

MEMORANDUM

To: Panel Members Date: As of 09/29/2021

cc: Reg Javier, Executive Director

Peter Cooper, Assistant Director

From: Michael A. Cable, Staff Attorney

Subject: Pertinent Legislation; California Legislature; 2021-2022 Regular Session

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I. ASSEMBLY BILLS

• <u>AB-105 The Upward Mobility Act of 2021: civil service: examinations:</u> classifications.

Summary: This bill presents a series of changes to civil service personnel requirements.

Status: On 09/17/2021: Enrolled and presented to the Governor at 3 p.m.

AB-123 Paid family leave: weekly benefit amount.

<u>Summary</u>: This bill would revise the formula for determining benefits available pursuant to the family temporary disability insurance program, for periods of disability commencing after January 1, 2022, by redefining the weekly benefit amount to be equal to 90% of the wages paid to an individual for employment by employers during the quarter of the individual's disability base period in which these wages were highest, divided by 13, but not exceeding the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations.

<u>Status</u>: On 09/28/2021: Vetoed by Governor. "This bill would create significant new costs not included in the 2021 Budget Act and would result in higher disability contributions paid by employees. I look forward to continued partnership with the Legislature to ensure that workers have true access to programs providing family leave."

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AB-218 Change of gender and sex identifier.

<u>Summary</u>: This bill would make substantive changes to specify how to change gender and sex identifier in particular records such as birth certificates.

Status: On 09/17/2021: Enrolled and presented to the Governor at 3 p.m.

AB-237 Public employment: unfair practices: health protection.

<u>Summary</u>: This bill, the Public Employee Health Protection Act, would among other things make it an unfair practice for a covered employer to fail or refuse to maintain or pay for continued health care or other medical coverage for an enrolled employee or their enrolled dependents, for the duration of the enrolled employee's participation in the authorized strike, at the level and under the conditions that coverage would have been provided if the employee had continued to work in their position for the duration of the strike.

Status: On 09/07/2021: Enrolled and presented to the Governor at 4 p.m.

CHAPTER 165 (AB-361): Open meetings: state and local agencies: teleconferences.
Summary: This bill, until January 31, 2022, authorizes, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically.

Status: On 09/16/2021: Approved by Governor and Chaptered by the Secretary of State.

• CHAPTER 50 (AB-378): State offices.

<u>Summary</u>: This bill would remove gendered language from the provisions governing these offices, and would also make other nonsubstantive changes to these provisions.

Status: On 07/09/2021: Approved by Governor and Chaptered by the Secretary of State.

AB-473 California Public Records Act.

<u>Summary</u>: This bill would recodify and reorganize the provisions of the act. The bill would include provisions to govern the effect of recodification and state that the bill is intended to be entirely nonsubstantive in effect. The bill would contain related legislative findings and declarations. The bill would become operative on January 1, 2023.

Status: On 09/08/2021: Enrolled and presented to the Governor at 4:30 p.m.

AB-474 California Public Records Act: conforming revisions.

<u>Summary</u>: This bill would enact various conforming and technical changes related to another bill that recodifies and reorganizes the California Public Records Act. The bill would only become operative if the related bill recodifying the act is enacted and becomes operative on January 1, 2023. The bill would also specify that any other bill enacted by the Legislature during the 2021 calendar year that takes effect on or before

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January 1, 2022, and that affects a provision of this bill shall prevail over this act, except as specified.

Status: On 09/09/2021: Enrolled and presented to the Governor at 4 p.m.

• CHAPTER 194 (AB-565): Interagency Advisory Committee on Apprenticeship: homeless youth and foster youth.

<u>Summary</u>: This bill would add the director of the State Department of Social Services as a member of the Interagency Advisory Committee on Apprenticeship. This bill would require the Interagency Advisory Committee on Apprenticeship to create a subcommittee to study and report on issues related to the participation of homeless youth and foster youth, as defined, in apprenticeships and pre-apprenticeships, and prescribe specified subjects the subcommittee is to address. The bill would authorize the subject matters of study and reporting to be expanded to include issues relating to minority populations, at the request of a committee member. The bill would require, on and after July 1, 2023, that the findings and recommendations be included in a specified report.

Status: On 09/22/2021: Approved by Governor, Chaptered by the Secretary of State.

• CHAPTER 323 (AB-628): Breaking Barriers to Employment Initiative. Summary: Among other things, this bill would instead provide that the initiative in intended to focus on innovative approaches to, and proven practices for, addressing racial, ethnic, and socioeconomic disparities in the labor market. The bill would require the executive director of the board to convene an advisory group, as prescribed, to make recommendations to the board on grant application criteria and parameters for eligible organizations, review and make recommendations to the board regarding grant proposals, support identification of prospective grantees, support technical assistance opportunities, and make recommendations to the board to strengthen implementation. The bill would require the board to consider the recommendations of the advisory group.

Status: On 09/28/2021: Approved by Governor, Chaptered by the Secretary of State.

CHAPTER 324 (AB-643): Apprenticeship programs: career fairs.
Summary: This bill would require a school district or school to notify each apprenticeship program in the same county as the school district or school of a career or college fair it is planning to hold, as specified.

Status: On 09/28/2021: Approved by Governor, Chaptered by the Secretary of State.

AB-680 Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021.
Summary: This bill would enact the California Jobs Plan Act of 2021, which would require the Labor and Workforce Development Agency to work with the state board to update, by July 1, 2023, the funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the Greenhouse Gas Reduction Fund meet

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specified standards, including fair and responsible employer standards and inclusive procurement policies, as defined. The bill would require administering agencies to give preference to applicants that demonstrate a partnership with an educational institution or training program targeting residents of disadvantaged, tribal, and low-income communities.

Status: On 09/22/2021: Enrolled and presented to the Governor at 2 p.m.

• AB-1273 Interagency Advisory Committee on Apprenticeship: the Director of Consumer Affairs and the State Public Health Officer.

<u>Summary</u>: This bill would additionally make the State Public Health Officer and the Director of Consumer Affairs ex officio members of the Interagency Advisory Committee on Apprenticeship. This bill would prohibit the Department of Consumer Affairs and its various boards from prohibiting or approving an accrediting program that prohibits earn and learn programs for training in a profession licensed or certified by the board. The bill would prohibit the State Department of Public Health from prohibiting earn and learn programs for training of personnel. The bill would require boards of the Department of Consumer Affairs and the State Department of Public Health to use licensing or certification standards that authorize the use of earn and learn trainings.

Status: On 09/22/2021: Enrolled and presented to the Governor at 2 p.m.

II. SENATE BILLS

• CHAPTER 330 (SB-270): Public employment labor relations: employee information. Summary: Existing law requires these public employers to provide certain labor representatives with the names and home addresses of newly hired employees, as well as their job titles, departments, work locations, telephone numbers, and personal email addresses, within 30 days of hire or by the first pay period of the month following hire. Existing law also requires the public employers to provide this information for all employees in a bargaining unit at least every 120 days, except as specified. Existing law requires the Public Employment Relations Board to have jurisdiction over violations of these requirements and to have certain powers and duties related to enforcement of these requirements, except as specified. This bill, commencing July 1, 2022, would authorize an exclusive representative to file a charge of an unfair labor practice with the board, as specified, alleging a violation of the above-described requirements only if specified conditions are met, including that the exclusive representative gives written notice of the alleged violation and that the public employer fails to cure the violation, as specified. The bill would limit a public employer's opportunity to cure certain violations.

Status: On 09/27/2021: Approved by Governor, Chaptered by the Secretary of State.

CHAPTER 109 (SB-657): Employment: electronic documents.
Summary: This bill would provide that, in any instance in which an employer is required to physically post information, an employer may distribute certain information to

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employees by email with the document or documents attached. The bill would specify that this does not alter the employer's obligation to physically display the required posting.

Status: On 07/16/2021: Approved by Governor, Chaptered by the Secretary of State.

• CHAPTER 223 (SB-779): California Workforce Innovation Opportunity Act: earn and learn programs.

<u>Summary</u>: This bill would amend the list of "earn and learn" programs by specifying that an "earn and learn" program includes transitional jobs, as described in the federal Workforce Innovation and Opportunity Act, and subsidized employment, including, but not limited to, subsidized employment provided by an employment social enterprise, as defined, or a worker cooperative, as defined, particularly for individuals with barriers to employment.

Status: On 09/23/2021: Approved by Governor, Chaptered by the Secretary of State.

• SB-805 Small nonprofit performing arts organizations: payroll and paymaster services grants: employment grants.

Summary: This bill would, upon appropriation by the Legislature, require the council to establish and administer the California Nonprofit Performing Arts Paymaster. The bill would require the council to issue a request for proposals and award contracts on a competitive basis to 2 or more nonprofit contractors to provide payroll and paymaster services to small nonprofit performing arts organizations, as defined. The bill would require the council to establish a criteria to rate and rank applicants and establish necessary contract terms. The bill would, upon appropriation, require the council to provide a nonprofit contractor selected to provide payroll services with a grant award in an amount necessary to fund the initial startup costs. This bill would authorize a nonprofit contractor providing services to charge a fee to a nonprofit performing arts organization that receives payroll or paymaster services, provided that the fee does not exceed the cost of providing the services. The bill would require a nonprofit contractor that provides services under these provisions to submit an annual report to the council by July 31 of each year that provides specified information from the prior fiscal year, including, among other things, a detailed accounting of all fees charged and collected. This bill would establish the Performing Arts Equitable Payroll Fund, and would require the council, upon appropriation by the Legislature, to establish and administer a grant program using moneys in the fund to award grants for the purpose of enabling small nonprofit performing arts organizations to hire and pay employees at least minimum wage. The bill would require the council to award the grants in amounts according to a specified matching schedule based on the adjusted gross revenue, as defined, of the organization.

Status: On 09/17/2021: Enrolled and presented to the Governor at 1:30 p.m.

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III. BUDGET BILLS

• CHAPTER 17 (AB-80): Taxation: Coronavirus Aid, Relief, and Economic Security Act: Federal Consolidated Appropriations Act, 2021.

<u>Summary</u>: The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally define "gross income" as income from whatever source derived, except as specifically excluded, and provide various exclusions from gross income. Existing law, in conformity with the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and its subsequent amendments in the Paycheck Protection Program and Health Care Enhancement Act and the Paycheck Protection Program Flexibility Act of 2020, among other things, excludes any amounts of covered loans forgiven under the CARES Act from gross income for purposes of the Personal Income Tax Law and the Corporation Tax Law. Existing law reduces the amount of any credit or deduction otherwise allowed under the Personal Income Tax and the Corporation Tax Law for any amount paid or incurred by the taxpayer upon which this exclusion is based by the amount of the exclusion allowed. Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives the tax expenditure will achieve, detailed performance indicators, and data collection requirements.

Existing federal law, the Consolidated Appropriations Act, 2021, prohibits reductions in tax deductions, denials of basis adjustments, and reductions in tax attributes for federal income tax purposes based on the exclusion from gross income provided in the federal CARES Act and its subsequent amendments.

This bill would exclude, for taxable years beginning on or after January 1, 2019, from gross income any advance grant amount, as defined, issued pursuant to specified provisions of the CARES Act or the Consolidated Appropriations Act, 2021, and covered loan amounts forgiven pursuant to the Consolidated Appropriations Act, 2021. This bill would adopt, except as provided, the provisions of the Consolidated Appropriations Act, 2021, prohibiting any reduction in tax deductions, denials of basis adjustments, and reductions in tax attributes based on the exclusion from gross income provided for any loan amount forgiven in modified conformity with the federal CARES Act and its subsequent amendments. This bill would provide findings to comply with the additional information requirement for any bill authorizing a new tax expenditure. This bill would also make findings and declarations related to a gift of public funds. This bill would declare that it is to take effect immediately as an urgency statute.

Status: On 04/29/2021: Approved by the Governor and filed with the Secretary of State.

• CHAPTER 12 (AB-88): One-time stimulus and grant payments: garnishment: exclusion from gross income.

<u>Summary</u>: This bill would, except as provided, make both payments automatically exempt from a garnishment order, as defined, and would require a financial institution to employ a certain procedure to identify a deposit exempt pursuant to that provision. The bill would

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prohibit a financial institution that attempts to comply with those provisions in good faith from being subject to liability, as specified. The bill would also further clarify the definition of "qualified recipient" for purposes of the Golden State Stimulus payment and a "grant recipient" eligible to receive a Golden State Grant payment. The bill would appropriate \$100,000 from the General Fund to augment Schedule (1) of Item 7730-001-0001 of the 2020 Budget Act for the Franchise Tax Board to be allocated to existing California Earned Income Tax Credit outreach contracts to provide increased awareness of the Golden State Stimulus and would exempt, for the purpose of providing timely distribution of funds for Golden State Stimulus awareness, the Franchise Tax Board and its administrative partner, the Department of Community Services and Development, from all provisions of state contracting law governing the amendment of contracts.

Status: On 03/17/2021: Approved by the Governor and filed with the Secretary of State.

• CHAPTER 7 (SB-87): California Small Business COVID-19 Relief Grant Program: income tax: gross income: exclusion: small business grants.

Summary: Among other things, this bill would establish the California Small Business COVID-19 Relief Grant Program within CalOSBA to assist qualified small businesses affected by COVID-19 through administration of grants. The bill would require CalOSBA to provide grants to qualified small businesses, as defined, in accordance with specified criteria, including geographic distribution based on COVID-19 restrictions, industry sectors most impacted by the pandemic, and underserved small businesses. The bill would repeal these provisions on January 1, 2024. This bill would appropriate \$2,075,000,000 from the General Fund to the Golden State Stimulus Emergency Fund to be transferred to the Office of Small Business Advocate for purposes of the program, and would allocate \$50,000,000 of those funds for eligible nonprofit cultural institutions, as defined.

Status: On 02/23/2021: Approved by the Governor and filed with the Secretary of State.

• CHAPTER 8 (SB-88): One-time stimulus payment: delinquent accounts: Earned Income Tax Credit: statements.

<u>Summary</u>: Among other things, this bill would authorize the Controller to make a one-time Golden State Stimulus payment to each qualified recipient, as defined, of an applicable amount, as specified, in a form and manner determined by the Franchise Tax Board, in order to provide relief to low-income Californians impacted by the COVID-19 emergency. This bill would create the Golden State Stimulus Emergency Fund, a new fund in the State Treasury, for the purposes of making these one-time payments, and would continuously appropriate that fund. This bill would also authorize one-time grant payments to qualified grant recipients, as defined, of \$600, to be administered by the State Department of Social Services, in order to provide relief to low-income Californians impacted by the COVID-19 emergency.

Status: On 02/23/2021: Approved by the Governor and filed with the Secretary of State.

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CHAPTER 1 (SB-89): Budget Act of 2020.

<u>Summary</u>: The Budget Act of 2020 made appropriations for the support of state government for the 2020–21 fiscal year. This bill would amend the Budget Act of 2020 by adding items of appropriation and making other changes. This bill would declare that it is to take effect immediately as a Budget Bill.

Status: On 01/28/2021: Approved by the Governor and filed with the Secretary of State.

• CHAPTER 2 (SB-91): COVID-19 relief: tenancy: federal rental assistance.

<u>Summary</u>: Among other things, this bill would prohibit a housing provider, tenant screening company, or other entity that evaluates tenants on behalf of a housing provider from using an alleged COVID-19 rental debt, as defined, as a negative factor for the purpose of evaluating a prospective housing application or as the basis for refusing to rent a dwelling unit to an otherwise qualified prospective tenant. This bill, until July 1, 2021, would prohibit a person from selling or assigning unpaid COVID-19 rental debt, as defined, for the time period between March 1, 2020, and June 30, 2021. The bill would also prohibit a person from selling or assigning unpaid COVID-19 rental debt, as defined, for that same time period of any person who would have qualified for rental assistance funding, provided pursuant to specified federal law, where the person's household income is at or below 80% of the area median income for the 2020 calendar year.

Status: On 01/28/2021: Approved by the Governor and filed with the Secretary of State.

CHAPTER 13 (SB-95): Employment: COVID-19: supplemental paid sick leave.
Summary: This bill would appropriate \$100,000 from the General Fund to the Labor

Commissioner for staffing resources to implement and enforce these provisions. This bill would, among other things, provide for COVID-19 supplemental paid sick leave for covered employees, as defined, who are unable to work or telework due to certain reasons related to COVID-19, including that the employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19. The bill would entitle a covered employee to 80 hours of COVID-19 supplemental paid sick leave if that employee either works full time or was scheduled to work, on average, at least 40 hours per week for the employer in the 2 weeks preceding the date the covered employee took COVID-19 supplemental paid sick leave. The bill would provide a different calculation for supplemental paid sick leave for a covered employee who is a firefighter subject to certain work schedule requirements and for a covered employee working fewer or variable hours, as specified. The bill would provide that the total number of hours of COVID-19 supplemental paid sick leave to which a covered employee is entitled to under these provisions is in addition to any paid sick leave available under the act, as specified.

Status: On 03/19/2021: Approved by the Governor and filed with the Secretary of State.

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IV. CANNABIS RELATED BILLS/INITIATIVES/PROPOSITIONS

• CHAPTER 264 (AB-287): Civil actions: statute of limitations.

<u>Summary</u>: MAUCRSA imposes a civil penalty on a person engaging in commercial cannabis activity without a license required by MAUCRSA of up to 3 times the amount of the license fee for each violation. MAUCRSA does not supersede or limit state agencies from exercising their existing enforcement authority. MAUCRSA authorizes a local jurisdiction to enforce its provisions and the regulations promulgated by a licensing authority if delegated the power to do so by the licensing authority, as specified. Existing law generally requires an action upon a statute for a penalty or forfeiture to commence within one year. This bill would require a civil action for a penalty described above to commence within 3 years.

Status: On 09/23/2021: Approved by the Governor, filed with the Secretary of State.

AB-527 Controlled substances.

<u>Summary</u>: This bill would exempt from Schedule III specific compounds, mixtures, or preparations that contain a nonnarcotic controlled substance in combination with a derivative of barbituric acid or any salt thereof that are listed in the federal Table of Exempted Prescription Products and have been exempted pursuant to federal law or regulation. The bill would exempt from Schedule IV specific compounds, mixtures, or preparations that contain a nonnarcotic controlled substance in combination with a chlordiazepoxide or phenobarbital that are listed in the federal Table of Exempted Prescription Products and have been exempted from scheduling under federal law or regulation.

Status: On 09/22/2021: Enrolled and presented to the Governor at 2 p.m.

AB-1138 Unlawful cannabis activity: civil enforcement.

<u>Summary</u>: MAUCRSA imposes a civil penalty on a person engaging in commercial cannabis activity without a license as required by the act, of up to 3 times the amount of the license fee for each violation. This bill would impose a civil penalty on persons aiding and abetting unlicensed commercial cannabis activity of up to \$30,000 for each violation. The bill would prohibit filing an action for civil penalties brought against a person pursuant to MAUCRSA 3 years after the first date of discovery of the violation by a licensing authority or a participating agency, whichever is earlier or earliest.

Status: On 09/20/2021: Enrolled and presented to the Governor at 3 p.m.

• SB-292 Industrial hemp.

<u>Summary</u>: This bill would instead require the sampling to occur within a timeframe determined by the department. The bill would require a registrant to destroy or dispose of the industrial hemp grown upon receipt of a laboratory test result described above. The bill would require that laboratory test reports of hemp include the measurement of uncertainty, as defined, associated with the test results. The bill would also require

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laboratories to use appropriate, validated methods and procedures for all testing activities, including when estimating the measurement of uncertainty. By adding new requirements for hemp testing, the violation of which could be a crime, this bill would impose a state-mandated local program.

Status: On 09/03/2021: Enrolled and presented to the Governor at 2 p.m.

• SB-311 Compassionate Access to Medical Cannabis Act or Ryan's Law.

<u>Summary</u>: This bill, the Compassionate Access to Medical Cannabis Act or Ryan's Law, would prohibit specified types of health care facilities from prohibiting or interfering with a terminally ill patient's use of medicinal cannabis within the health care facility, subject to certain restrictions.

Status: On 09/17/2021: Enrolled and presented to the Governor at 1:30 p.m.

• SB-544 Cannabis testing.

<u>Summary</u>: This bill would implement the above provisions of AUMA by requiring the bureau, on or before January 1, 2023, to establish specific testing standards for the compounds and contaminants that are required to be reported on the certificate of analysis.

Status: On 09/09/2021: Enrolled and presented to the Governor at 1 p.m.