

Senate Committee on Governance & Finance
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TO: People Interested in Public Finance and Governance Legislation
FROM: Senator Mike McGuire, Committee Chair
DATE: December 7, 2018
SUBJECT: Summary of significant legislation heard in 2018

Now that the legislative session has ended, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during 2018. The following summary identifies and briefly describes the significant bills that the Committee has worked on this year. At the end of each description, the bill's status is indicated in *italics*.

If you want to read the Committee's bill analyses or get a copy of a bill listed below, please go to the Legislature's official website leginfo.legislature.ca.gov. You can also use that website to retrieve other bill analyses, official histories, voting records, and any veto messages.

The Senate Committee on Governance and Finance is responsible for hearing legislation pertaining to state and local government revenue mechanisms, taxes, local governance, and land use and development. The summary below groups bills by subject.

Excise Taxes

[SB 829 \(Wiener\)](#) allows cannabis licensee holders to donate medicinal cannabis and medicinal cannabis products to qualified patients, and allows such donations to be exempt from the cultivation tax, the use tax, and the excise tax. *Vetoed by Governor.*

[SB 993 \(Hertzberg\)](#) enacts the Service Tax Law, which imposes an excise tax on the receipt of the benefit of a service by a business in California, and reduces the current sales and use tax rate on transfers of tangible personal property. *Died in Senate Governance and Finance Committee.*

Income Tax Form

[SB 1363 \(Moorlach\)](#) establishes the National Alliance on Mental Illness California Voluntary Contribution Fund on the California Resident Income Tax Return. *Signed—Chapter 359, Statutes of 2018.*

[AB 2096 \(Frazier\)](#) establishes the Organ and Tissue Donor Registry Voluntary Contribution Fund on the Personal Income Tax Return. *Signed—Chapter 276, Statutes of 2018.*

[AB 2944 \(Jones-Sawyer\)](#) establishes the Schools Not Prisons Voluntary Contribution Fund on the Personal Income Tax Return. *Signed—Chapter 441, Statutes of 2018.*

Local Agency Formation Commissions (LAFCOs) & Boundary Changes

[SB 1215 \(Hertzberg\)](#) allows Regional Water Quality Control Boards (regional boards) to order the provision of sewer service to a disadvantaged community that has inadequate onsite sewage treatment systems. *Signed—Chapter 982, Statutes of 2018.*

[AB 2050 \(Caballero\)](#) creates the Small System Water Authority Act of 2018, which authorizes the creation of a small system water authority (authority) that will have powers to absorb, improve, and competently operate noncompliant public water systems. *Vetoed by Governor.*

[AB 2238 \(Aguiar-Curry\)](#) requires LAFCOs to additionally consider specified fire hazard information as part of a proposal if it determines that such information is relevant to the area that is the subject of the proposal, and makes other changes to laws affecting local agencies in order to account for threats posed by fires. *Signed—Chapter 990, Statutes of 2018.*

[AB 2258 \(Caballero\)](#) establishes a grant program for LAFCOs that dissolve inactive special districts or perform studies or take other actions that benefit disadvantaged communities. *Vetoed by Governor.*

[AB 2600 \(Flora\)](#) authorizes a proposal to form a new regional park and open space district to be made by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district, in lieu of the petition required under existing law. *Signed—Chapter 218, Statutes of 2018.*

Land Use Planning & Development

[SB 827 \(Wiener\)*](#) requires a local jurisdiction, notwithstanding any local ordinance, general plan element, specific plan, charter, or other local law, to provide an eligible applicant with a transit-rich housing bonus if requested by the developer, as specified. *Died in the Senate Transportation & Housing Committee.*

[SB 831 \(Wieckowski\)](#) revises, recasts, and expands the law governing accessory dwelling units (ADUs) by: (1) limiting the zoning standards that local governments can apply to ADUs; (2) expanding the types of ADUs that must be approved regardless of other local requirements, such as ADUs on lots with multifamily dwellings and multiple ADUs per single family home site; and (3) allowing the Department of Housing and Community Development to review local ADU ordinances for compliance with state law. *Died in the Assembly Local Government Committee.*

[SB 1035 \(Jackson\)](#) requires climate adaptation and resiliency information contained in a general plan to be updated either upon each revision of the housing element or local hazard mitigation plan, but not less than every eight years. *Signed—Chapter 733, Statutes of 2018.*

[SB 1202 \(Stone\)](#) requires local governments that have not completed a required report on mitigation fees for three consecutive years to pay the costs of requested audits of their mitigation fee funds. *Signed—Chapter 357, Statutes of 2018.*

[SB 1260 \(Jackson\)](#) authorizes federal, state, and local agencies to engage in collaborative forestry management, creates new opportunities for public and private land managers to mitigate wildfire risks, and enhances the Department of Forestry and Fire Protection's role in identifying wildfire hazards as local governments plan for new housing and neighborhoods. *Signed—Chapter 624, Statutes of 2018.*

[SB 1296 \(Glazer\)](#) requires local governments to submit information on developer fees to the Department of Housing and Community Development (HCD) and requires HCD to maintain and periodically update a database of developer fees. *Died in the Senate Appropriations Committee.*

[SB 1333 \(Wieckowski\)](#) applies specified provisions in the Government Code pertaining to local planning and zoning requirements to charter cities. *Signed—Chapter 856, Statutes of 2018.*

[SB 1469 \(Skinner\)](#) imposes additional restrictions on local accessory dwelling unit ordinances by: (1) further limiting the zoning standards that local governments can apply to ADUs; (2) expanding the types of ADUs that must be approved regardless of other local requirements, such as ADUs on lots with multifamily dwellings and multiple ADUs per single family home site; and (3) allowing HCD to review local ADU ordinances for compliance with state law. *Died in the Senate Appropriations Committee.*

[AB 2162 \(Chiu\)](#) Establishes supportive housing projects of up to a specified number of units as a use by right in all zones where multi-family and mixed uses are permitted. *Signed—Chapter 753, Statutes of 2018.*

[AB 2263 \(Friedman\)](#) requires a local agency to provide for a reduction in parking requirements when a development project that is designated as a historical resource is being converted or adapted to another use. *Signed—Chapter 234, Statutes of 2018.*

[AB 2372 \(Gloria\)](#) allows a city or county to establish a procedure by ordinance to grant a developer a floor area ratio bonus in lieu of a density bonus. *Signed—Chapter 915, Statutes of 2018.*

[AB 2753 \(Friedman\)](#) requires local agencies to notify density bonus applicants of their eligibility for density bonus, concessions, and waivers when the application is deemed complete. *Signed—Chapter 921, Statutes of 2018.*

[AB 2890 \(Ting\)](#) imposes additional restrictions on local accessory dwelling unit ordinances by: (1) further limiting the zoning standards that local governments can apply to ADUs; (2) expanding the types of ADUs that must be approved regardless of other local requirements, such as ADUs on lots with multifamily dwellings and multiple ADUs per single family home site; and (3) allowing the Department of Housing and Community Development to review local ADU ordinances for compliance with state law. *Died in Senate Rules Committee.*

[AB 2911 \(Friedman\)](#) makes changes to local planning processes; provides for new building standards based on data from the 2017 fire season; provides for new vegetation management guidance, defensible space authorizations, and re-vegetation requirements to improve fire safety; and provides that utilities may be liable for damages for removing vegetation not within their easements. *Signed—Chapter 641, Statutes of 2018.*

[AB 2923 \(Chiu\)](#) requires certain cities and counties to adopt zoning standards in the San Francisco Bay Area Rapid Transit District's (BART) transit-oriented development (TOD) guidelines and establishes a streamlined approval process for certain projects on BART-owned land. *Signed—Chapter 1000, Statutes of 2018.*

[AB 2973 \(Gray\)](#) allows a local legislative body to extend, by up to 24 months, unexpired subdivision maps approved after January 1, 2006, in jurisdictions that meet specified criteria. *Signed—Chapter 830, Statutes of 2018.*

[AB 3194 \(Daly\)](#) provides that a proposed project is not inconsistent with applicable zoning standards and criteria if the proposed project is consistent with objective general plan standards and criteria, but the local agency's adopted zoning for the project site is inconsistent with the general plan. States legislative intent that the conditions that would enable a local agency to reject a housing development project due to it having a specific, adverse impact upon the public health and safety, arise infrequently. *Signed—Chapter 243, Statutes of 2018.*

Local Economic Development

[AB 1445 \(Reyes\)](#) directs a city or county to require a qualified Opportunity Zone Fund as part of any transaction for the sale or lease of property owned by that city or county to provide: (1) a timeline for completion of the investment activity on the property; (2) an estimation of the number of jobs that will be created as a result of the investment activity on the property; and (3) a summary of local workforce utilization strategies that will be employed as part of the investment activity on the property. *Signed—Chapter 380, Statutes of 2018.*

[AB 1900 \(Brough\)](#) extends the Capital Investment Incentive Program—which allows counties and cities to pay a capital investment incentive amount for 15 years to a proponent of a qualified manufacturing facility making an initial investment that exceeds \$150 million—from January 1, 2019, to January 1, 2024. *Signed—Chapter 382, Statutes of 2018.*

[AB 2853 \(Medina\)](#) requires local agencies to publicly report specified information when providing economic development subsidies of \$100,000 or more for warehouse distribution centers, including information on wages and benefits, use of independent contractors, and hiring of disadvantaged workers. *Vetoed by Governor.*

Local Tax Authority

[SB 152 \(McGuire\)](#) authorizes Sonoma County, any of its cities, and the Sonoma County Transportation Authority to impose transactions and use taxes up to 1% that are exempt from the 2% cap. *Signed – Chapter 728, Statutes of 2018.*

[SB 958 \(Dodd\)](#) allows the Davis Joint Unified School District to provide an exemption from its qualified special tax for school district employees and teachers. *Signed—Chapter 604, Statutes of 2018.*

[SB 1411 \(Moorlach\)](#)* repeals the authorization for a city to impose a documentary transfer tax. *Died in the Senate Governance and Finance Committee.*

[SCA 22 \(Allen\)](#) - amends the California Constitution to allow school district voters to impose, extend, or increase a parcel tax with 55 percent voter approval, not 2/3, under specified circumstances. *Died in Senate Appropriations Committee.*

[AB 1184 \(Ting\)](#) allows the City and County of San Francisco to impose a tax on rides either arranged by TNCs or provided by autonomous vehicles. *Signed – Chapter 644, Statutes of 2018.*

[AB 2458 \(Weber\)](#) requires tax collectors to add specified information regarding parcel tax exemptions to their websites and property tax bills; directs school districts to add similar information to its websites. *Signed – Chapter 391, Statutes of 2018.*

[AB 2920 \(Thurmond\)](#) allows the City of Berkeley to impose a transactions and use tax for general or special purposes at a rate of no more than 0.5%, exempt from the statewide 2% cap; enacts several changes to the North Lake Tahoe Transportation Authority Act. *Signed – Chapter 771, Statutes of 2018.*

[AB 2954 \(Bonta\)](#) allows a school district to apply a lower qualified special tax rate to unimproved property than improved property. *Signed—Chapter 305, Statutes of 2018.*

Local Powers & Governance

[SB 914 \(Dodd\)](#) expands the types of projects for which counties may use the construction manager at-risk procurement method to include infrastructure, buildings, utility improvements associated with buildings, flood control and underground utility improvements, and bridges. Allows dependent districts of counties to use the same authority. *Signed—Chapter 108, Statutes of 2018.*

[SB 929 \(McGuire\)](#) requires all independent special districts to maintain a Web site by January 1, 2020, unless the district's governing board annually adopts a resolution determining that maintaining a website would impose a hardship on the district, supported by specified information. *Signed—Chapter 408, Statutes of 2018.*

[SB 946 \(Lara\)](#) establishes requirements for local regulation of sidewalk vendors, prohibits specified types of regulations, and prohibits criminal charges for violations of sidewalk vending ordinances. *Signed—Chapter 459, Statutes of 2018.*

[SB 1018 \(Allen\)](#) allows special districts, school districts, and community college districts to adopt redistricting commissions. *Signed—Chapter 462, Statutes of 2018.*

[SB 1049 \(Moorlach\)](#) allows local agencies to adopt bans on project labor agreements and repeals the prohibition on the use of state funds for city projects by charter cities that have adopted project labor agreement bans. *Died in the Senate Governance and Finance Committee.*

[SB 1302 \(Lara\)](#) prohibits a local government from banning delivery of cannabis within or outside of its jurisdiction. *Died on the Senate Floor.*

[SB 1303 \(Pan\)](#) replaces the coroner with an independent office of the medical examiner in counties with 500,000 or more residents, or instead allows counties to retain the sheriff-coroner position and adopt a policy to refer cases where the sheriff-coroner may have a conflict to a county that has an independent medical examiner. *Vetoed by Governor.*

[SB 1415 \(McGuire\)*](#) requires building inspections of specified storage structures, authorizes fees to cover inspection costs, requires reporting of the backlog of mandated building inspections by local governments, and generally extends existing tenant protections and notifications to buildings which are used for human habitation, as distinct from residential buildings. *Vetoed by Governor.*

[SB 1416 \(McGuire\)](#) allows cities and counties to recover fines through nuisance abatement liens and special assessments until January 1, 2024. *Vetoed by Governor.*

[AB 448 \(Daly\)](#) creates the Orange County Housing Trust, and allows the Trust to issue bonds, certificates of participation or other debt instrument repayable from public and private funds it receives. *Signed – Chapter 728, Statutes of 2018.*

[AB 939 \(Low\)](#) makes administrative and clarifying changes to recently enacted statutes governing the regulation of taxicab transportation services, including to: (1) revise and clarify the basis for determining where a taxicab company is substantially located and the process by which a taxicab company becomes substantially located in that jurisdiction; (2) require a taxicab company to collect trip data and documentation to substantiate the determination of where a taxicab company is substantially located; and (3) revise and clarify provisions of current law that allow joint powers authorities and transit agencies to regulate taxicabs.

Signed—Chapter 472, Statutes of 2018.

[AB 1594 \(Bloom\)](#) authorizes the use of public-private partnerships for passenger rapid transit and heavy rail infrastructure and repeals the 2/3 vote requirement for Los Angeles County Metropolitan Transportation Authority to use alternative procurement methods. *Died on the Senate Floor.*

[AB 1770 \(Steinorth\)](#) deletes the requirement that the issuer of an asset-based security be rated in a rating category of A or above to be eligible for investment of surplus local agency funds. *Signed – Chapter 271, Statutes of 2018.*

[AB 1889 \(Caballero\)](#) increases compensation for board members of the Santa Clara Valley Water District until December 31, 2023; requires vacancies on the board to be filled by electoral district; and modifies the process for identifying properties exempt from the district's parcel tax. *Signed—Chapter 251, Statutes of 2018.*

[AB 1999 \(Chau\)](#) allows local government entities to provide broadband Internet access services and establishes net neutrality requirements for local governments providing broadband Internet. *Signed—Chapter 963, Statutes of 2018.*

[AB 2019 \(Aguiar-Curry\)](#) establishes certain requirements for healthcare districts regarding housing construction, grant policies, and Web sites, including to require a healthcare district's board to post information pertaining to a district's budget, financing, grant policies, and other specified matters. *Signed—Chapter 257, Statutes of 2018.*

[AB 2137 \(Mayes\)](#) increases, from \$25,000 to \$50,000, the maximum value of contracts which regional park and open space districts may enter into without using a formal bid process. *Signed—Chapter 278, Statutes of 2018.*

[AB 2164 \(Cooley\)](#) allows a local agency to immediately impose administrative fines or penalties for the violation of building, plumbing, electrical, or other similar structural, health and safety, or zoning requirements if the violation relates to the illegal cultivation of cannabis, except as specified. *Signed—Chapter 316, Statutes of 2018.*

[AB 2179 \(Gipson\)](#) adds sewer service into provisions in state law that provide an alternative means for a municipal corporation to lease, sell, or transfer municipal water service. *Signed—Chapter 863, Statutes of 2018.*

[AB 2184 \(Chiu\)](#) requires any city, county, or city and county to accept a California driver's license or identification number, an individual taxpayer identification number, or a municipal identification number, instead of a social security number if the county or city otherwise requires a social security number for the issuance of a business license. *Signed—Chapter 388, Statutes of 2018.*

[AB 2249 \(Cooley\)](#) codifies the higher bid limits that the California Uniform Public Construction Cost Accounting Commission recently adopted for projects performed by force account, the bid limit for projects that may be bid for through informal procedures, and the bid limit that applies when all informal bids on a project exceed the informal bid limit specified by the Commission. *Signed—Chapter 169, Statutes of 2018.*

[AB 2329 \(Obernolte\)](#) increases the amount of compensation board members of certain special districts can receive per month and requires the board to make specified findings if it increases the number of compensated meetings above four per month. *Signed—Chapter 170, Statutes of 2018.*

[AB 2339 \(Gipson\)](#) allows the Cities of El Monte, Montebello, and Willows to sell its public water utilities within its boundaries without voter approval for purposes of consolidating with another system. *Signed—Chapter 866, Statutes of 2018.*

[AB 2485 \(Chau\)](#) prohibits local inspection officials from being accompanied by financially interested persons during inspections of commercial properties or businesses. *Signed—Chapter 263, Statutes of 2018.*

[AB 2558 \(Brough\)](#) requires voter approval for certain changes to county governance, specifically when a county board of supervisors seeks to consolidate the office of auditor, controller, treasurer, tax collector, and director of finance, and one of those offices are elected, or after consolidation of the offices of auditor, controller, treasurer, tax collector, and director of finance, the county board wants to separate or separate and subsequently recombine the offices. *Failed passage on the Senate Floor.*

[AB 2598 \(Quirk\)](#) increases the maximum administrative fines for violations of local building codes and safety standards. *Signed—Chapter 970, Statutes of 2018.*

[AB 2762 \(Carrillo\)](#) authorizes, until January 1, 2024, a local agency in specified counties to offer two additional categories of procurement preferences, including a disabled veteran business preference and a social enterprise preference; and increases the maximum value of a single procurement preference from 5% to 7% of the lowest responsible bid statewide. *Signed—Chapter 654, Statutes of 2018.*

[AB 3068 \(Daly\)](#) requires county boards of supervisors to obtain independent legal counsel to assist a county auditor-controller if a county counsel or district attorney would have a conflict of interest in representing the auditor-controller. *Signed—Chapter 307, Statutes of 2018.*

[AB 3131 \(Gloria\)](#) establishes requirements that must be met before a law enforcement agency can take specified actions related to the acquisition and use of military equipment, as defined. *Vetoed by Governor.*

Property Taxes

[SB 1056 \(Beall\)](#) enacts a new welfare exemption from property tax for property owned by a Community Land Trust during a specified period. *Died in Assembly Appropriations Committee.*

[SB 1091 \(Stone\)](#) allows taxpayers to transfer their base year value of property substantially damaged or destroyed by a disaster declared by the Governor within a specified period to comparable replacement property located within a different county. *Died in Senate Appropriations Committee.*

[SB 1115 \(Hill\)](#) increases from \$10 million to \$20 million the cap on valuation for non-publicly financed housing owned and operated by a non-profit organization for purposes of the welfare exemption from property tax. *Signed – Chapter 694, Statutes of 2018.*

[SB 1130 \(Leyva\)](#) enacts the Senior Citizens Manufactured Home Property Tax Postponement Law, which creates a process for blind or disabled individuals and those over the age of 62 who own manufactured homes to file a claim with the Controller to postpone property taxes. *Signed – Chapter 896, Statutes of 2018.*

[SB 1237 \(Bates\)](#) provides that a change in ownership for property tax purposes occurs when 90% or more of the direct or indirect ownership interests in a legal entity are sold or transferred in a single transaction. *Died in Senate Governance and Finance Committee.*

[SB 1246 \(Gaines\)](#) alters the current claim for refund process for property taxes to allow counties to order refunds without the taxpayer filing a claim if the county board of supervisors enacts an ordinance. *Signed – Chapter 358, Statutes of 2018.*

[SCA 19 \(Gaines\)](#) amends the California Constitution to allow homeowners who are honorably discharged veterans to transfer their base year for property tax purposes. *Died in Senate Appropriations Committee.*

[ACA 12 \(Gloria\)](#) amends the California Constitution to allow parents or legal guardians of severely and permanently disabled children to transfer their base year value for property tax purposes. *Died in Senate Appropriations Committee*

[AB 1596 \(Gloria\)](#) makes conforming changes to state law to implement ACA 12, which allows parents or legal guardians of severely and permanently disabled children to transfer their base year value for property tax purposes. *Died on Senate Floor.*

[AB 2425 \(Berman\)](#) requires taxpayers to send specified information to assessors, and directs assessors to send taxpayers information relating to their assessments. *Signed – Chapter 968, Statutes of 2018.*

[AB 2663 \(Friedman\)](#) enacts a new change in ownership exclusion for property tax purposes for transfers of property that occurred between January 1, 2000 and June 26, 2015, between domestic partners who were registered with local agencies, but not the state. *Signed – Chapter 919, Statutes of 2018.*

[AB 2746 \(E. Garcia\)](#) clarifies the redemption period in which taxpayers can redeem tax-defaulted property when the tax collector conducts the tax sale on the internet. *Signed – Chapter 284, Statutes of 2018.*

[AB 3122 \(Gallagher\)](#) clarifies deadlines for property tax payments when taxpayers apply for payment deferral when their property is damaged or destroyed in a disaster. *Signed – Chapter 149, Statutes of 2018.*

Redevelopment & Infrastructure Financing

[SB 465 \(Jackson\)](#) authorizes local governments to expand their Property Assessed Clean Energy (PACE) programs to allow property owners to finance the installation of wildfire safety improvements. *Signed—Chapter 837, Statutes of 2018.*

[SB 481 \(Pan\)](#) authorizes the successor agency to the redevelopment agency in Sacramento County to dispose of a specified property previously used as the San Juan Hotel and Mobile Home Park for an amount less than fair market value. *Signed—Chapter 506, Statutes of 2018.*

[SB 961 \(Allen\)](#) enacts the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2), which allows certain enhanced infrastructure financing districts (EIFDs) to issue debt for affordable housing near transit without voter approval. *Signed—Chapter 559, Statutes of 2018.*

[SB 1145 \(Leyva\)](#) authorizes enhanced infrastructure financing districts to fund maintenance of public capital facilities on a pay-as-you-go basis. *Signed—Chapter 563, Statutes of 2018.*

[AB 1792 \(Frazier\)](#) allows affordable housing authorities to finance public infrastructure needed to support housing. *Died on the Senate Floor.*

[AB 2035 \(Mullin\)](#) allows housing funds generated by an authority to be used for lower-income housing, allows financing of infrastructure needed to support housing, and makes administrative and technical changes to statutes governing affordable housing authorities. *Signed—Chapter 862, Statutes of 2018.*

[AB 2578 \(Chiu\)](#) makes changes to infrastructure financing district (IFD) law to expand the types of infrastructure that IFDs may fund, creates “shoreline protection districts” within the

current authority for waterfront districts, and expands the use of Education Revenue Augmentation Fund debt to finance a shoreline protection district. *Died in the Senate Appropriations Committee.*

[AB 3037 \(Chiu\)](#)* authorizes a city or county to create a redevelopment housing and infrastructure agency subject to approval by the Department of Finance. *Died in the Assembly Appropriations Committee.*

Sales & Use Taxes

[SB 1007 \(Hertzberg\)](#) exempts from the state and local sales and use tax specified building materials and supplies used by a qualified nonprofit organization to construct a facility used to care for military veterans. *Signed – Chapter 785, Statutes of 2018.*

[SB 1484 \(Hernandez\)](#) extends to January 1, 2029, the sunset date for the state and local sales and use tax exemption for retail items sold by stores operated by nonprofit organizations assisting persons with HIV or AIDS. *Signed – Chapter 741, Statutes of 2018.*

[SCA 20 \(Glazer\)](#) amends the California Constitution to provide that the retail sale of tangible personal property transacted online is consummated at the point of delivery for the purpose of sales tax allocation. *Died in the Senate Appropriations Committee.*

[AB 2938 \(Bloom\)](#) exempts from the state and local share of the Sales and Use Tax bicycles purchased by the City of Santa Monica during a specified period. *Signed – Chapter 397, Statutes of 2018.*

State Bonds & Indebtedness

[AB 2771 \(Eggman\)](#) enacts the Higher Education Facilities Bond Act of 2018, which places a \$7 billion bond before voters at the November, 2020, general election ballot. *Died on Senate Floor.*

[SB 1225 \(Glazer\)](#) enacts the Higher Education Facilities Bond Act of 2020, which places a \$4 billion bond before voters at the November, 2020, general election ballot. *Died on Assembly Floor.*

State Personal & Corporate Income Taxes

[SB 227 \(De Leon\)](#) establishes the Local Schools and Colleges Voluntary Contributions Fund Tax Credit program, which allows a credit against the Personal Income Tax equal to 85% of the amount a taxpayer contributes to the Fund. *Died in Assembly Appropriations Committee.*

[SB 274 \(Glazer\)](#) enacts several changes to state law to implement recent changes in federal law relating to partnership audits. *Signed – Chapter 729, Statutes of 2018*

[SB 337 \(Bates\)](#) shifts any increase in estimated state tax revenue resulting from a federal repatriation statute to specified transportation purposes. *Died in Senate Governance and Finance Committee.*

[SB 539 \(De León\)](#) expands the College Access Tax Credit by increasing both the credit percentage and the amount authorized for allocation. *Vetoed by Governor.*

[SB 832 \(Portantino\)](#) enacts Film and TV Tax Credit 3.0, which authorizes the California Film Commission to allocate \$330 million in tax credits for motion picture and television production each fiscal year from 2020-21 to 2024-25. *Died in Senate Appropriations; however, largely enacted by SB 878 (Committee on Budget and Fiscal Review), Chapter 456, Statutes of 2018.*

[SB 951 \(Mitchell\)](#) enacts Film and TV Tax Credit 3.0, which authorizes the California Film Commission to allocate \$330 million in tax credits for motion picture and television production each fiscal year from 2020-21 to 2024-25. *Died in Assembly; however, largely enacted by SB 878 (Committee on Budget and Fiscal Review), Chapter 456, Statutes of 2018.*

[SB 995 \(Gaines\)](#) increases the standard deduction by either \$1,500 or \$3,000, depending on the taxpayer's filing status. *Died in the Senate Governance and Finance Committee.*

[SB 924 \(Morrell\)](#) exempts income received by the active militia when mobilized onto emergency state active duty from tax. *Died in the Assembly Appropriations Committee.*

[SB 1116 \(Moorlach\)](#) increases the exclusion from income for the sale of a principal residence when the taxpayer sells their residence to a first-time homeowner. *Died in the Senate Appropriations Committee.*

[SB 1176 \(Nguyen\)](#) increases the dependent exemption from \$353 to \$389. *Died in the Senate Appropriations Committee.*

[SB 1182 \(Glazer\)](#) increases the amount of the renter's credit, and adds taxpayers with one or more dependents as a new category for purposes of calculating the credit. *Died in the Assembly Appropriations Committee.*

[SB 1211 \(Anderson\)](#) creates a tax credit equal to 50 percent of wages paid — up to \$2,500 — to an apprentice in a qualified apprenticeship program. *Died in the Senate Appropriations Committee.*

[SB 1212 \(Anderson\)](#) increases the Renter's credit from \$60 to \$250 for single filers and from \$120 to \$500 for joint filers. *Died in the Senate Appropriations Committee.*

[SB 1213 \(Anderson\)](#) increases the Child and Dependent Care Expense Credit for low and middle income taxpayers, and makes the credit refundable. *Died in the Senate Appropriations Committee.*

[SB 1214 \(Portantino\)](#) allows teachers an above the line deduction for fees paid or incurred to complete an induction program approved by the Commission on Teacher Credentialing. *Died in the Assembly Appropriations Committee.*

[SB 1218 \(Gaines\)](#) allows a deduction for contributions to qualified tuition programs, also known as 529 plans. *Died in the Senate Appropriations Committee.*

[SB 1241 \(Nguyen\)](#) creates a healing arts licensee tax credit for specific health care professionals, who volunteer at least 40 hours throughout the year at a free or community health clinic. *Died in the Senate Appropriations Committee.*

[SB 1253 \(Jackson\)](#) increases the authorization amount for the state low-income housing tax credit by 100% between 2020 and 2030. *Died in Senate Appropriations Committee.*

[SB 1337 \(Vidak\)](#) creates a tax credit for employers who hire student interns. *Died in the Senate Appropriations Committee.*

[SB 1352 \(Stone\)](#) creates three above-the-line deductions for expenses related to the care of a dependent parent, dependent stepparent, or dependent child with special needs. *Died in the Senate Appropriations Committee.*

[SB 1417 \(Cannella\)](#) alters the \$800 minimum franchise tax beginning in the 2018 taxable year, instead providing that the minimum tax is either \$200, \$400, \$600, or \$800, depending on the corporation's gross revenue. *Died in Senate Appropriations Committee.*

[SB 1485 \(Morrell\)](#) creates the California Universal Charitable Credit for contributions made to qualified charitable organizations. *Died in the Senate Governance and Finance Committee.*

[AB 1085 \(Calderon\)](#) creates a first year exemption from the minimum franchise tax for small businesses that are classified as either Limited Liability Companies or Limited Partnerships. *Died in the Senate Appropriations Committee.*

[AB 1863 \(Jones-Sawyer\)](#) allows taxpayers to deduct ordinary and necessary business expenses attributable to commercial cannabis activity under the personal income tax. *Vetoed by Governor.*

[AB 916 \(Quirk-Silva\)](#) enacts a state work opportunity tax credit, largely based on the same credit contained in federal law. *Died in Senate Appropriations Committee.*

[AB 2023 \(Caballero\)](#) amends the state Child and Dependent Care Expenses Tax Credit to become refundable — up to a specified amount — upon appropriation by the Legislature. *Died in the Senate Appropriations Committee.*

[AB 2217 \(Burke\)](#) creates the Bridget “Biddy” Mason Golden State Credit Program, which requires the Treasurer to create a process to accept monetary contributions from qualified entities in exchange for Golden State Credits; enacts a credit equal to 80% of amounts donated that generate Golden State Credits. *Died on Senate Floor.*

[AB 2459 \(Friedman\)](#) enacts a credit against the personal income tax to subsidize the purchase of health coverage by income-eligible individuals on the Covered California individual market. *Died in Senate Appropriations Committee.*

[AB 2577 \(Gray\)](#) creates an above the line deduction equal to amounts paid or incurred by a taxpayer for member dues to a labor organization. *Died in the Senate Appropriations Committee.*

[AB 2855 \(Brough\)](#) enacts an expedited process for refunds generated by net operating loss carrybacks for state purposes. *Died in Senate Appropriations Committee.*

State Tax Administration

[SB 1082 \(Bradford\)](#) allows a first time penalty abatement program for qualified taxpayers. *Died in the Senate Appropriations Committee.*

[SB 1272 \(Galgiani\)](#) enacts the Tax Recovery and Criminal Enforcement (TRaCE) Tax Force Act, which establishes the TRaCE Task Force in the Department of Justice to combat underground economic activities. *Vetoed by Governor.*

[SB 1395 \(Moorlach\)](#) requires the Franchise Tax Board to annually report the specific amounts of research and development, motion picture production, low-income housing, California Competes, and new advanced strategic aircraft hiring tax credits, aggregated by industry. *Died in Assembly Appropriations Committee.*

[AB 1741 \(Bonta\)](#) authorizes the California Department of Tax and Fee Administration (CDTFA) to allow a person engaged in commercial cannabis activity to remit tax liability due in a method other than an electronic funds transfer if CDTFA deems it necessary to facilitate collection. *Signed—Chapter 228, Statutes of 2018.*

[AB 2503 \(Irwin\)](#) enacts an administrative dissolution process for corporations, whereby the Franchise Tax Board can dissolve corporations and abate taxes directly, or the taxpayer can request dissolution and tax abatement. *Signed – Chapter 679, Statutes of 2018.*

Other Cannabis Issues

[SB 930 \(Hertzberg\)](#) authorizes the creation of both cannabis limited charter banks and credit unions, and authorizes the use of special purpose checks issued by these institutions for specified purposes. *Died in the Assembly Appropriations Committee.*

[AB 924 \(Bonta\)](#) authorizes the Governor to enter into an agreement with a federally recognized Indian tribe to engage in California's commercial cannabis market, upon ratification by the Legislature. *Died in the Senate Appropriations Committee.*

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

To read and retrieve copies of the Senate Governance & Finance Committee's detailed reference materials and other publications, please go to the Committee's website: <http://sgf.senate.ca.gov>