privacy related measures for possible impact and unintended consequences.

In 2018, MuniServices was successful in seeking amendment language to SB 1194 (TOT revenues) and AB 2402 (cannabis revenue) that protects local agency access to certain taxpayer records, especially for compliance purposes. This year's proposed AB 523 (Irwin), a consumer privacy measure related to telecommunications, includes unintended language that would threaten the ability of cities and counties to collect UUTs on telecommunication services. AB 523 was amended on May 20th to protect UUT revenues.

15) Local Balloting

Political Reform Act of 1974: Misuse of Funds: Impact on Local Balloting: Prohibits any elected state or local officer, including any state or local appointee, employee, or consultant, from using or permitting others to use public resources for a campaign activity. Under the bill "public resources" means any property or asset owned by the state or any local agency, including, but not limited to, land, buildings, facilities, funds, equipment, supplies, telephones, computers, vehicles, travel, and state-compensated time. *MuniServices counsel confirmed that using public funds for polling to figure out what the public would support before putting a measure on the ballot is legal and often essential. The bill was held under submission in Assembly Appropriations.* (AB 1306 / C. Garcia, April 10, 2019 Version)

Transportation Projects and Funds

Federal Transportation Funds: State Exchange Programs: Allow the state, regions, cities, and counties to reduce the cost of transportation projects and provide for more projects to be completed with the same amount of revenue by expanding the Match Exchange Program to regions over 200,000 in population and to other federal surface transportation programs, and local bridge projects. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 137 / Dodd, Introduced Version)

16) Parking / Safe Parking

Electric Vehicles: Parking: Requires a parking space served by electric vehicle service equipment and a parking space designated as a future electric vehicle charging space to be counted as a least one standard automobile parking space for the purpose of complying with any applicable minimum parking requirements establishing by a local jurisdiction. *The bill cleared the Assembly and is now in the Senate.* (AB 1100 / Kamlger-Dove, Introduced Version)

Surcharges on Parking Violations: Deletes the authority of a court, county, city, district, or issuing agency to levy an additional surcharge on parking penalties for parking violations. *The bill was held under submission in Assembly Appropriations.* (AB 1401 / Fong, Introduced Version)

Parking Violations: Current law requires the party responsible for processing the notices of parking violations and notices of delinquent parking violations, to provide a copy of a parking violation to the person who has received the violation within 15 days of that person's request. The bill extends the time to 20 days. *The first hearing for the bill was cancelled by the author.* (AB 481 / Lackey, March 18, 2019 Version)



Public Property: Safe Parking Program: Requires a city with a population greater than 330,000 and each county, in coordination with cities and local non-profit entities to establish a safe parking program that provides safe parking locations and options for individuals and families living in their vehicles. Requires a program to provide a bathroom facility and onsite security and for the parking programs be developed and implemented by June 1, 2022. There are several bills affecting safe parking programs, including AB 302 (Berman), AB 1187 (Jones-Sawyer), AB 1325 (Jones-Sawyer), and SB 369 (Hertzberg). *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 891 / Burke, April 22, 2019 Version)

17) Water / Municipal Storm Systems

Proposed State Budget / Water Fund: A Senate budget submitted rejected the Governor's plan for a sustainable funding source for contaminated water systems, with a focus on disadvantaged communities, and includes monthly fees to be placed on users of public water systems, ranging from less than \$1 for residential users, up to \$10 for industrial. Instead, they endorsed a plan that would use \$150 million of existing taxpayer dollars to make the improvements.

Safe and Affordable Drinking Water Fund: Establishes the Safe and Affordable Drinking Water Fund to provide a stable source of funding for clean drinking water for all Californians. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 200 / Monning)

Safe Drinking Water for All Act: Creates the Safe Drinking Water for All Act, administered by the State Water Resources Control Board (SWRCB), and imposes water, fertilizer, dairy and confined animal facility fees to fund grants and loans for safe drinking water programs throughout the state. AB 134 (Bloom) establishes a comprehensive framework to address the state's current contaminated, and in some cases unaffordable, drinking water supply and establishes safeguards and mechanisms to prevent the same problems in the future. AB 134 is single-joined to AB 217 and is currently pending in this committee. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 217 / Garcia, May 1, 2019 Version)

Municipal Storm Sewer Systems: Requires the State Water Resources Control Board by July 1, 2020, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1093 / Rubio, Introduced Version)

Small System Water Authority Act of 2019: Enacts the Small System Water Authority Act of 2019 and require the State Water Resources Control Board to order the consolidation of certain small water systems that are not in compliance with specified clean drinking water standards through the formation of a small system water authority. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 414 / Caballero, April 4, 2019 Version)

Water Quality: Safe Drinking Water Fund: Creates the Safe Drinking Water Trust in the State Treasury and would be funded with general fund dollars during a state budget surplus year, such as the current budget year. Net income earned from the trust would be transferred to a Safe Drinking Water Fund, which the State Water Resources Control Board would administer. The bill is supported by the League. *The bill was held under submission in Senate Appropriations.* (SB 669 / Caballero, Introduced Version)

Clean Water for All Act: Requests Statewide voters to approve dedicating no less than 2% of the State's General Fund for the payment of principal and interest on bonds starting in 2021-22. Forty percent of these revenues will be allocated to the State Water Resources Control Board for water quality projects, including drinking water improvement projects, groundwater cleanup projects, and emergency drinking water projects. *The bill failed in Assembly Water Parks and Wildlife. Reconsideration for a future hearing was granted.* (ACA 3 / Mathis and Garcia, March 21, 2019 Version)



18) Selected Housing Measures

Governor Proposes \$1.3 Billion Aimed at Increasing Housing Production: The Governor's budget includes proposals for increasing housing production. One is a grant to local governments, and the other expands an existing loan program. The Governor proposes \$750 million in General Fund grants to local governments meant to accelerate meeting new housing production goal; \$250 million could support various local government activities. As local governments reach these new goals, an additional \$500 million would be available to cities and counties for general purposes.

Housing Law Compliance: Impact on SB 1 Funds: MuniServices confirmed that the bill no longer ties SB 1 local formula funding to housing production. The Governor's May Revision continues support for tying housing goals to SB 1 funding. *AB 1568 was set for hearing in Assembly Appropriations but postponed by the Committee.* (AB 1568 / McCarty, April 11, 2019 Version)

Tax Vote Threshold: Proposes amendments to the Constitution to allow a city, county, or special district, with 55% voter approval, to incur bonded indebtedness or impose special taxes to fund projects for affordable housing. *MuniServices supports ACA 1. At the time of print, the bill is on the Assembly Floor.* (ACA 1 / Aguiar-Curry, March 28, 2019 Version)

Residential Development: Requires a city, county, and city and county, including a charter city, county, and city and county, to examine impacts on persons belonging to a protected class, as identified in the Unruh Civil Rights Act, when performing an update to the housing element of the general plan. *The bill cleared the Assembly and is now in the Senate.* (AB 1561 / C. Garcia, April 29, 2019 Version)

Planning and Zoning: Housing Development: Incentives: Requires a local government to grant an equitable communities incentive, which reduces specified local zoning standards in "jobs-rich" and "transit rich areas." Cities opposed this bill. *The bill was held under submission in Senate Appropriations.* (SB 50 / Wiener, May 1, 2019 Version)

Affordable Housing and Community Development Investment Program: Establishes an ongoing funding mechanism that would ultimately direct up to \$2 billion annually in support of local infill, transit-oriented development, affordable housing and neighborhood revitalization projects. *The League supports SB 5. At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 5 / Beall, April 23, 2019 Version)

Land Use / TOD: Creates a streamlined approval process for eligible projects within 0.5 mile of fixed rail or ferry terminals in cities of 50,000 residents or more in smaller counties and in urban areas in counties with over a million residents. *Hearing in Senate Environmental and Quality was cancelled by the author.* (SB 4 / McGuire, April 10, 2019 Version)

San Francisco Bay Area Regional Housing Agency: Financing: Raises and allocates new revenue by authorizing the entity to place on the ballot in all or a subset of the nine counties in the San Francisco Bay area various funding measures that distribute the responsibility across commercial developers, businesses above a certain size, taxpayers, and property owners within its jurisdiction. Funding may include one-half of one cent increase in sales tax; a parcel tax; a commercial linkage fee; gross receipts tax; a business tax based upon the number of employees assessed at a variable rate with an exemption for small businesses; a general obligation bond to be funded by an ad valorem tax on the assessed value of local properties; and a revenue bond. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 1487/ Chiu, April 29, 2019 Version)

19) Government Administration / Local Governance

Budget Reserves / Tax Expenditures

Local Government Finance: Budget Reserves: Requires a local government by September 1, 2020, and annually thereafter, to submit a written report to the State Controller's office on how it plans to spend any of its budget reserves on specified priorities over a 5-year fiscal period. *MuniServices reached out to the author's office with concerns. The author's office notified MuniServices the measure is now a two-year bill.* (AB 1640 / Horvath, February 22, 2019 Version)



Tax Expenditure: Repeal Date: Would repeal all tax expenditures, as defined, on December 31, 2023, not including any tax expenditures under the Personal Income Tax Law, and would require, if a tax expenditure is amended to remove or extend the repeal date, the act doing so to include specified information related to the efficacy of the tax expenditure. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 468 / Jackson, May 7, 2019 Version)

Eliminates Funding for Criminal Fees

Criminal Fees: Impact on Counties: Would end the assessment and collection of administrative fees imposed against people in the criminal justice system. Revenue Impact: Major ongoing revenue loss to local governments in the hundreds of millions of dollars annually. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 144/ Mitchell and Herzberg)

Waste / Local Enforcement

Eliminate Paper Receipts: Starting January 1, 2022, requires a business, defined as a company that accepts payment through credit or debit transactions to provide a proof of purchase to a consumer only at the consumer's option and would prohibit a business from printing a paper proof of purchase if the consumer opts to not receive a proof of purchase, unless otherwise required by state or federal law. The bill includes other provisions after January 1, 2024. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 161 / Ting, May 17, 2019 Version)

Single-use Plastic Waste: Reduction: Requires single-use plastic packaging and products sold or distributed in California to be reduced, recycled or composted by 75% by 2030, and require all single-use packaging and products to be recyclable or compostable on and after 2030. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 54 / Allen, May 7, 2019 Version, and AB 1080 / Gonzalez, May 7, 2019 Version)

Dumping / Increased Fines: Increases the fines for dumping waste matter on private property, including on any private road or highways, without the consent of the owner. *The bill was held under submission in Assembly Appropriations.* (AB 215 / Mathis, February 28, 2019 Version)

Food and Drink / Local Enforcement

Microenterprise Home Kitchen Operations: Among its provisions, prohibits an internet food service intermediary or a microenterprise home kitchen operation from using the word "catering" or any variation of that word in a listing or advertisement and prohibits a third-party delivery service from delivering food produced by a microenterprise home kitchen operation. *The bill passed the Assembly and is now in the Senate.* (AB 377 / Garcia, April 24, 2019 Version)

Alcoholic Beverages: Hours of Sale: Allows, but does not require, qualified local governments to permit bars and nightclubs to serve alcohol past 2am and up to 4am. The pilot program (2022 to 2027) applies to Cathedral City, Coachella, Fresno, Long Beach, Los Angeles, Oakland, Palm Springs, Sacramento, San Francisco, and West Hollywood. *At the time of print, the bill is on the Senate Floor. May 31 is the deadline for bills to pass the house of origin.* (SB 58 / Wiener, March 25, 2019 Version)

Public Banking

Public Banks: Authorizes local agencies to create and operate publicly owned banks. Exempts a public bank from all other taxes and licenses, state, county, and municipal, imposed upon a public bank, except taxes upon its real property, local utility user taxes, sales and use taxes, state energy resources surcharges, state emergency telephone surcharges, motor vehicle and other vehicle license fees, and any other tax or license fee imposed by the state upon vehicles, motor vehicles, or the operation thereof. *At the time of print, the bill is on the Assembly Floor. May 31 is the deadline for bills to pass the house of origin.* (AB 857 / Chiu and Santiago, May 17, 2019 Version)

GOVERNMENT RELATIONS CONTACT

Brenda.Narayan@avenuinsights.com / 916.261.5147
Fran.Mancia@avenuinsights.com / 559.288.7296