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[California Links](#)

**State Senate**

**State Assembly**

**Department of  
Insurance**

## California 2016 General Election

The California 2016 General Election is not likely to have a significant impact on the business environment in the state for the short term. However, the legislative environment for business interests is likely to deteriorate long term.

Due to the change in legislative term limits, the 2016 general election represents the last group of "short term limits" legislators that are termed out of office. Legislators elected to the 2017 class will have 12 years total to serve in either house of the Legislature rather than two four-year terms in the Senate or three two-year terms in the Assembly. 2016 will be an important election as, due to the longer term limits that will now apply to all elected legislators, there will not be a significant opportunity to alter the makeup of either house until the 2024 elections.

Unfortunately for the business and insurance communities, the outlook for the 2016 legislative election is not positive. In the state Senate, Democrats are one member short of having a supermajority (two-thirds vote) and in the Assembly, Democrats are only two members short of the same. If Democrats obtain supermajorities in both houses of the legislature they will have the ability to pass tax and urgency legislation and, with a Democratic Governor, enact these new statutes.

As of this writing, Donald Trump trails Hillary Clinton in California by 25 points. There is fear on the Republican side that many Republicans who do not like Trump will sit this election out while mostly Democrat Hispanic voters will turn out in droves to vote for Clinton. This turnout model favors Democrats and increases the likelihood that Republican will lose members in both house of the legislature and that Democrats will pick up supermajorities in both houses.

Republicans have six targeted members to defend in the Assembly and four tough races in the Senate, three open seats and one seat currently held by a Republican. It is these seats that will shape the new make-up of the California Legislature. If Republicans lose two of these seats in the Assembly and one in the Senate, Democrats will achieve supermajorities in both houses which they should likely maintain until at least 2024.

Overall there are seventeen open seats up for election in the Assembly and eight in the Senate. However, most of these seats are safe Democrat or Republican. Democrats have

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nine open seats in the Assembly and Republicans have eight. Only one of these Republican open seats hold the potential for a Democrat to win. In five of the nine Democrat open seats, due to California's top two vote system, the election is between two Democrats. Four of the Republican open seats are between two Republicans.

In the Senate there are eight open seats, seven which are being competitive. Three of these races are between two Democrat candidates. There are four competitive races between a Democrat and a Republican wherein Democrats could win two or three races depending on turnout.

If there is positive news in California it is the fact that both house Insurance Committees are relatively moderate, have a Chairman that may well remain in their current positions for many years and this make-up favors the industry. The election is not likely to alter the current committee structure substantially. In addition, over the last couple of elections, business and insurance interests have been able to utilize the state's two top vote system to elect a number of moderate Democrat legislators that have positively affected the outcome of numerous business and insurance issues. As indicated above, five of the Assembly open seats races are Democrat vs Democrat elections where business and insurance interests are backing one candidate while labor, environment and attorney groups are backing the other. There is also one race like this in the Senate. The more moderate Democrat should be elected in three of these races, so this trend of having a growing democrat moderate block should continue.

The Governor, Insurance Commissioner and Attorney General, as well as other statewide officeholders, are not up for election in 2016. However there is a strong likelihood that Attorney General Kamala Harris will be elected to the US Senate. If that scenario becomes a reality, Governor Brown will have the opportunity to appoint someone to serve the remainder of her term as AG. Insurance Commissioner Jones is currently running for Attorney General for the 2018 election but would very much like the Governor to appoint him as the interim AG. Almost no one believes that Governor Brown is likely to appoint Commissioner Jones to this vacancy but if he did the Governor would also have the opportunity to appoint a new Insurance Commissioner to serve the remainder of Commissioner Jones' term. Democrat Assemblywoman Susan Bonilla is currently the only announced candidate for Insurance Commission in 2018 and would be the leading candidate for such an appointment.

## Governor Signs California FAIR Plan Bill

Governor Brown signed SB 1302 by Senator Mike McGuire (D-Healdsburg). This bill requires insurers admitted to sell property insurance in the state to provide the California FAIR (Fair Access to Insurance Requirements) Plan Internet Web site address and statewide toll-free telephone number to an applicant for insurance who is denied coverage, or a policyholder whose policy is canceled or non-renewed. The bill also requires the FAIR Plan to establish and maintain an Internet Web site through which a person may receive information and assistance in applying for insurance, and requires an insurance agent or broker transacting basic property insurance to assist a person in making an application for insurance through

the FAIR Plan, another insurer offering coverage, or provide the person with the FAIR Plan Web site and phone number.

As the insurer of last resort, the FAIR Plan does not advertise, and many homeowners in high fire risk areas who have been non-renewed or are having difficulty finding insurance may be unaware of the FAIR Plan insurance option. Until recently only about 6,600 out of 90,000 agents and brokers in the state were registered to sell FAIR Plan policies, although according to the California Department of Insurance (CDI) that number has increased to about 10,000 as a result of CDI outreach to the agent and broker community since the fires of 2015. It takes about two days for an agent or broker to register with the FAIR Plan and requires little more than submitting a copy of the agent or broker's license. No fees or testing are required, and the FAIR Plan offers a 10% commission for new business and 8% commission for renewals. At the same time, some insurance agents or brokers may be unable to place insurance with the FAIR Plan because they are "captive" agents and can contractually only sell policies of their contracting company.

There remains a big gap in understanding of the FAIR Plan among many agents and brokers who are currently only required by statute to provide homeowners looking for insurance the FAIR Plan "800" toll-free phone number. They are not required to actually help the consumer apply for such coverage, and many do not understand the options for coverage provided by the FAIR Plan.

The FAIR Plan reports that it has not seen an increase of new business in wildland-urban interface areas even with the drought and recent fires. With approximately 126,000 FAIR Plan dwelling policies in place in the state, 76% of those policies are in urban areas, largely in the Los Angeles area. As of February, the FAIR Plan had 24,538 policies in high and extreme wildfire risk areas, about 20% of its total policies.

Until recently, applicants for FAIR Plan coverage in specific geographic areas had to provide the names of three insurance companies that had denied insurance coverage for their property in order to qualify for a FAIR Plan policy. After a review following the Valley and Butte fires last year, the IC in January directed the FAIR Plan to make several changes to its operations, including some enhanced coverage options, eliminating the requirement that homeowners prove they were rejected three times for standard insurance policies, and giving more access to brokers registered with the FAIR Plan.

To improve the ability of consumers to access the FAIR Plan and identify brokers who can help them place such policies, the FAIR Plan recently developed a broker lookup feature on its website that allows the consumer to enter their zip code or city to identify FAIR Plan registered brokers in their area. This bill will help encourage greater public awareness of the availability of the FAIR Plan insurance option by requiring insurers to include a reference to the FAIR Plan Web site and toll-free phone number in a notice of cancellation or non-renewal, and by requiring active property insurance agents and brokers to assist a person in applying for FAIR Plan coverage or other insurance coverage or by providing the FAIR Plan Web site and toll-free number.

## New Federal Guidelines May Change California's DMV Rules for Autonomous Vehicles

This week, President Obama explicitly made the case in favor of driverless cars in an op-ed published in the Pittsburgh Post-Gazette. The full op-ed can be found [here](#).

Self-driving cars, or autonomous vehicles, are in development by companies such as Google, Apple, and Uber and bring the promise of perfect, more efficient travel, with cars communicating automatically to each other making human error a thing of the past.

For autonomous vehicles to work throughout the country, it is conceivable, if not ideal, that the set of rules that govern these kinds of cars are uniform throughout the nation, so that a driverless car in California works and is under the same rules as a driverless car in Massachusetts. With that in mind the National Highway Traffic Safety Administration, part of the U.S. Department of Transportation, put together an official "[Federal Automated Vehicles Policy](#)."

The Department of Transportation will take responsibility for regulating the driving hardware and software, and it has devised a model state policy that probably will take the pressure off individual state agencies, such as California's Department of Motor Vehicles (DMV), which had needed to take a lead role in drafting regulations to ensure the safety to self-driving vehicles.

The 116-page federal policy released Tuesday outlines a "15-point safety assessment" letter that manufacturers and other autonomous vehicle technology entities will be asked to submit to explain how their systems address issues such as vehicle cybersecurity and data collection and storage.

The guidelines also include a model state policy addressing regulation of driverless vehicles. Part of that policy from the Department of Transportation declares that the states will be responsible for determining liability rules for driverless vehicles (or highly automated vehicles as the federal government policy piece refers to them). California needs to consider how to allocate liability among the autonomous vehicle owners, operators, passengers, manufacturers, and others when a crash occurs. For example, if one of these cars is determined to be at fault in a crash then who should be held liable? For insurance, California needs to determine who (owner, operator, passenger, manufacturer, etc.) must carry motor vehicle insurance. Determination of who or what is the "driver" of an autonomous vehicle in a given circumstance does not necessarily determine liability for crashes involving them. California may determine that in some circumstances liability for a crash involving a human driver of an autonomous vehicle should be assigned to the manufacturer of the vehicle or to the human driver. The Department of Transportation does state that federal regulations must be followed when a car is driven by software.

States were given the responsibility of designating a lead agency to govern self-driving vehicle testing and a committee focused on automated safety technology. In 2012, California passed legislation requiring the DMV to adopt driverless vehicle regulations. Two years later, the agency released rules governing the testing of autonomous vehicles on public roads. So

far, 15 companies, including Google, Honda, Tesla and Nissan, hold permits to test driverless vehicles in California.

In December, the DMV released draft regulations for the public deployment of autonomous vehicles. Industry experts described the proposed rules as extremely restrictive; among other things, autonomous vehicles had to be tested by a third-party organization in California and have a driver ready to take the wheel, eliminating the possibility of fully driverless cars. If California decides to adopt the model state policy, it would open the proposed regulations considerably, especially for fully autonomous vehicles.

## California Ballot Measures Part 3

With a voter guide that is over 200 pages long including 16 ballot measures, we thought it would be a good idea to go through the measures in separate parts. This is the third of a four part series on the ballot measures that Californians will be voting on in November.

### [Proposition 51: Public School Facility Bonds](#)

The proceeds from the \$9 billion in bonds that would be issued if voters approved Proposition 51 would be stored in a 2016 State School Facilities Fund and a 2016 California Community College Capital Outlay Bond Fund. Proceeds would be allocated for the following purposes: \$3 billion for the construction of new school facilities; \$500 million for providing school facilities for charter schools; \$3 billion for the modernization of school facilities; \$500 million for providing facilities for career technical education programs; and \$2 billion for acquiring, constructing, renovating, and equipping community college facilities.

The state's legislative analyst estimated that the \$9 billion in bonds would cost \$17.6 billion to repay. The fiscal impact statement estimated \$8.6 billion in interest. The statement also stated that the bonds would cost the state approximately \$500 million per year.

Supporters state that many community colleges, high schools, and elementary schools are in need of maintenance or replacement in order to meet standards for earthquake safety, fire safety, and health risks, such as asbestos and lead paint. Supporters argue that Proposition 51 would be fiscally responsible and contain many taxpayer protection and accountability measures. Supporters also state that improving and expanding community colleges would make affordable education accessible to more California residents, including veterans and that improvements to the education system would be a good investment because it would make good jobs available to more California residents and reduce college debt, thereby boosting the economy.

Opponents state that the bond proposition proposes putting California further into debt, which the state can't afford, that local control over spending allows for the most accountability and efficiency, and that the bond proposition would give state officials control over the bond money, instead of providing local control over the funds. Opponents also argue that Proposition 51 does not guarantee equitable distribution of the bond money, giving well-funded school districts with consultants a better chance of applying for and receiving money than smaller and poorer districts and that it was written and sponsored by

construction companies to benefit themselves by providing \$9 billion in state spending from which they could profit. Governor Jerry Brown, the most prominent official opposing the initiative, argued: "I am against the developers' \$9-billion bond. It's a blunderbuss effort that promotes sprawl and squanders money that would be far better spent in low-income communities."

### [Proposition 55: Extension of the Proposition 30 Income Tax Increase](#)

In 2012, Proposition 30 was passed to raise the state income tax, but would start to be phased out in 2018. The sales tax portion of Proposition 30 which would not be extended by Proposition 55 would expire at the end of 2016. Proposition 30 raised about \$6 billion per year since 2012.

Proposition 55 would continue the tax rates instituted by Proposition 30 through 2030. The tax increase impacts the 1.5 percent of Californians with a single income filing of at least \$263,000 or a joint income filing of at least \$526,000.

In California, the income tax bracket applies to a filer's portion of income within that bracket. The Official Voter Information Guide provides an example: "The amount of increased taxes paid by high-income taxpayers would depend upon their taxable income. For example, if this measure passes, a single person with taxable income of \$300,000 would pay an extra 1 percent on their income between \$263,000 and \$300,000. This works out to a tax increase of \$370 for this person."

According to the State's Legislative Analyst Office, Proposition 55 would increase state revenues ranging from \$4 billion to \$9 billion each year (in today's dollars) from 2019 through 2030, depending on the economy and the stock market.

Supporters argue that the proposition would not raise taxes for anyone, and would lower the sales tax.

Supporters state that the proposition would only affect the wealthiest Californians, would provide strict accountability and transparency standards, ensuring that money goes to local schools and would prevent budget cuts while continuing to restore funding lost during the recession.

Opponents argue that the proposition would extend a measure that was supposed to be temporary, amounting to a broken promise made by politicians and would extend taxes during a time when higher taxes are not necessary. Opponents state that education, healthcare, and state government can all be funded without new or higher taxes, making the proposition unnecessary. Opponents also argue that the proposition would hurt small businesses and would only favor special interests and politicians.

### [Proposition 57: Parole for Non-Violent Criminals and Juvenile Court Trial Requirements](#)

In 2014, prison numbers dropped after California voters approved Proposition 47, which reduced non-violent, non-serious crimes to misdemeanors and gave more inmates a higher chance for parole consideration. Proposition 57 would increase parole chances for felons

convicted of non-violent crimes and give them more opportunities to earn credits for good behavior. It would also allow judges, not prosecutors, to decide whether to try certain juveniles as adults in court.

Those convicted of non-violent felony crimes who have served full sentences for their primary offense and passed screening for public security would be eligible for parole. That would make about 7,000 inmates immediately eligible, according to The Associated Press. Additionally, Proposition 57 would allow inmates to earn credits for good behavior, and educational or rehabilitative achievements.

According to the State's Legislative Analyst's Office, net state savings likely in the tens of millions of dollars annually, primarily due to reductions in the prison population. Savings would depend on how certain provisions are implemented and net county costs of likely a few million dollars annually.

Supporters state that the proposition would provide a sustainable way to reduce California's overcrowded prison population while rehabilitating juvenile and adult inmates. Supporters argue that the proposition would still keep dangerous offenders in prison, would save taxpayers millions of dollars and would be better than the status quo because it addresses evidence-based rehabilitation for juveniles and adults. Governor Jerry Brown backed the effort to get this measure on the ballot and is supporting the campaign in favor of Proposition 57.

Opponents argue that the proposition was poorly drafted and would allow criminals convicted of crimes like rape, lewd acts against a child, and human trafficking to be released early from prison and would allow career criminals to be treated as first offenders. Additionally, opponents argue that the proposition would overturn provisions of victims' rights legislation like Marsy's Law, "three strikes," Victim's Bill of Rights, and the Californians against Sexual Exploitation Act. Opponents also argue that the proposition would force victims to relive their experience more often with more parole hearings, would result in higher crime rates and would place the new privileges for criminals in the California Constitution, making it more difficult for the legislature to change the language if necessary.

### [Proposition 58: Non-English Languages Allowed in Public Education](#)

Proposition 58 was designed to repeal the English-only immersion requirement and waiver provisions required by Proposition 227 of 1998. In English-only programs, students learn subjects from teachers who speak only in English. Proposition 227 required English learners to take one year of intensive English instruction before transitioning to English-only classes.

Under Proposition 227, parents of English learners can opt their children into bilingual programs by signing a waiver. The waiver is approved if one of three conditions are met. First, the student must have "attended an English-only classroom for at least 30 days and whose teachers, principal, and district superintendent all agree would learn better in a bilingual program." Second, the student must be at least 10 years old. Third, the student is already a fluent English speaker.

Proposition 58 would no longer require English-only education for English learners. Schools would be allowed to utilize multiple programs, including bilingual education. In bilingual programs, students learn from teachers who speak both their native language and English. Furthermore, parental waivers would no longer be needed to take non-English-only classes.

If requested by enough parents, schools would be required to offer specific English learner programs. School districts and county offices of education would ask for annual feedback on English learner programs from parents and community members.

The Legislative Analyst's Office stated that no notable fiscal effect would be drawn from this proposition on school districts or state government.

Supporters state that the proposition would allow all students to become proficient in English as soon as possible and would encourage schools to use instruction programs rather than expand multilingual education, thereby providing English speakers the opportunity to learn a second language. Supporters also state that the proposition would restore local control for California schools, would prepare students more effectively for the future and that such multilingual education encourages intercultural interactions and empathy.

Opponents argue that the proposition would repeal the requirement that California children be taught English in public schools and would lift restrictions on the California legislature making future changes, enabling the legislature to reestablish Spanish-Almost-Only instruction in public schools. Opponents also argue that the proposition would overturn policies that actually improved language education.

### [Proposition 66: Death Penalty Procedures](#)

Proposition 66 would put trial courts (rather than the California Supreme Court) in charge of initial petitions, known as habeas corpus petitions, challenging death penalty convictions. The judge who handled the original murder case would hear the habeas corpus petition, unless good cause can be shown for another judge or court. Petitions would be appealed to California Courts of Appeal, and then finally to the California Supreme Court.

The measure would require the habeas corpus petition process and appeals to be completed within five years after the death sentence. Qualifications required to represent convicted inmates would change in order to "ensure competent representation" and "expand the number of attorneys." Trial courts would replace the Supreme Court as the judicial body that appoints attorneys for habeas corpus petitions.

Inmates on death row would be required to work, subject to state regulations, under Proposition 66. The measure would require 70 percent of earnings from work be allocated to debts owed to the inmate's victims. The state would be allowed to house death row inmates in any prison, rather than the one death row prison for men and one death row prison for women.

There is an unknown ongoing fiscal impact on state court costs for processing legal challenges to death sentences. There could be near-term decreases in state court costs—potentially in the tens of millions of dollars annually—due to an acceleration of spending to

address new time lines on legal challenges to death sentences. There could also be savings of similar amounts in future years and a potential state prison savings that could be in the tens of millions of dollars annually.

Supporters state that the proposition would keep the death penalty system, which California needs.

Supporters argue that the proposition would speed up the death penalty appeals process while ensuring that no innocent person is executed, would mean that the worst criminals receive the strongest sentence, would provide closure to victims' families and would save taxpayers millions of dollars.

Opponents argue that the proposition would cost taxpayers millions of dollars unnecessarily, due to increased prison spending, legal defense, death row facility construction, and litigation. Opponents also state that the proposition is poorly written and confusing, and would increase California's risk of executing an innocent person, and would remove important legal safeguards.

## Legislative Update

Governor Brown announced that he has signed the following bills:

[AB 453 \(Salas\)](#): This bill would authorize the Semi-tropic Water Storage District to impose fees on groundwater extraction, and require the reporting of groundwater extraction with the ability to verify the reported information to fund the cost of groundwater management projects which have completed environmental review before January 1, 2020.

[AB 565 \(Cooley\)](#): The bill revises the standards for group life insurance related to dependent coverage and waiver of premium benefits.

[AB 587 \(Chau\)](#): This bill creates a tax abatement program for mobile home owners who cannot transfer title into their names due to delinquent taxes and fees that may have been incurred by prior owners.

[AB 884 \(Gordon\)](#): This bill requires the title and summary of a state initiative measure to contain a specified disclaimer if the Attorney General determines that the proposed measure would likely result in a violation of an individual's constitutional rights.

[AB 1005 \(Gordon\)](#): This bill extends the sunset for plastic market development payments (PMDP) from 2017 to 2018.

[AB 1014 \(Thurmond\)](#): This bill establishes the Learning Communities for School Success Program for the purpose of implementing the K-12 education portion of the Safe Neighborhoods and Schools Act, approved as Proposition 47 by the voters at the November 4, 2014, statewide general election.

[AB 1103 \(Dodd\)](#): This bill adds self-haulers to the requirement that exporters, brokers, and transporters of recyclables or compost submit specified, periodic information to the

Department of Resources Recycling and Recovery (CalRecycle) and requires CalRecycle to develop regulations to define "self-hauler."

[AB 1348 \(Irwin\)](#): This bill establishes the position of federal grant administrator within the State Clearinghouse, under the Governor's Office of Planning and Research, to serve as the state's primary point of contact for information on federal grants related to community, economic and local development. This bill also requires the federal grant administrator to annually prepare a summary of his or her activities, including total federal grants received by the state, local governments and school districts.

[AB 1419 \(Eggman\)](#): This bill provides that used, broken cathode ray tube (CRT) panel glass and processed CRT panel glass that exceeds the total threshold limit concentration (TTL) only for barium is not a waste and is not subject to regulation by the Department of Toxic Substances Control as a hazardous waste if that panel glass meets certain requirements. This bill permits the use of that CRT panel glass that exceeds the TTL only for barium for specified end uses.

[AB 1500 \(Atkins\)](#): This bill authorizes portions of State Route (SR) 75 to be relinquished in San Diego County, under certain terms and conditions.

[AB 1567 \(Campos\)](#): This bill provides, beginning on July 1, 2017, homeless students and students who are in foster care priority for enrolling in before and after school programs and prohibits a program that charges family fees from charging a fee to a family of a homeless or foster care student.

[AB 1577 \(Eggman\)](#): This bill renames the State Emergency Food Assistance Program (SEFAP) as the CalFood Program and the SEFAP Account as the CalFood Account.

[AB 1697 \(Bonilla\)](#): This bill expands the project preference and selection criteria under the Alternative and Renewable Fuel and Vehicle Technology Program to more effectively target workforce training opportunities that are aligned with clean technology and alternative/renewable fuel career pathways.

[AB 1789 \(Santiago\)](#): This bill extends the sunset date for the School Supplies for Homeless Children Fund.

[AB 1794 \(Garcia\)](#): This bill establishes, in Municipal Water District Law, a governance structure for the Central Basin Municipal Water District Board of Directors.

[AB 1797 \(Lackey\)](#): This bill requires the county, upon receipt of an application for in-home supportive services (IHSS), to provide the applicant with a confirmation number, as specified and further permits that confirmation number to be the individual's case number.

[AB 1811 \(Dodd\)](#): This bill authorizes the California Department of Food and Agriculture (CDFA) to develop a new schedule for organic input material (OIM) registration; authorize provisional label registration, as specified; prioritize inspections for high-risk products and manufacturers; and, authorize CDFA to determine whether a fertilizer material is mislabeled.

[AB 1826 \(Stone\)](#): This bill overhauls the State Organic Program (SOP), by changing the SOP fee structure; grants a larger administrative role to accredited certifying agencies; revises the composition of the California Organic Products Advisory Committee; and, revises required information provided for registration and recordkeeping.

[AB 1840 \(Gipson\)](#): This bill requires state agencies, when hiring for internships and student assistant positions, to give preference to homeless youth and formerly incarcerated youth.

[AB 1858 \(Santiago\)](#): This bill requires the Department of Motor Vehicles to collaborate with the State Board of Equalization, the California Environmental Protection Agency, the Department of Toxic Substances Control, the State Water Resources Control Board, the Department of Resources Recycling and Recovery, and the State Air Resources Board to review and coordinate enforcement and compliance activity related to unlicensed automobile dismantling, as specified, and to report specified findings to the Legislature by January 1, 2019.

[AB 1891 \(Dababneh\)](#): This bill provides that any exemption from a qualified special tax granted to a taxpayer will remain in effect until the taxpayer becomes ineligible for the exemption.

[AB 1962 \(Dodd\)](#): This bill requires the establishment of guidelines on education and training for psychologists and psychiatrists to be appointed by the court to determine a defendant's mental competence.

[AB 1974 \(Gallagher\)](#): This bill establishes procedures for the re-recording of recorded documents.

[AB 1976 \(Irwin\)](#): This bill makes several changes to California Avocado Commission and the Bagley-Keene Open Meeting Act.

[AB 1995 \(Williams\)](#): This bill requires campuses of the California Community Colleges to grant enrolled homeless students access and usage of campus shower facilities.

[AB 2012 \(Bigelow\)](#): This bill replaces the authorization of the Jail Industry Commission with an authorization for a Jail Industry Authority, which will have similar purposes, powers and duties as the Prison Industry Authority.

[AB 2022 \(Gordon\)](#): This bill authorizes the bottling of advanced purified demonstration water for educational purposes and to promote water recycling.

[AB 2025 \(Gonzalez\)](#): This bill requires the Board of Barbering and Cosmetology (BBC), to provide practitioner and establishment applicants with information about basic labor laws, as specified; requires the BBC to translate all of its written materials in English, Korean, Spanish, and Vietnamese; and, authorizes the BBC to collect voluntary demographic information of its applicants for licensure and renewal.

[AB 2031 \(Bonta\)](#): This bill authorizes a city or county that formed a redevelopment agency that has received a finding of completion from Department of Finance, to bond against the property tax revenues it receives as a result of redevelopment dissolution for affordable housing purposes, without voter approval.

[AB 2048 \(Gray\)](#): This bill requires the Office of Statewide Health Planning and Development, in its administration of the National Health Service Corps State Loan Repayment Program, to include all federally qualified health centers located in California on the program's certified eligible site list.

[AB 2087 \(Levine\)](#): This bill authorizes the Department of Fish and Wildlife to approve regional conservation investment strategies to identify and provide voluntary guidance for regional conservation, and to encourage investments in conservation through advance mitigation.

[AB 2105 \(Rodriguez\)](#): This bill requires the Department of Consumer Affairs to engage in a specified stakeholder process to update policies and remove barriers to facilitate the development of earn and learn training programs in the allied health professions.

[AB 2107 \(Frazier\)](#): This bill makes permanent a Department of Motor Vehicles pilot program for interstate carrier registration.

[AB 2154 \(Medina\)](#): This bill provides changes to the term and benefits to the student members of the California Student Aid Commission.

[AB 2191 \(Salas\)](#): This bill extends the regulatory authority of the Board of Behavioral Sciences, and its authority to appoint an executive officer until January 1, 2021.

[AB 2193 \(Salas\)](#): This bill extends the operation of the Board of Podiatric Medicine, the operation of the Physician Assistant Board (PAB), and the PAB's authority to appoint an executive officer until January 1, 2021.

[AB 2194 \(Salas\)](#): This bill extends the sunset date for the California Massage Therapy Counsel (CAMTC) by four years; clarifies the enforcement authority of the CAMTC, as specified; prohibits a city or county from requiring a massage establishment to have a shower or bath; codifies intent language requiring local governments to impose only reasonable and necessary fees, and makes other technical and clarifying changes.

[AB 2208 \(Santiago\)](#): This bill adds to the list of the types of sites that a local government can identify as suitable for residential development in the housing element.

[AB 2212 \(Harper\)](#): This bill defines "bullying via an electronic act" to mean the creation or transmission of a communication by means of an electronic device that includes a video.

[AB 2244 \(Gatto\)](#): This bill prohibits electronic filing vendors from charging a payment method convenience fee that exceeds the cost incurred to provide the processing.

[AB 2249 \(Cooley\)](#): This bill enacts the California Heritage Protection Act, which prohibits a concession contract from providing a contracting party with a trademark interest in the name or names associated with a state park.

[AB 2254 \(Achadjian\)](#): This bill revises the list of armories to be made available each year from October 15 through April 15 for the purpose of providing temporary shelter for homeless persons to include the Atascadero armory in San Luis Obispo County.

[AB 2258 \(Eggman\)](#): This bill clarifies that transactions that are initiated electronically shall constitute activity on the account for the purpose of determining whether the law requires escheat of funds after a specified period of inactivity.

[AB 2280 \(Ridley-Thomas\)](#): This bill authorizes the Los Angeles International Airport to require rental companies to charge customer facility fees for specified purposes, subject to an independent audit and time limitation

[AB 2306 \(Frazier\)](#): This bill requires school districts to exempt former juvenile court school students who transfer into school districts after their second year in high school from local graduation requirements that exceed those of the state, and requires a county office of education to issue a diploma of graduation to a pupil who completes statewide coursework requirements for graduation while attending a juvenile court school.

[AB 2371 \(Frazier\)](#): This bill requires the addition of the Special Olympics Fund checkoff to the personal income tax return upon the removal of another voluntary contribution fund from the return, or as soon as space is available.

[AB 2396 \(McCarty\)](#): This bill requires state agencies to include information relating to commercial recycling and organic waste recycling in their annual report to the Department of Resources Recycling and Recovery (CalRecycle).

[AB 2414 \(Garcia\)](#): This bill establishes an annexation process for the Desert Healthcare District.

[AB 2427 \(Chau\)](#): This bill streamlines the use of postmortem images in civil actions and ensures timely production of expert witness reports before depositions.

[AB 2430 \(Gaines\)](#): This bill requires the addition of the Type 1 Diabetes Research Fund check-off to the personal income tax return.

[AB 2455 \(Chiu\)](#): This bill requires the California State University and California Community Colleges to permit students who enroll online at the institution to electronically register to vote through the Internet Web site of the Secretary of State, beginning July 1, 2018.

[AB 2524 \(Irwin\)](#): This bill requires the Department of Justice make available to the public its mandatory criminal justice statistics reports through the OpenJustice Web Portal, to be

updated at least yearly, and makes conforming changes to existing provisions related to criminal statistics.

[AB 2536 \(Chau\)](#): This bill adds to the definition of bullying via an electronic act "cyber sexual bullying" and requires the California Department of Education to include information on cyber sexual bullying on the California Healthy Kids Resource Center Internet Web site and other appropriate CDE Internet Web sites where information about discrimination, harassment, intimidation and bullying is posted.

[AB 2568 \(Atkins\)](#): This bill authorizes the County of San Diego to, upon approval of the county board of supervisors and California Health and Human Services Agency, operate an integrated and comprehensive health and human services system, and further, specifies the purview and requirements of this system.

[AB 2584 \(Daly\)](#): This bill authorizes a "housing organization," as defined, to enforce specified provisions of the Housing Accountability Act.

[AB 2615 \(Wood\)](#): This bill makes a number of revisions to the 21<sup>st</sup> Century High School After School Safety and Enrichment for Teens program, the After School Education and Safety program, and the 21st Century Community Learning Centers program.

[AB 2651 \(Gomez\)](#): This bill makes clarifying amendments to the Greenway Development and Sustainment Act.

[AB 2737 \(Bonta\)](#): This bill requires a "nonprovider healthcare district" to spend at least 80% of its annual budget on community grants awarded to organizations that provide direct health services, and prohibits more than 20% of its annual budget to be spent on administrative expenses.

[AB 2738 \(Olsen\)](#): This bill prohibits a school or community college district from withdrawing proceeds from the sale of bonds for investment outside the county treasury.

[AB 2859 \(Low\)](#): This bill authorizes any of the boards within the Department of Consumer Affairs to establish, by regulation, a system for a retired category of licensure for persons not actively engaged in the practice of their profession

[SB 122 \(Jackson\)](#): This bill requires the Governor's Office of Planning and Research to implement a public database of all environmental documents and notices required by the California Environmental Quality Act and requires a lead agency, upon request of the project applicant and with consent of the lead agency, to prepare the record of proceeding concurrently with the administrative process.

[SB 441 \(Wolk\)](#): This bill exempts from disclosure under the California Public Records Act any identification number, alphanumeric character, or other unique identifying code used by a public agency to identify a vendor or contractor

[SB 543 \(Wolk\)](#): This bill creates a centralized, state-level Morale, Welfare, and Recreation Fund (MWR Fund) for the Veterans Home of California system of state veterans' homes. This bill consolidates within this MWR Fund all existing and future MWR moneys generated by individual homes, and establishes procedures for and places restrictions on the budgeting and expenditure of moneys in the MWR Fund.

[SB 777 \(Lara\)](#): This bill exempts from the California Finance Lenders Law, until January 1, 2022, an entity that makes no more than one commercial loan in a 12-month period.

[SB 824 \(Beall\)](#): This bill modifies the Low Carbon Transit Operations Program.

[SB 909 \(Beall\)](#): This bill adds the interest of a beneficiary of a special needs trust to the list of ownership interests necessary for the State Controller to accept a claim for the Senior Citizens and Disabled Citizens Property Tax Postponement Law program.

[SB 911 \(Hertzberg\)](#): This bill deletes the January 1, 2017 repeal of the California American Indian Education Center (Center) program thereby extending the operation of the program indefinitely and requires the California Department of Education (CDE) to continue to report on the evaluation of the program every five years, starting in January 2021.

[SB 953 \(Lara\)](#): This bill imposes restrictions on the Central Basin Municipal Water Districts contracting practices and requires a super-majority vote of the board to take specified actions relating to ethics, compensation, and benefits.

[SB 984 \(Hueso\)](#): This bill extends the sunset date on the Pilot Program for Increased Access to Responsible Small Dollar Loans (pilot program) by five years, to January 1, 2023, and requires the Department of Business Oversight (DBO) to issue annual reports, by July 1 of each year from 2017 through 2021, inclusive, summarizing utilization of the pilot program.

[SB 997 \(Lara\)](#): This bill allows the identity of the signer of an acknowledgement to be established by a notary public's reasonable reliance on an identification card issued by a federally recognized tribal government.

[SB 1051 \(Hancock\)](#): This bill authorizes the Alameda-Contra Costa Transit District, until January 1, 2022, to enforce parking violations in transit-only traffic lanes. Assembly Amendments delete the authority of AC Transit and the City and County of San Francisco to enforce parking violations in bus stops using video cameras.

[SB 1059 \(Monning\)](#): This bill authorizes an institution that obtains and provides evidence to the California State Approving Agency for Veteran's Education (CSAAVE) that it has been "accredited" by the Committee of Bar Examiners (CBE), to receive approval from CSAAVE for participation in Title 38 veteran's education benefits, provided the institution provides disclosures to applicants of the school who are eligible for federal Title 38 awards of the institution's tuition costs, refund policies, class sizes, number of faculty, attrition rates, bar passage data, and employment outcomes of graduates; and, is in compliance with all applicable CSAAVE rules and regulations and is in good standing with the CBE.

[SB 1089 \(Pavley\)](#): This bill adds public members to the Wildlife Conservation Board.

[SB 1120 \(Wolk\)](#): This bill authorizes the Director of the Department of General Services (DGS), with the consent of the California Department of Corrections and Rehabilitation (CDCR) and the Department of State Hospitals (DSH), respectively, to renew lease agreements with a nonprofit corporation or public governmental agency for the purpose of conducting special needs and alternative education programs on land located within the grounds of the Napa State Hospital and the Medical Facility at Vacaville.

[SB 1128 \(Glazer\)](#): This bill removes the sunset for the Metropolitan Transportation Commission and the Bay Area Air Quality Management District administered San Francisco Bay Area commuter benefits program that requires certain employers to provide commuter benefit options to their employees.

[SB 1193 \(Hill\)](#): This bill extends the operation of the Board of Pharmacy and Pharmacy Law until 2021 and makes various changes to the Pharmacy Law intended to improve BOP oversight of licensees involved in the acquisition, storage, distribution and dispensing of dangerous drugs and dangerous devices, including: oversight by the BOP for outsourcing facilities; registration with the BOP for use of an automated delivery device by a pharmacy; timeline requirements for the Board to approve clinic licenses; and technical changes. The bill also makes various changes that are intended to improve the effectiveness of the Veterinary Medical Board and extends the VMB's sunset dates. The bill extends the operation of the Board of Psychology and Psychology Licensing Law to 2021, authorizes the issuance of a retired license and makes technical amends.

[SB 1226 \(Beall\)](#): This bill requires regional centers to submit to the California Department of Developmental Services (DDS) copies of independent audit reports for vendors of regional center services. This bill requires DDS to compile data, by regional center, on vendor compliance with audit requirements and opinions resulting from audit reports and shall annually publish the data

[SB 1227 \(Lara\)](#): This bill requires the California Conservation Corps to collaborate with the Department of Veteran Affairs and the Employment Development Department to assist any corps member who is a veteran in obtaining permanent employment after participating in the corps.

[SB 1295 \(Nielsen\)](#): This bill allows documentary and other specified hearsay evidence to prove that an alleged mentally disordered offenders crime of commitment to prison qualified as a violent crime under the MDO law.

[SB 1374 \(Lara\)](#): This bill authorizes the formation of the Lower Los Angeles River Recreation and Park District.

[SB 1384 \(Liu\)](#): This bill makes changes to the certification standards and policy design options for long-term care insurance policies certified by the California Partnership for Long-term Care Program and establishes a task force to consider further reforms.

[SB 1456 \(Galgiani\)](#): This bill allows costs incurred by a community water system or not-for-profit non-community water system for planning and preliminary engineering studies, project design, and construction to be funded under the Safe Drinking Water State Revolving Fund

Governor Brown also announced that he has vetoed the following bills:

[AB 1174 \(Bonilla\)](#): This bill requires the Bureau of Automotive Repair (BAR) to adopt regulations regarding its policies and procedures for handling specified enforcement actions, requires the BAR to track and retain data on every method of resolution, and requires the BAR to submit a report that details the BAR's resolution efforts to the Legislature by January 1, 2018, and annually thereafter.

[AB 1588 \(Mathis\)](#): To the extent funds are available, authorizes the State Water Resources Control Board to implement low-interest loan and grant programs for counties and qualified nonprofit organizations, as defined, to fund water and wastewater facilities improvements.

[AB 1739 \(Waldron\)](#): This bill requires the Department of Health Care Services, in the evaluation of patients for allergy under fee-for-service Medi-Cal, to treat serologic-specific tests and skin tests as equivalent confirmatory tests.

[AB 1782 \(Maienschein\)](#): This bill authorizes companies that have not registered with the Department of Business Oversight (DBO) to sell franchises in California to exhibit at a franchise trade show if specified disclosures are made to the DBO and to trade show attendees, and an exemption fee is paid to the DBO.

[AB 1864 \(Cooley\)](#): This bill defines "sudden unexplained death in childhood" and requires a coroner to notify the parents or responsible adult of a child that comes within the definition of the importance of taking tissue samples.

[AB 1952 \(Gordon\)](#): This bill makes a number of changes to the Senior Citizens and Disabled Citizens Property Tax Postponement Program

[AB 2386 \(Williams\)](#): This bill modifies the membership of the California State University Board (CSU) of Trustees by requiring that one of the Governor's 16 appointments to the Board be a permanent non-faculty CSU employee.

[AB 2637 \(Wilk\)](#): Makes changes to the California Franchise Investment Law.

[AB 2730 \(Alejo\)](#): This bill directs proceeds from the sale of surplus property originally purchased for the Prunedale Bypass to various other highway projects in the State Highway 101 corridor in Monterey County.

[AB 2747 \(Hadley\)](#): Requires the Department of Public Health (DPH), within 90 calendar days after it receives an initial and complete chronic dialysis clinic application, to complete the application paperwork and conduct a licensure survey, if necessary, to inspect the clinic

and evaluate the clinic's compliance with state licensure requirements. This bill requires DPH to forward its recommendation, if necessary, and all other information, to the federal Centers for Medicare and Medicaid Services (CMS) within the same 90 calendar days. Specifies that for an applicant seeking to receive reimbursement under the Medicare or Medi-Cal programs, DPH shall conduct an unannounced certification survey, if necessary within 60 days after it receives approval from CMS to conduct the certification survey. Requires DPH no later than 30 calendar days after the certification survey, to forward the results of its licensure and certification surveys and all other information necessary for certification to the CMS.

[AB 2805 \(Olsen\)](#): Creates the California Agriculture Cargo Theft Prevention Working Group, to be coordinated by the Department of the California Highway Patrol, and to consist of volunteer members from private and public organizations, as specified. Requires the working group to address issues of agricultural cargo theft, problem solving, and cargo theft control techniques

[SB 547 \(Liu\)](#): This bill creates a Statewide Aging and Long-Term Care Services and Coordinating Council, chaired by the Secretary of the California Health and Human Services Agency and requires the Council to develop a state aging and long-term care services strategic plan to address how California will meet the needs of the aging population in 2020, 2025, and 2030.