

AMENDMENTS TO ASSEMBLY BILL NO. 2851

Amendment 1

In the title, in line 1, strike out "amend" and insert:

add

Amendment 2

In the title, in line 1, strike out "2332 of" and insert:

65080.02 to

Amendment 3

In the title, in line 1, strike out "Streets and Highways" and insert:

Government

Amendment 4

In the title, in line 2, strike out "transportation." and insert:

transportation, and making an appropriation therefor.

Amendment 5

On page 1, before line 1, insert:

SECTION 1. Section 65080.02 is added to the Government Code, to read:

65080.02. (a) Each city located within the jurisdiction of a metropolitan planning organization shall develop and implement a traffic signal optimization plan. The plan shall, through the coordination and optimization of traffic signal timing and sensing, achieve all of the following:

- (1) Reductions in greenhouse gas and particulate emissions.
- (2) Reductions in travel times, the number of stops, and fuel use.

(b) Each metropolitan planning organization shall consider and incorporate plans developed pursuant to subdivision (a) by cities located within its jurisdiction into its regional transportation plan adopted pursuant to Section 65080.

(c) (1) The Traffic Signal Optimization Fund is hereby created in the Transportation Tax Fund and shall be administered by the Department of Transportation. Moneys in the Traffic Signal Optimization Fund may be expended, upon appropriation by the Legislature, by the Department of Transportation to award grants pursuant to paragraph (2).

(2) The Department of Transportation shall award grants from moneys deposited in the Traffic Signal Optimization Fund on a competitive basis to cities that can deliver



the greatest per capita reduction in emissions of greenhouse gases through the implementation of their traffic signal optimization plans. In order to receive a grant pursuant to this section, an eligible city shall provide matching funds for the implementation of the plan.

(d) The sum of two million dollars (\$2,000,000) is hereby appropriated from the Greenhouse Gas Reduction Fund for the 2019–20 fiscal year to the Department of Transportation for deposit in the Traffic Signal Optimization Fund to reduce greenhouse gas emissions through the implementation of traffic signal optimization plans.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 6

On page 1, strike out lines 1 to 5, inclusive, and strike out page 2

## AMENDMENTS TO ASSEMBLY BILL NO. 2853

## Amendment 1

In the title, in line 1, strike out "amend Section 53083 of" and insert:

add Section 53083.1 to

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 53083.1 is added to the Government Code, to read:

53083.1. (a) On and after January 1, 2019, each local agency shall, before approving any economic development subsidy for a warehouse distribution center within its jurisdiction, and instead of complying with Section 53083, provide all of the following information in written form available to the public, and through its Internet Web site, if applicable:

- (1) The name and address of all warehouse distribution centers that are the beneficiary of the economic development subsidy.
  - (2) The start and end dates and schedule, if applicable, for the economic development subsidy.
  - (3) A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy.
  - (4) A statement of the public purposes for the economic development subsidy.
  - (5) The projected tax revenue to the local agency as a result of the economic development subsidy.
  - (6) The estimated number of jobs created by the economic development subsidy, including job classifications and wage rates, broken down by full-time, part-time, and temporary positions.
  - (7) The estimated number of independent contractors, including contract rates, funded by the economic development subsidy.
  - (8) The estimated value of benefit packages, including health benefits, fringe benefits, and defined benefit pensions, for each job classification created by the economic development subsidy.
  - (9) The estimated number of jobs for disadvantaged workers created by the economic development subsidy.
  - (10) Both of the following regarding each warehouse distribution center that is the beneficiary of the economic development subsidy:
    - (A) A description of the outreach, training, and hiring plans, including plans to hire disadvantaged workers.
    - (B) A description and total value of any state or federal subsidies applied for, or received by, the warehouse distribution center.
- (b) Before granting an economic development subsidy to a warehouse distribution center, each local agency shall provide public notice and a hearing regarding the economic development subsidy. A public hearing and notice under this subdivision is



not required if a hearing and notice regarding the economic development subsidy is otherwise required by law.

(c) The information required to be provided in subdivision (a) shall remain available to the public under existing state and federal law and shall be posted on the local agency's Internet Web site, if applicable, for the entire term of the economic development subsidy.

(d) The local agency, after the action granting an economic development subsidy for a warehouse distribution center, shall issue an annual report during the term of the economic development subsidy for each economic development subsidy. The local agency shall make the report available to the public and through its Internet Web site, if applicable. The report shall contain the information described in subdivision (a). The report shall also contain the following information, if applicable:

(1) The net tax revenue accruing to the local agency as a result of the economic development subsidy.

(2) The net number of jobs created by the economic development subsidy, including job classifications and wage rates, broken down by full-time, part-time, and temporary positions.

(3) The number of independent contractors, including contract rates, funded by the economic development subsidy.

(4) The total value of benefit packages, including health benefits, fringe benefits, and defined benefit pensions, for each job classification created by the economic development subsidy.

(5) The net number of jobs for disadvantaged workers created by the economic development subsidy.

(6) All of the following regarding each warehouse distribution center that is the beneficiary of the economic development subsidy:

(A) The amount spent on training, apprenticeship, or other skills development programs for employees.

(B) The retention rate of employees broken down by full-time, part-time, and temporary positions, and if the turnover rate of employees exceeds 20 percent.

(C) The number of employment arbitration agreements signed by employees and independent contractors, if any.

(e) The local agency, after the action granting an economic development subsidy for a warehouse distribution center, shall hold an annual public hearing during the term of the economic development subsidy to consider any written or oral comments on the information contained in the report prepared pursuant to subdivision (d).

(f) Each public hearing required by this section shall be consolidated with a local agency's regularly scheduled hearing.

(g) A warehouse distribution center shall provide a local agency any information necessary to comply with this section.

(h) As used in this section, the following terms have the following meanings:

(1) "Disadvantaged worker" means an employee of the warehouse distribution center who satisfies any of the following:

(A) Was unemployed for the six months immediately preceding employment with the warehouse distribution center. In the case of an employee that completed a program of study at a college, university, or other postsecondary educational institution, received a baccalaureate, postgraduate, or professional degree, and was unemployed



for the six months immediately preceding employment with the warehouse distribution center, that employee must have completed that program of study at least 12 months prior to the individual's commencement of employment with the warehouse distribution center.

(B) Is a veteran who separated from service in the Armed Forces of the United States within the 12 months preceding commencement of employment with the warehouse distribution center.

(C) Was a recipient of the credit allowed under Section 32 of the Internal Revenue Code, relating to earned income, as applicable for federal purposes, for the previous taxable year.

(D) Is an ex-offender previously convicted of a felony.

(E) Is a recipient of either CalWORKs, in accordance with Article 2 (commencing with Section 11250) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or general assistance, in accordance with Section 17000.5 of the Welfare and Institutions Code.

(2) "Economic development subsidy" means any expenditure of public funds or loss of revenue to a local agency in the amount of one hundred thousand dollars (\$100,000) or more, for the purpose of stimulating economic development within the jurisdiction of a local agency, including, but not limited to, bonds, grants, loans, loan guarantees, enterprise zone or empowerment zone incentives, fee waivers, land price subsidies, matching funds, tax abatements, tax exemptions, and tax credits. "Economic development subsidy" shall not include expenditures of public funds by, or loss of revenue to, the local agency for the purpose of providing housing affordable to persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.

(3) "Local agency" means a city, including a charter city, county, or city and county.

(4) "Warehouse distribution center" means an establishment as defined by the North American Industry Classification System (NAICS) Code 493110 for General Warehousing and Storage.

SEC. 2. The Legislature finds and declares that the right of the public to be informed of economic development subsidies for warehouse distribution centers approved by their local agencies, as described in Section 53083.1 of the Government Code, as added by Section 1 of this act, is a matter of statewide concern, and not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which adds Section 53083.1 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act ensures the public's right of access to information about the conduct of their government agencies relating to economic development subsidies for warehouse distribution centers.

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03/09/18 04:41 PM  
RN 18 08630 PAGE 4  
Substantive

Amendment 3

On page 1, strike out lines 1 and 2 and strike out pages 2 to 4, inclusive

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AMENDMENTS TO ASSEMBLY BILL NO. 2865

Amendment 1

On page 2, between lines 14 and 15, insert:

(c) Notwithstanding Sections 149, 149.7, and 30800, and Section 21655.5 of the Vehicle Code, the VTA may conduct, administer, and operate a value pricing program on State Highway Route 101 and the portion of State Highway Route 280 north of its junction with State Highway Route 101 in the City and County of San Francisco in coordination with the San Francisco County Transportation Authority and consistent with Section 21655.6 of the Vehicle Code.

Amendment 2

On page 2, in line 15, strike out “(c)” and insert:

(d)

Amendment 3

On page 2, in line 16, strike out “(a) and (b),” and insert:

(a), (b), and (c),

Amendment 4

On page 2, in line 25, strike out “(d)” and insert:

(e)

Amendment 5

On page 2, in line 36, strike out “(e)” and insert:

(f)

Amendment 6

On page 2, in line 38, strike out “Clara and the” and insert:

Clara, the



Amendment 7

On page 2, in line 39, strike out "Mateo" and insert:

Mateo, and the City and County of San Francisco

Amendment 8

On page 3, in line 3, strike out "(f)" and insert:

(g)(1)

Amendment 9

On page 3, in line 7, strike out "An" and insert:

(2) An

Amendment 10

On page 3, in line 8, after "agreement" insert:

described in paragraph (1)

Amendment 11

On page 3, between lines 11 and 12, insert:

(3) An agreement described in paragraph (1) to carry out the program authorized pursuant to subdivision (c) shall be subject to the review and approval by the San Francisco County Transportation Authority.

Amendment 12

On page 3, in line 12, strike out "(g)" and insert:

(h)

Amendment 13

On page 4, between lines 15 and 16, insert:

(C) For a value pricing program established pursuant to subdivision (c), all remaining revenue generated by the program after expenditures made pursuant to paragraph (2) shall be used in the corridor from which the revenues were generated exclusively for the preconstruction, construction, and other related costs of high-occupancy vehicle facilities, transportation corridor improvements, and the

improvement of transit service, including, but not limited to, support for transit operations pursuant to an expenditure plan adopted by the San Francisco County Transportation Authority. For purposes of this section, the portion of State Highway Route 101 and the portion of State Highway Route 280 north of its junction with State Highway Route 101 in the City and County of San Francisco shall be considered one corridor.

Amendment 14

On page 4, in line 16, strike out "(h)" and insert:

(i)

Amendment 15

On page 4, in line 19, strike out "(a) or (b)" and insert:

(a), (b), or (c)

Amendment 16

On page 4, in line 22, strike out "(g)," and insert:

(h),

Amendment 17

On page 5, in line 14, strike out "(i)" and insert:

(j)

Amendment 18

On page 5, in line 16, strike out "(c)," and insert:

(d),

AMENDMENTS TO ASSEMBLY BILL NO. 2877

Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to add Section 44274.4 to the Health and Safety Code, relating to vehicular air pollution.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 44274.4 is added to the Health and Safety Code, to read: 44274.4. (a) For purposes of this section, the following definitions apply:

(1) "Clean vehicle" means a hybrid, plug-in hybrid, electric, compressed natural gas, or other nonpolluting vehicle.

(2) "Eligible applicant" means a county with rural, desert, or mountain regions.

(3) "Nonemergency medical services" means services not required to, as appropriate, medically screen, examine, evaluate, or stabilize an emergency medical condition that manifests itself by acute symptoms of sufficient severity, including severe pain, so that the absence of immediate medical attention could reasonably be expected to result in any of the following:

(A) Placing the individual's health, or, with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy.

(B) Serious impairment to bodily functions.

(C) Serious dysfunction of any bodily organ or part.

(b) To reduce the emissions of greenhouse gases and criteria air pollutants, the state board shall develop and implement a program, as a part of the Air Quality Improvement Program, to provide grants to eligible applicants for the purchase of clean vehicles to provide seniors and disabled populations located in a rural, desert, or mountain region with nonemergency medical transportation services.

(c) The state board may expend moneys appropriated by the Legislature from the Air Quality Improvement Fund or the Greenhouse Gas Reduction Fund for the implementation of the program.

Amendment 3

On page 1, strike out lines 1 to 5, inclusive



## AMENDMENTS TO ASSEMBLY BILL NO. 2889

## Amendment 1

In the title, in line 1, strike out "amend Section 760 of" and insert:

add Section 4592.5 to

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 4592.5 is added to the Public Resources Code, to read:  
4592.5. (a) This section shall be known as the Timber Harvester's Bill of Rights.

(b) The department shall implement a Timber Harvester's Bill of Rights to ensure the uniform and efficient implementation of processes and procedures regulating the filing, review, approval, required modification, completion, and appeal of decisions relating to timber harvesting plans. The bill of rights shall comply with all of the following requirements:

(1) A person submitting a timber harvesting plan to the department shall have the right to assistance provided by the department and the board regarding the regulatory and permitting requirements applicable to timber harvest plans. The board shall make an ombudsperson available to work with and assist persons intending to file a plan at each location where the department accepts those plans for filing, review, and approval.

(2) A person submitting a timber harvesting plan shall have the right to access all clearly written guidance documents prepared by the department that explain the regulatory process. In this connection, the department shall publish a list of all information required in a plan, using the rules of the board and an explanation of the criteria used to determine whether the information contained in a plan is adequate.

(3) A person submitting a timber harvesting plan shall have the right to a timely determination under Section 4582.7 and any relevant administrative regulations. The department shall promptly notify a person submitting such a plan regarding whether it is accurate, complete, and in proper order.

(4) The department shall provide information to explain the meaning of the terms "accurate," "complete," and "in proper order" when used in connection with any determination regarding the completeness or sufficiency of a timber harvesting plan.

(5) A person submitting a timber harvesting plan shall have the right to know the basis for any determination that a plan is deficient and to understand what further information is needed to make a plan complete. After a plan is accepted as complete, the department and any other public agency that participates in the review of a plan shall not request any new or additional information that was not specified prior to the filing of an accepted plan.

(6) A person submitting a timber harvesting plan shall have the right to a timely decision on the approval of the plan, and the department shall comply with any time periods set forth for the review and approval of any plan as prescribed in statute or any relevant administrative regulations.





(7) If a timber harvesting plan is returned to a person without a determination that it is accurate, complete, and in proper order, the director shall provide the ombudsperson and the person submitting the plan with information about what is needed to make the plan complete, and the ombudsperson shall assist the person in completing the plan.

(8) The department shall provide a person submitting a timber harvesting plan with information on the designated lead agency that the person shall work with to comply with any plan requirements prescribed in this division or any relevant administrative regulations.

(9) A person submitting a timber harvesting plan shall have the right to know who will be reviewing the plan and to be provided with information on the estimated time for completion of the full plan review process.

(c) For purposes of this section, "plan" or "timber harvesting plan" includes all forms or documents required to be submitted to the department for review, including, but not limited to, timber harvesting plan documents, modified timber harvesting plans, nonindustrial timber harvesting plans, timber harvesting plan exemptions for the harvesting or removal of Christmas trees, dead, dying, or diseased trees, fuelwood, or split products, fire hazard trees within 150 feet of a residence, or substantially damaged timberland, any public agency exemptions, private and public utility exemptions, timberland conversion permits, and notices of emergency timber operations.

Amendment 3

On page 1, strike out lines 1 to 4, inclusive, and strike out page 2

AMENDMENTS TO ASSEMBLY BILL NO. 2896

Amendment 1

In the title, in line 1, strike out "relating to state parks." and insert:  
to add Section 51182.1 to the Government Code, relating to fire prevention.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 51182.1 is added to the Government Code, to read:  
51182.1. (a) If a person is unable to create the defensible space required pursuant to the requirements of Section 51182 because of adjacent state-owned land, the person, or a local agency on behalf of the person, no more than once per year, may file a request to have the state agency that manages the land create a fuel break on the land adjacent to the person's property.

(b) The request described in subdivision (a) shall be filed with the Department of Forestry and Fire Protection. The department shall make a determination as to the appropriate length of the fuel break, so that the fuel break protects the property of the person and surrounding properties. The department shall forward the request, and its determination as to the length of the fuel break, to the appropriate state agency that manages the adjacent land.

(c) The state agency shall begin the work within 90 days of receiving the request described in subdivision (b).

Amendment 3

On page 1, strike out lines 1 to 4, inclusive



AMENDMENTS TO ASSEMBLY BILL NO. 2909

Amendment 1

In the title, in line 1, after "act" insert:

to add Chapter 4 (commencing with Section 25200) to Part 1 of Division 12 of the Food and Agricultural Code, and to amend Section 113735 of the Health and Safety Code,

Amendment 2

In the title, in line 1, strike out "poultry." and insert:

poultry, and making an appropriation therefor.

Amendment 3

On page 2, before line 1, insert:

SECTION 1. Chapter 4 (commencing with Section 25200) is added to Part 1 of Division 12 of the Food and Agricultural Code, to read:

CHAPTER 4. SMALL-SCALE PRODUCERS

Article 1. Definitions

25200. Unless the context provides otherwise, the definitions of this article govern the construction of this chapter.

25201. "Fowl" includes chickens, turkeys, ducks, geese, and other domesticated birds.

25202. "Growing poultry" means feeding and caring for poultry.

25203. "Poultry" means domesticated fowl or domesticated rabbit that is intended for use for human food.

25204. "Poultry meat" means the carcass of poultry or any part of that carcass.

25205. "Producer" means any person that is engaged in the business of growing any poultry that is marketed as poultry meat for a period of three weeks or more for the purpose of increasing the size and weight of that poultry.

25206. "Registered small-scale producer" means a small-scale producer registered pursuant to Section 25221.

25207. "Small-scale producer" means a producer that slaughters or processes the products of 20,000 poultry or less in a calendar year.

Article 2. General Provisions



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25210. On or before January 1, 2020, the department shall post on its Internet Web site, and update as appropriate, information regarding relevant safety requirements of small-scale producers, including small-scale producers that are registered pursuant to Article 3 (commencing with Section 25220) and exempt from Chapter 2 (commencing with Section 24651) and Chapter 3 (commencing with Section 24951).

### Article 3. Registration

25220. (a) On or before January 1, 2020, the department shall create a registration system by which a small-scale producer described in subdivision (a) of Section 25221 may register with the department for purposes of being considered subject to the provisions of this chapter in lieu of the provisions of Chapter 2 (commencing with Section 24651) and Chapter 3 (commencing with Section 24951). The registration system shall include at least all of the following:

(1) A declaration by the producer that he or she is knowledgeable and intends to slaughter or process poultry meat in accordance with good practices for poultry meat food products, as may be further defined by the department. A declaration made pursuant to this paragraph shall not be used to infer that the producer is not required to comply with any other state or federal laws relative to food safety and good practices for poultry meat food products.

(2) Submission of an affidavit, under penalty of perjury, declaring the producer's eligibility for the federal exemption described in Section 381.10(a)(5) of Title 9 of the Code of Federal Regulations, as that section existed on January 1, 2019.

(b) The department shall inform the respective county agricultural commissioner and enforcement officer, as defined in Section 113774 of the Health and Safety Code, of the jurisdiction in which a registered small-scale producer is located.

(c) The registration system may include a registration fee, not to exceed the reasonable costs of implementing this chapter, for each small-scale producer who registers with the department pursuant to Section 25221.

25221. (a) A small-scale producer that is exempt from the federal Poultry Products Inspection Act (21 U.S.C. Sec. 451 et seq.) pursuant to Section 381.10(a)(5) of Title 9 of the Code of Federal Regulations, as that section existed on January 1, 2019, may register with the department.

(b) A small-scale producer that is registered under subdivision (a) is exempt from the provisions of Chapter 2 (commencing with Section 24651) and Chapter 3 (commencing with Section 24951).

### Article 4. Sale of Poultry Meat

25230. A registered small-scale producer may sell poultry meat within the state directly to household consumers, restaurants, hotels, and boardinghouses, for use in the boardinghouses' own dining rooms, or in the preparation of meals for sales direct to consumers.

25231. A registered small-scale producer shall comply with all labeling and identification requirements for poultry meat imposed by the federal Poultry Products Inspection Act (21 U.S.C. Sec. 451 et seq.).

#### Article 5. Enforcement

25240. (a) A county agricultural commissioner of each county shall have primary responsibility for enforcement of this chapter within his or her jurisdiction.

(b) An enforcement officer, as defined in Section 113774 of the Health and Safety Code, may enter into and inspect the premises of a small-scale producer registered pursuant to this chapter in response to a public food safety complaint. The enforcement officer may recover reasonable costs associated with that inspection from the registered small-scale producer operating the particular premises.

#### Article 6. Small-Scale Poultry Producer Account

25250. The Small-Scale Poultry Producer Account is hereby established within the Department of Food and Agriculture Fund. Registration fee moneys collected pursuant to Section 25220 shall be deposited into the Small-Scale Poultry Producer Account, to be continuously appropriated to the department for purposes of implementing, administering, and enforcing this chapter.

SEC. 2. Section 113735 of the Health and Safety Code is amended to read:

113735. (a) "Approved source" means a food source allowed under Article 3 (commencing with Section 114021) of Chapter 4, or a producer, manufacturer, distributor, or food facility that is acceptable to the enforcement agency based on a determination of conformity with applicable laws, or, in the absence of applicable laws, with current public health principles and practices, and generally recognized industry standards that protect public health.

(b) Any whole uncut fruit or vegetable or unrefrigerated shell egg grown or produced in compliance with all applicable federal, state, or local laws, regulations, and food safety guidelines issued by a regulatory agency shall be deemed to be from an approved source.

(c) Any poultry meat, as defined in Section 25204 of the Food and Agricultural Code, received from a small-scale producer registered pursuant to Section 25221 of the Food and Agricultural Code shall be deemed to be from an approved source.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

96629

03/02/18 06:07 PM  
RN 18 08557 PAGE 4  
Substantive

Amendment 4  
On page 2, strike out lines 1 and 2

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AMENDMENTS TO ASSEMBLY BILL NO. 2918

Amendment 1

In the title, in line 1, strike out "21376" and insert:

1656.3

Amendment 2

In the title, in line 1, strike out "traffic", strike out line 2 and insert:

vehicles.

Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 1656.3 of the Vehicle Code is amended to read:  
1656.3. (a) The department shall include within the California Driver's Handbook, as specified in subdivision (b) of Section 1656, language information regarding each of the following:

- (1) Rail transit safety.
- (2) Abandonment or dumping of any animal on a highway.
- (3) The importance of respecting the right-of-way of others, particularly pedestrians, bicycle riders, and motorcycle riders.

(4) Information regarding a person's civil rights during a traffic stop. The information shall address the extent and limitations of a peace officer's authority during a traffic stop, the legal rights of drivers and passengers, and details on the process for filing complaints against a peace officer. The information to be included in the handbook shall be developed by the department in consultation with the civil rights section of the Department of Justice and civil rights organizations, including community-based organizations.

(b) In order to minimize costs, the language information referred to in ~~paragraphs (2) and (3)~~ paragraph (4) of subdivision (a) shall be initially included at the earliest opportunity when the handbook is otherwise revised or reprinted.

Amendment 4

On page 1, strike out lines 1 to 6, inclusive, and strike out page 2





AMENDMENTS TO ASSEMBLY BILL NO. 2919

Amendment 1

In the title, in line 1, after "act" insert:

to add Section 155.8 to the Streets and Highways Code,

Amendment 2

On page 2, before line 1, insert:

SECTION 1. Section 155.8 is added to the Streets and Highways Code, to read:  
155.8. (a) For purposes of this section, "resource agency" means the Department of Fish and Wildlife, the State Water Resources Control Board, or the California Coastal Commission.

(b) Notwithstanding any other law, upon receipt of a completed request from the department for a permit for a project, a resource agency shall complete its review of the request no later than two years after receipt.

(c) If a resource agency does not complete the review of a request for a permit within two years as required in subdivision (b), then the permit is deemed approved for purposes of the project.

Amendment 3

On page 2, strike out lines 1 to 6, inclusive



## AMENDMENTS TO ASSEMBLY BILL NO. 2926

## Amendment 1

In the title, in line 1, strike out “amend Section 33190 of” and insert:  
add and repeal Section 33194 of

## Amendment 2

In the title, in line 2, strike out “school instruction.” and insert:  
schools.

## Amendment 3

On page 1, before line 1, insert:

SECTION 1. Section 33194 is added to the Education Code, to read:

33194. (a) For purposes of this section, “home school” means a private school operated by a parent, guardian, or other individual in a home environment that provides instruction at the level of kindergarten or any of grades 1 to 12, inclusive.

(b) The Superintendent shall establish a broadly representative and diverse advisory committee to advise the Superintendent and the state board on all appropriate matters relative to home schools. A member of the advisory committee shall serve without compensation for a term not to exceed two years. The department shall provide staff for the advisory committee.

(c) On or before July 1, 2020, the advisory committee established pursuant to subdivision (b) shall make recommendations to the Superintendent and the state board on the appropriateness and feasibility of imposing on a home school additional requirements, which shall include, but are not limited to, all of the following:

- (1) Health and safety inspections.
- (2) Additional, specific curriculum standards.
- (3) Certification or credentialing of teachers.

(d) On or before January 1, 2021, the Superintendent and the state board, in consultation with the advisory committee established pursuant to subdivision (b), shall make recommendations to the Legislature, in compliance with Section 9795 of the Government Code, and the Governor relating to imposing additional requirements on home schools, as described in subdivision (c).

(e) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.



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RN 18 08314 PAGE 2  
Substantive

Amendment 4

On page 1, strike out lines 1 to 7, inclusive, and strike out pages 2 and 3

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## AMENDMENTS TO ASSEMBLY BILL NO. 2928

## Amendment 1

In the title, in line 1, strike out "25158.1" and insert:

25250.19

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 25250.19 of the Health and Safety Code is amended to read:

25250.19. (a) (1) A used oil recycler shall test all recycled oil in accordance with paragraph (2), prior to transportation from the recycling facility, pursuant to applicable methods in the Environmental Protection Agency Document No. Solid Waste 846 or an equivalent alternative method approved or required by the department, and shall ensure and certify the oil as being in compliance with the standards specified in paragraph (3) of subdivision (a) of Section 25250.1.

(2) The used oil recycler shall test the recycled oil for compliance with the purity standards set forth in subparagraph (B) of paragraph (3) of subdivision (a) of Section 25250.1, and for any other hazardous characteristics or constituents for which testing is required in the permit issued by the department for the used oil recycling facility. The permit shall require testing for compliance with the purity standards set forth in subparagraph (B) of paragraph (3) of subdivision (a) of Section 25250.1. The permit may also require testing for other hazardous characteristics and constituents only if the department finds, based upon evidence in the record, ~~at~~ both of the following:

(A) There is a reasonable expectation that the recycled oil may exhibit the hazardous characteristic or contain the hazardous constituent at a level that would cause it to be hazardous waste if the recycled oil were a waste, taking into consideration at least all of the following factors:

(i) The conditions included in the facility's permit limiting the wastes that may be accepted at the facility and the conditions requiring testing of the wastes accepted at the facility.

(ii) The types of wastes that historically have been accepted by the facility or similar facilities and the types of wastes that the facility can reasonably be expected to accept in the future, including any new products or constituents.

(iii) Previous test results of recycled oil produced by the facility indicating the presence, or lack of the presence, of the constituent or characteristic at a level that would cause it to be hazardous waste if the recycled oil were a waste.

(iv) The treatment technologies and methods authorized in the facility's permit for production of the recycled oil and the extent to which those treatment technologies and methods remove or reduce the constituents or characteristics from the wastes accepted by the ~~facility; and~~ facility.

(B) The hazardous characteristic or constituent cannot reasonably be expected to be present in products produced from crude oil similar to the recycled oil products



produced by the facility at levels that would cause the product produced from crude oil to be a hazardous waste if it were a waste.

(3) Records of tests performed pursuant to this subdivision and a copy of each form completed pursuant to Section 25250.18 shall be maintained for three years and are subject to audit and verification by the department or the ~~board~~, Department of Resources Recycling and Recovery. The department shall perform an audit and verification on a periodic basis. The department may charge a reasonable fee for this activity.

(b) (1) A generator claiming that used oil is exempted from regulation pursuant to paragraph (1) of subdivision (b) of Section 25250.1 shall ensure that all used oil for which the exemption is claimed has been tested and certified as being in compliance with the standards specified in paragraph (1) of subdivision (b) of Section 25250.1, prior to transportation from the generator location. A generator lawfully recycling its own oil shall ensure that all recycled oil has been tested and certified as being in compliance with the requirements specified in paragraph (2) of subdivision (b) of Section 25250.1. Records of tests performed and a copy of each form completed pursuant to Section 25250.18 shall be maintained for three years and are subject to audit and verification by the department, the unified program agency, or the ~~board~~, Department of Resources Recycling and Recovery.

(2) ~~Testing to meet the requirements determine if the condition~~ in subparagraph (B) of paragraph (1) of subdivision (b) of Section 25250.1 ~~is not met shall not be~~ required for dielectric fluid, derived from highly refined petroleum mineral oil, from oil-filled electrical equipment if the generator of the dielectric fluid has certified based on prior test results that the dielectric fluid from similar equipment subject to similar operating conditions did not exhibit the characteristic of toxicity as set forth in Section 66261.24 of Title 22 of the California Code of Regulations. A certification statement shall accompany each shipment of used oil that the generator claims is exempted. Records of prior tests on which the certification is based shall be maintained with the certification by the generator and are subject to audit and verification by the department, the unified program agency, or the ~~board~~, Department of Resources Recycling and Recovery.

(3) (A) Used oil from a generator of highly controlled used oil is required to be tested only once per year for the purpose of determining whether the used oil meets the condition in subparagraph (B) of paragraph (1) of subdivision (b) of Section 25250.1. A generator may use the results of that test and any prior tests of the same kind to certify that the used oil meets the condition in subparagraph (B) of paragraph (1) of subdivision (b) of Section 25250.1 and does not exhibit any other characteristic of a hazardous waste pursuant to Chapter 11 (commencing with Section 66261.1) of Division 4.5 of Title 22 of the California Code of Regulations, or any successor regulations. A generator shall include a certification statement with each shipment of used oil that the generator claims is exempt from regulation pursuant to paragraph (1) of subdivision (b) of Section 25250.1. The generator shall maintain with the certification statement records of the tests on which the certification is based, which shall be subject to audit and verification by the department, the unified program agency, or the Department of Resources Recycling and Recovery.

(B) For purposes of this paragraph, “generator of highly controlled used oil” or “generator” means a generator of used oil for whom all of the following apply:

(i) The generator services, repairs, and maintains equipment owned and operated only by the generator.

(ii) The generator does not derive revenue from the activities described in clause (i).

(iii) The generator's used oil is generated from equipment of similar types that are used under similar operating conditions.

(iv) The generator does not use or store halogenated solvents, or any products containing halogenated solvents, in the same location at the site at which the used oil is generated or stored.

(v) The generator provides a certification statement at the time that the generator notifies the department pursuant to subdivision (c) of Section 25250.1 stating that the generator employs management practices that prevent halogenated solvents from coming into contact with, or commingling with, the used oil for which an exemption is claimed pursuant to paragraph (1) of subdivision (b) of Section 25250.1.

(c) Used oil recyclers identified in subdivision (a) and generators identified in subdivision (b) shall record in an operating log and retain for three years the information specified in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 25250.18 on each shipment of recycled or exempted oil.

(d) Operating logs required in subdivision (c) are subject to audit and verification by the department, the unified program agency, or the ~~board~~: Department of Resources Recycling and Recovery.

(e) (1) If oil produced at a used oil recycling facility in this state meets the standards of purity set forth in subparagraph (B) of paragraph (3) of subdivision (a) of Section 25250.1 and is not hazardous due to the presence of a characteristic or constituent for which the department has made a finding required by subparagraphs (A) and (B) of paragraph (2) of subdivision (a), but the oil is hazardous due to the presence of another constituent or characteristic, the facility operator shall not be subject to a penalty pursuant to this chapter for failing to manage the oil as a hazardous waste, unless both of the following apply:

(A) While the oil was onsite at the facility, the operator of the facility knew, or reasonably should have known, that the oil failed to meet those criteria.

(B) The facility operator failed to take action to manage the oil as a hazardous waste when the oil was determined to be hazardous.

(2) The department may exercise its authority, including, but not limited to, the issuance of an order, to a used oil recycling facility pursuant to Section 25187, to ensure that oil subject to this subdivision is managed as a hazardous waste pursuant to this chapter.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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RN 18 08328 PAGE 4  
Substantive

Amendment 3

On page 1, strike out lines 1 to 5, inclusive, and strike out page 2

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## AMENDMENTS TO ASSEMBLY BILL NO. 2932

## Amendment 1

In the title, strike out line 1 and insert:

An act to add and repeal Section 23648 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 23648 is added to the Revenue and Taxation Code, to read:

23648. (a) For each taxable year beginning on or after January 1, 2019, and before January 1, 2026, there shall be allowed as a credit against the "tax," as defined in Section 23036, to a qualified taxpayer, an amount equal to 17.5 percent of qualified wages paid or incurred during the taxable year to a qualified employee, not to exceed five million dollars (\$5,000,000) per qualified taxpayer per taxable year.

(b) For purposes of this section:

(1) "Annual full-time equivalent" means either of the following:

(A) In the case of a qualified employee paid hourly qualified wages, "annual full-time equivalent" means the total number of hours worked for the qualified taxpayer by the qualified employee, not to exceed 2,000 hours per employee, divided by 2,000.

(B) In the case of a salaried qualified employee, "annual full-time equivalent" means the total number of weeks worked for the qualified taxpayer by the qualified employee divided by 52.

(2) "Base year" means the 2019 taxable year in the case of a qualified taxpayer engaged in business in this state before January 1, 2019, or, in the case of a qualified taxpayer that first engages in business in this state on or after January 1, 2019, the first taxable year in which they engage in business in this state.

(3) "Qualified employee" means an employee who was not previously employed by the qualified taxpayer.

(4) (A) "Qualified taxpayer" means a taxpayer that meets both of the following requirements:

(i) The taxpayer employs over 20 employees during the taxpayer's base year.

(ii) The taxpayer increases the workforce of the trade or business engaged in by the taxpayer by 20 annual full-time equivalent qualified employees during the taxable year as compared to the number of employees employed by the taxpayer as of the last day of the taxpayer's base year.

(B) A qualified taxpayer shall not include a sexually oriented business, as described in clause (v) of subparagraph (C) of paragraph (11) of subdivision (b) of Section 17053.73.

(5) "Qualified wages" means wages subject to withholding under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code.



(c) (1) This credit shall only be allowed to a qualified taxpayer for five consecutive taxable years, beginning with the first taxable year that the qualified taxpayer increases the workforce of the trade or business engaged in by the qualified taxpayer by 20 annual full-time equivalent qualified employees as compared to the number of employees employed by the qualified taxpayer in the taxpayer's base year, as tallied at the end of the taxpayer's taxable year.

(2) The credit shall not be allowed in any taxable year occurring within the five consecutive taxable years in which the employee increase, as compared to the number of employees employed by the qualified taxpayer in the qualified taxpayer's base year, is not maintained.

(d) (1) For purposes of this section:

(A) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single qualified taxpayer.

(B) All employees of all corporations that are members of the same controlled group of corporations shall be treated as employed by a single qualified taxpayer.

(C) The credit, if any, allowable by this section to each member shall be determined by reference to its proportionate share of the expense of the qualified wages giving rise to the credit, and shall be allocated in that manner.

(D) If a qualified taxpayer acquires the major portion of a trade or business of another taxpayer, hereinafter in this paragraph referred to as the predecessor, or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after that acquisition, the employment relationship between an annual full-time equivalent qualified employee and a qualified taxpayer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(2) For purposes of this subdivision, "controlled group of corporations" means a controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, except that:

(A) "More than 50 percent" shall be substituted for "at least 80 percent" each place it appears in Section 1563(a)(1) of the Internal Revenue Code.

(B) The determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of Section 1563 of the Internal Revenue Code.

(e) The aggregate amount of credits that may be allocated pursuant to this section shall be an amount equal to the sum of the following:

(1) Fifty million dollars (\$50,000,000) in credits for each calendar year.

(2) The unused allocation credit amount, if any, for the preceding calendar year.

(f) For the purposes of this section, the Franchise Tax Board shall do both of the following:

(1) On or after January 1, 2019, and before January 1, 2026, allocate and certify tax credits to qualified taxpayers on a first-come-first-served basis by determining and designating applicants who meet the requirements of this section.

(2) Once the credits allocated exceed the limit established in subdivision (d), the Franchise Tax Board shall cease to allocate and certify tax credits to qualified taxpayers.

(g) In the case where the credit allowed by this section exceeds the "tax," the credit may be carried over to reduce the "tax" in the following taxable year, and the succeeding six years if necessary, until the credit is exhausted.

(h) A deduction or credit otherwise allowed under this part for any amount paid or incurred by the qualified taxpayer upon which the credit is based shall not be reduced by the amount of the credit allowed by this section.

(i) A credit allowed by this section shall be claimed on a timely filed original return.

(j) (1) The Franchise Tax Board may adopt regulations as necessary or appropriate to carry out the purposes of this section, including any regulations necessary to clarify whether a taxpayer meets the requirements for being properly treated as a qualified taxpayer under this section.

(2) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to any standard, criterion, procedure, determination, rule, notice, or guideline established or issued by the Franchise Tax Board pursuant to this section.

(k) This section shall become operative on the effective date of any budget measure specifically appropriating funds to the Franchise Tax Board for its costs of administering this section.

(l) This section shall remain in effect only until December 1, 2026, and as of that date is repealed.

SEC. 2. For the purposes of complying with Section 41 of the Revenue and Taxation Code, the Legislature finds and declares as follows:

(a) Specific goals, purposes, and objectives:

(1) Increase the number of businesses located in California.

(2) Increase state revenue.

(3) Increase the number of jobs available for Californians.

(4) Decrease statewide unemployment.

(b) Performance indicators:

(1) The number of businesses that locate to California and receive the credit.

(2) A decrease in the unemployment rate.

(3) The number of jobs created by businesses that receive the credit.

(c) Data collection requirements and baseline measurements:

(1) The baseline measures include:

(A) State level of unemployment at the time the credits become available.

(B) The average number of business that located to California in the five years

prior to the credit being available.

(2) Data to collect includes:

(A) The number of businesses that qualify for the credit.

(B) How many jobs qualified taxpayers create.

(C) The total amount of salaries paid that qualify for the credit.

(D) How long a qualified taxpayer remains in California.

(E) The total amount of qualified wages paid and the income generated to the state from those wages.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.

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RN 18 08632 PAGE 4  
Substantive

Amendment 3

On page 1, strike out lines 1 to 6, inclusive, and strike out page 2

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## AMENDMENTS TO ASSEMBLY BILL NO. 2957

## Amendment 1

In the title, in line 1, strike out "relating to water resources." and insert:

to add Article 5 (commencing with Section 78056) to Chapter 1 of Part 48 of Division 7 of Title 3 of the Education Code, and to add Section 23605 to the Revenue and Taxation Code, relating to water.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Water is the lifeblood of California. Without safe and reliable water, no community or sector of the economy, from agriculture to high tech to manufacturing, can thrive or expand.

(2) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential for the state to invest in new water conservation, conveyance, treatment, efficiency, and supply technologies to help manage the state's water resources as efficiently as possible.

(3) California has always faced cyclical water patterns with years of rain followed by years of drought, and due to this cyclical nature, it is important for California to increase water supply reliability.

(4) Improvements in technology, infrastructure, and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

(5) Section 106.3 of the Water Code declares that it is the policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

(6) Section 85021 of the Water Code declares that it is the policy of the state to reduce reliance on the Delta in meeting California's future water supply needs through improved regional self-reliance that includes investments in advanced water technologies.

(7) Thanks to technological advances by water professionals and the dedication of thousands of water industry professionals in the state, California drinking water and treated wastewater meet some of the most stringent water quality standards in the nation.

(8) California needs more trained water professionals to ensure smooth operation and maintenance of public water systems.

(9) It is in the interest of all Californians to establish training for water professionals and to incentivize new and emerging water technologies.

(b) (1) It is the intent of the Legislature in enacting Section 23605 of the Revenue and Taxation Code to provide local governments with opportunities to attract large



manufacturing and research facilities to invest in their communities and to encourage water technology industries to locate and invest in those facilities in California.

(2) The Water Technology and Innovation Tax Incentive Program is hereby established for the purpose of encouraging investments in water technology and to promote the advancement of water management, efficiency, storage, conveyance, and conservation technology.

(3) The Water Technology and Innovation Tax Incentive Program's purpose is also to provide tax incentives to eligible businesses that are located in a "water technology and innovation zone" and engage in specified activities related to water innovation.

SEC. 2. Article 5 (commencing with Section 78056) is added to Chapter 1 of Part 48 of Division 7 of Title 3 of the Education Code, to read:

Article 5. California Institute for Water Innovation and Technology

78056. (a) The Board of Governors of the California Community Colleges is requested to establish the California Institute for Water Innovation and Technology in order to achieve all of the following goals:

(1) Ensure California is a leader in water management and adapts to changing conditions by developing California's next generation of water professionals and technicians.

(2) Grow California's economy by creating new opportunities for jobs in water research, management, and technology.

(3) Utilize public-private partnerships to perform innovative research in water technology.

(4) Strengthen California's position as a global leader in water management by increasing the state's water research, development, and design.

(b) The board of governors is requested to locate the California Institute for Water Innovation and Technology at Butte College or at a satellite campus within the City of Oroville so that the institute is located in close proximity to Lake Oroville, which is a key part of the State Water Project and California's water system.

SEC. 3. Section 23605 is added to the Revenue and Taxation Code, to read:

23605. (a) (1) For each taxable year beginning on or after January 1, 2019, there shall be allowed a credit against the "tax," as defined by Section 23036, to a qualified taxpayer who employs a qualified employee in a water technology and innovation zone during the taxable year. The credit shall be equal to the sum of each of the following:

(A) Fifty percent of qualified wages in the first year of employment.

(B) Forty percent of qualified wages in the second year of employment.

(C) Thirty percent of qualified wages in the third year of employment.

(D) Twenty percent of qualified wages in the fourth year of employment.

(E) Ten percent of qualified wages in the fifth year of employment.

(2) The total amount of qualified wages that may be taken into account for purposes of claiming the credit allowed by this section shall not exceed two million dollars (\$2,000,000) per taxable year.

(b) For purposes of this section:



(1) "Qualified employee" means an individual employed by the qualified taxpayer during the taxable year in the water technology and innovation zone.

(2) "Qualified taxpayer" means a person or entity that is located in a water technology and innovation zone and engages in either of the following:

(A) Water resource management research or education.

(B) Water efficiency, recycling, conservation, treatment, or supply technology research or manufacturing.

(3) "Qualified wages" means that portion of wages paid or incurred by the qualified taxpayer during the taxable year to qualified employees that does not exceed 150 percent of the minimum wage.

(4) "Water innovation and technology zone" means the City of Oroville.

(c) In the case where the credit otherwise allowed under this section exceeds the "tax" for the taxable year, that portion of the credit that exceeds the "tax" may be carried over and added to the credit, if any, in the succeeding two taxable years, if necessary, until the credit is exhausted.

(d) (1) Any deduction otherwise allowed under this part for the wages paid or incurred by the qualified employer upon which the credit is based shall be reduced by the amount of the credit.

(2) Any credit otherwise allowed under this part for the wages paid or incurred by the qualified employer upon which this credit is based shall not be reduced by the amount of this credit.

(e) Section 41 does not apply to the credit allowed by this section.

SEC. 4. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because the City of Oroville, home of Lake Oroville, is the cornerstone and starting point of the State Water Project, provides drinking water to 25 million people, and is the location of the largest reservoir in the State Water Project system. Additionally, the City of Oroville is a leader in water management, providing clean water straight from the Sierra Nevada mountains at the cheapest rate in the country.

Amendment 3

On page 1, strike out lines 1 to 3, inclusive



## AMENDMENTS TO ASSEMBLY BILL NO. 2961

## Amendment 1

In the title, in line 1, strike out "amend Section 1797.225 of" and insert:

add Sections 1797.123 and 1797.228 to

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. The Legislature finds and declares the following:

(a) In 2015, the Legislature directed the Emergency Medical Services Authority (EMSA) to develop a methodology to measure and report ambulance patient offload time.

(b) Ambulance patient offload time is the interval between the arrival via ambulance of a patient at an emergency department and the time the patient is transferred to an emergency department gurney, bed, chair, or other acceptable location and the emergency department assumes responsibility for the care of the patient.

(c) Patients who are experiencing an emergency and are transported to the hospital must get rapid, efficient transfer and attention at an emergency care facility. Ensuring immediate transfer of patient care at emergency rooms will not only benefit the patient under direct care, but also ensure that emergency medical services (EMS) professionals can reenter the field to help others in need.

(d) Significant delays in ambulance patient offload time unacceptably prevent a patient from receiving appropriate and immediate care, and pose a public safety risk by having fewer qualified EMS personnel available to respond to other emergencies.

(e) Chapter 379 of the Statutes of 2015 required the EMSA to create a common definition of ambulance patient offload time and charged the EMSA with establishing a standard way of measuring the problem across the state, while allowing for the collection of data needed to measure ambulance patient offload time and address issues.

(f) While the EMSA has established the methodology, reporting by local EMS agencies has been intermittent. Some local EMS agencies reported ambulance patient offload time quarterly during 2017, some local EMS agencies reported incomplete data, and more than a dozen local EMS agencies have not reported any data.

(g) Chapter 377 of the Statutes of 2015 directs EMS providers to utilize an electronic patient care record system to track patient care records and to submit that data to local EMS agencies. An electronic system allows for better data collection, better data sharing between agencies, and better coordination between the EMS system and emergency departments.

(h) Electronic patient care records include data tracking for each emergency response call that includes transferring a patient to an emergency department. Currently, that data is not shared with EMSA.

(i) It is imperative that local EMS agencies report this data to EMSA to inform EMSA and EMS system stakeholders in considering or adopting reasonable policy solutions to reduce or eliminate ambulance patient offload time.



SEC. 2. Section 1797.123 is added to the Health and Safety Code, immediately following Section 1797.122, to read:

1797.123. (a) Upon receipt of data reported by a local EMS agency to the authority pursuant to Section 1797.228, the authority shall calculate average ambulance patient offload time by local EMS agency jurisdiction and by each facility in a local EMS agency jurisdiction.

(b) The authority shall report twice per year to the Commission on Emergency Medical Services the average ambulance patient offload time by local EMS agency jurisdiction and by each facility in a local EMS agency jurisdiction.

(c) On or before December 1, 2020, the authority shall submit a report to the Legislature on the average ambulance patient offload time and recommendations to reduce or eliminate ambulance patient offload time. The report shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 3. Section 1797.228 is added to the Health and Safety Code, immediately following Section 1797.227, to read:

1797.228. (a) On or before July 1, 2019, a local EMS agency shall transmit ambulance patient offload time data to the authority, consistent with the policies and procedures developed pursuant to Section 1797.225 or by utilizing electronic health record system data reported by emergency medical care providers pursuant to Section 1797.227.

(b) If a local EMS agency elects to submit data from the electronic patient care records under an electronic health record system, reported pursuant to Section 1797.227, the data must be sufficient for the authority to calculate average ambulance patient offload time, as defined in subdivision (b) of Section 1797.120, by local EMS agency jurisdiction and by each facility in a local EMS agency jurisdiction.

(c) Before submitting data to the authority, the local EMS agency shall ensure that personally identifying patient data is not included in the submission.

(d) A local EMS agency shall submit quarterly data to the authority no later than 15 days after the end of the quarter.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 3

On page 1, strike out lines 1 to 5, inclusive, and strike out page 2

## AMENDMENTS TO ASSEMBLY BILL NO. 2970

## Amendment 1

In the title, in line 1, strike out “43 of the Civil Code, relating to personal”, strike out line 2 and insert:

3556 of the Government Code, relating to public employment.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 3556 of the Government Code is amended to read:

3556. Each public employer described in subdivision (a) of Section 3555.5 shall provide the exclusive representative mandatory access to its new employee orientations. The exclusive representative shall receive not less than 10 days’ notice in advance of an orientation, except that a shorter notice may be provided in a specific instance where there is an urgent need critical to the employer’s operations that was not reasonably foreseeable. The structure, time, and manner of exclusive representative access shall be determined through mutual agreement between the employer and the exclusive representative, subject to the requirements of Section 3557. The date, time, and place of the orientation shall not be disclosed in advance of the orientation to anyone other than employees or the exclusive representative.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 3556 of the Government Code, imposes a limitation on the public’s right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the right of the public to access writings of public agencies while protecting the privacy of employees.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

## Amendment 3

On page 1, strike out lines 1 to 6, inclusive



## AMENDMENTS TO ASSEMBLY BILL NO. 2970

## Amendment 1

In the title, in line 1, strike out “43 of the Civil Code, relating to personal”, strike out line 2 and insert:

3556 of the Government Code, relating to public employment.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 3556 of the Government Code is amended to read:

3556. Each public employer described in subdivision (a) of Section 3555.5 shall provide the exclusive representative mandatory access to its new employee orientations. The exclusive representative shall receive not less than 10 days’ notice in advance of an orientation, except that a shorter notice may be provided in a specific instance where there is an urgent need critical to the employer’s operations that was not reasonably foreseeable. The structure, time, and manner of exclusive representative access shall be determined through mutual agreement between the employer and the exclusive representative, subject to the requirements of Section 3557. The date, time, and place of the orientation shall not be disclosed in advance of the orientation to anyone other than employees or the exclusive representative.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 3556 of the Government Code, imposes a limitation on the public’s right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act balances the right of the public to access writings of public agencies while protecting the privacy of employees.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district under this act would result from a legislative mandate that is within the scope of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution.

## Amendment 3

On page 1, strike out lines 1 to 6, inclusive



## AMENDMENTS TO ASSEMBLY BILL NO. 2974

## Amendment 1

In the title, in line 1, strike out "23689 of the Revenue and Taxation Code,"  
strike out line 2 and insert:

14206 of the Unemployment Insurance Code, relating to workforce development.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 14206 of the Unemployment Insurance Code is amended  
to read:

14206. Consistent with the requirements of the Workforce Innovation and  
Opportunity Act, the local board shall do all of the following:

(a) In partnership with the chief elected official for the local area involved,  
develop and submit a local plan to the Governor that meets the requirements of the  
Workforce Innovation and Opportunity Act. If the local area is part of a planning region  
that includes other local areas, the local board shall collaborate with the other local  
boards and chief elected officials from such other local areas in the preparation and  
submission of a regional plan as described in the Workforce and Innovation and  
Opportunity Act.

(b) In order to assist in the development and implementation of the local plan,  
the local board shall do all of the following:

(1) Carry out analyses of the economic conditions in the region, the needed  
knowledge and skills for the region, the workforce in the region, and workforce  
development activities, including education and training, in the region described in  
Section 3123(b)(1)(D) of Title 29 of the United States Code, and regularly update such  
information.

(2) Assist the Governor in developing the statewide workforce and labor market  
information system described in Section 15(e) of the Wagner-Peyser Act (29 U.S.C.  
Sec. 491-2(e)), specifically in the collection, analysis, and utilization of workforce and  
labor market information for the region.

(3) Conduct such other research, data collection, and analysis related to the  
workforce needs of the regional economy as the board, after receiving input from a  
wide array of stakeholders, determines to be necessary to carry out its functions.

(c) Convene local workforce development system stakeholders to assist in the  
development of the local plan under Section 3123 of Title 29 of the United States Code  
and in identifying nonfederal expertise and resources to leverage support for workforce  
development activities. The local board, including standing committees, may engage  
such stakeholders in carrying out the functions described in this subdivision.

(d) Lead efforts to engage with a diverse range of employers and with entities  
in the region involved to do all of the following:

(1) Promote business representation, particularly representatives with optimal  
policymaking or hiring authority from employers whose employment opportunities





reflect existing and emerging employment opportunities in the region, on the local board.

(2) Develop effective linkages, including the use of intermediaries, with employers in the region to support employer utilization of the local workforce development system and to support local workforce investment activities.

(3) Ensure that workforce investment activities meet the needs of employers and support economic growth in the region, by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

(4) Develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers, like the establishment of industry and sector partnerships, that provide the skilled workforce needed by employers in the region, and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.

(5) Provide support to the efforts of employers to align with public contracting needs in a manner that will support local workforce opportunities.

(e) With representatives of secondary and postsecondary education programs, lead efforts in the local area to develop and implement career pathways within the local area by aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment.

(f) Lead efforts in the local area to accomplish both of the following:

(1) Identify and promote proven and promising strategies and initiatives for meeting the needs of employers, and workers and jobseekers, including individuals with barriers to employment, in the local workforce development system, including providing physical and programmatic accessibility, in accordance with Section 3248 of Title 29 of the United States Code, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), to the one-stop delivery system.

(2) Identify and disseminate information on proven and promising practices carried out in other local areas for meeting these needs.

(g) Develop strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, and workers and jobseekers, by doing all of the following:

(1) Facilitating connections among the intake and case management information systems of the one-stop partner programs to support a comprehensive workforce development system in the local area.

(2) Facilitating access to services provided through the one-stop delivery system involved, including facilitating the access in remote areas.

(3) Identifying strategies for better meeting the needs of individuals with barriers to employment, including strategies that augment traditional service delivery, and increase access to services and programs of the one-stop delivery system, such as improving digital literacy skills.

(4) Leveraging resources and capacity within the local workforce development system, including resources and capacity for services for individuals with barriers to employment.

(h) In partnership with the chief elected official for the local area, shall conduct oversight for local youth workforce investment activities as required under the federal Workforce Innovation and Opportunity Act, ensure the appropriate use and management of the funds as required under the Workforce Innovation and Opportunity Act, and, for workforce development activities, ensure the appropriate use, management, and investment of funds to maximize performance outcomes as required under the federal Workforce Innovation and Opportunity Act.

(i) Negotiate and reach agreement on local performance accountability measures, as described in Section 3141(c) of Title 29 of the United States Code, with the chief elected official and the Governor.

(j) Select and provide access to system operators, service providers, trainers, and educators, in a manner consistent with the requirements of the Workforce Innovation and Opportunity Act and applicable state laws, including all of the following:

(1) Consistent with Section 3151(d) of Title 29 of the United States Code, and with the agreement of the chief elected official for the local area, designate or certify one-stop operators as described in Section 3151(d)(2)(A) of Title 29 of the United States Code and terminate for cause the eligibility of these operators.

(2) Consistent with Section 3153 of Title 29 of the United States Code, identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis, except as provided in Section 3153(b) of Title 29 of the United States Code, based on the recommendations of the youth standing committee, if such a committee is established for the local area and terminate for cause the eligibility of these providers.

(3) Consistent with Section 3152 of Title 29 of the United States Code and paragraph (4) of subdivision (d) of Section 14020, identify eligible providers of training services in the local area.

(4) If the one-stop operator does not provide career services described in Section 3174(c)(2) of Title 29 of the United States Code in a local area, identify eligible providers of those career services in the local area by awarding contracts.

(5) Consistent with Section 3152 of Title 29 of the United States Code and paragraphs (2) and (3) of Section 3174(c) of Title 29 of the United States Code, work with the state to ensure there are sufficient numbers and types of providers of career services and training services, including eligible providers with expertise in assisting individuals with disabilities and eligible providers with expertise in assisting adults in need of adult education and literacy activities, serving the local area and providing the services involved in a manner that maximizes consumer choice, as well as providing opportunities that lead to competitive integrated employment for individuals with disabilities.

(k) Consistent with the requirements of the Workforce Innovation and Opportunity Act, coordinate activities with education and training providers in the local area, including providers of workforce development activities, providers of adult education and literacy activities under Title II of the Workforce Innovation and Opportunity Act, providers of career and technical education, as defined in Section 2302 of Title 20 of the United States Code, and local agencies administering plans under Title I of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 720 et seq.), other than Section 112 or Part C of that Title (29 U.S.C. Sec. 732, 741).



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SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 3

On page 1, strike out lines 1 to 7, inclusive, and strike out pages 2 to 7, inclusive

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## AMENDMENTS TO ASSEMBLY BILL NO. 2986

## Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to amend Section 5445.2 of the Public Utilities Code, relating to transportation.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 5445.2 of the Public Utilities Code is amended to read:  
5445.2. (a) (1) A transportation network company shall conduct, or have a third party conduct, a local and national criminal background check for each participating driver that shall include both of the following:

(A) The use of a multistate and multijurisdiction criminal records locator or other similar commercial nationwide database with validation.

(B) A search of the United States Department of Justice National Sex Offender Public Web site.

(2) A transportation network company shall not contract with, employ, or retain a driver if he or she meets either of the following criteria:

(A) Is currently registered on the United States Department of Justice National Sex Offender Public Web site.

(B) Has been convicted of any of the following offenses:

(i) A violent felony, as defined in Section 667.5 of the Penal Code.

(ii) A violation of Section 11413, 11418, 11418.5, or 11419 of the Penal Code.

(iii) Any offense enumerated in subdivision (c) of Section 290 of the Penal Code.

(iv) Section 530.5 of the Penal Code.

(v) Any burglary of the first degree.

(vi) Subdivision (a) of Section 236.1 of the Penal Code.

(vii) Subdivision (a) of Section 266h or subdivision (a) of Section 266i of the Penal Code.

(viii) Subdivision (b) or (c) of Section 368 of the Penal Code.

(ix) Section 29800 or Section 29900 of the Penal Code.

(x) Section 186.10 of the Penal Code.

(3) A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of any of the following offenses within the previous seven ~~years.~~ years:

(A) ~~Misdemeanor assault~~ Assault or battery.

(B) A domestic violence offense.

~~(C) Driving under the influence of alcohol or drugs.~~

~~(D)~~

(C) A felony violation of Section 18540 of the Elections Code, or of Section 67, 68, 85, 86, 92, 93, 137, 138, 165, 518, 530, or 18500 of, subdivision (a) of Section 484 of, subdivision (a) of Section 487 of, or subdivision (b) of Section 25540 of, the Penal Code.



(D) Any burglary of the second degree.

(E) Subdivision (d) or (e) of Section 368 of the Penal Code.

(F) Section 23103, as specified in Section 23103.5, of the Vehicle Code.

(G) Section 459.5 of the Penal Code.

(H) Subdivision (a) of Section 484 of the Penal Code.

(4) A transportation network company shall not contract with, employ, or retain a driver if he or she has been convicted of driving under the influence of alcohol or drugs within the previous 10 years.

~~(4)~~

~~(5) Paragraphs (2) and (3) (2), (3), and (4) apply with respect to a conviction of any offense committed in another jurisdiction that includes all of the elements of any of the offenses described or defined in those paragraphs.~~

~~(5)~~

~~(6) This section shall not be interpreted to prevent a transportation network company from imposing additional standards.~~

~~(b) A transportation network company that violates, or fails to comply with, this section is subject to a penalty of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each offense.~~

~~(c) (1) Notwithstanding Section 1786.12 of the Civil Code, an investigative consumer reporting agency may furnish an investigative consumer report to a transportation network company about a person seeking to become a participating driver, regardless of whether the participating driver is to be an employee or an independent contractor of the transportation network company.~~

~~(2) Paragraph (7) of subdivision (a) of Section 1786.18 of the Civil Code does not apply to an investigative consumer report furnished to a transportation network company pursuant to paragraph (1).~~

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Amendment 3

On page 1, strike out lines 1 to 4, inclusive, and strike out page 2

AMENDMENTS TO ASSEMBLY BILL NO. 2987

Amendment 1

In the title, in line 1, strike out "amend Section 19626 of the Welfare and Institutions Code," strike out line 2 and insert:

add Section 10115.14 to the Public Contract Code, relating to public contracts.

Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 10115.14 is added to the Public Contract Code, to read:  
10115.14. Notwithstanding any other law, the Department of Rehabilitation shall open subsequent solicitations for bids on contracts relating to the Business Enterprises Program for the Blind (commencing with Section 19625) of Article 5 of Chapter 6 of Part 2 of Division 10 of the Welfare and Institutions Code to all prospective bidders if the department is unable to award a contract consistent with Section 10115.2 because two or more bids were not received during the initial solicitation.

Amendment 3

On page 1, strike out lines 1 to 4, inclusive, and strike out page 2



AMENDMENTS TO ASSEMBLY BILL NO. 2990

Amendment 1

In the title, in line 1, after "act" insert:

to add Section 68120.7 to the Education Code,

Amendment 2

On page 2, before line 1, insert:

SECTION 1. Section 68120.7 is added to the Education Code, to read:

68120.7. Each campus of the California Community Colleges and the California State University that has an Internet Web site shall, and each campus of the University of California that has an Internet Web site shall, in the event that an appropriate resolution is enacted pursuant to Section 68134, provide an online posting or notice of systemwide fee or tuition waivers available to students pursuant to Section 68120. The online posting or notice shall be done in accordance with all of the following:

(a) It shall be accessible through a prominent direct link to an application for a waiver of the systemwide fee or tuition.

(b) The direct link shall appear on the primary Web page of the financial aid section of the campus Web site.

(c) The direct link shall be accompanied by a description of the systemwide fee or tuition waiver to clearly indicate the type of student who would potentially be eligible to apply.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 3

On page 2, strike out lines 1 to 36, inclusive, and strike out page 3



## AMENDMENTS TO ASSEMBLY BILL NO. 3007

## Amendment 1

In the title, in line 1, after "act" insert:

to add Section 16501.85 to the Welfare and Institutions Code,

## Amendment 2

On page 2, before line 1, insert:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) The effects of parental arrest and incarceration on a child's development are profound.

(2) Studies have consistently found that children of incarcerated parents (CIP) are more likely to become justice-involved, commit crimes, face numerous financial and emotional stresses, and be burdened with more health issues than their peers who do not have an incarcerated parent.

(3) The Center for Disease Control-Kaiser Permanente Adverse Childhood Experiences Study is one of the largest investigations of childhood abuse and neglect and later-life health and well-being. This study found that the adverse childhood experiences that negatively influence long-term health outcomes and general well-being into adulthood include the incarceration of a household member.

(4) A California Research Bureau study (2000) found that the CIP population may suffer from multiple psychological problems, including trauma, anxiety, guilt, shame, and fear. Negative behavioral manifestations associated with these problems often emerge.

(5) Absent positive intervention, a child's exposure to associated trauma, the resulting emotional response, and related reactive behavior can lead to school failure, delinquency, and adult criminal activity and incarceration.

(6) It is estimated that in 2015, 17,600 children in the County of Riverside had an incarcerated parent.

SEC. 2. Section 16501.85 is added to the Welfare and Institutions Code, immediately following Section 16501.8, to read:

16501.85. (a) As used in this section, a child of an incarcerated parent (CIP) means a child who is under 18 years of age and who meets all of the following criteria:

(1) He or she currently resides in the County of Riverside.

(2) His or her parent is currently or was formerly incarcerated in either a county jail or the state prison.

(3) He or she is currently enrolled in or eligible for Medi-Cal.

(b) The County of Riverside is authorized to establish a Children of Incarcerated Parents Program to provide comprehensive social services to develop resiliency and reduce risk factors that make the CIP population more susceptible to becoming incarcerated as juveniles or adults.

(c) The program established pursuant to subdivision (b) shall include, at a minimum, all of the following elements:



- (1) Delivery of program services pursuant to a centralized hub that promotes a holistic health approach and refers participants to multiple health resources and services.
- (2) Delivery of evidence-based resources and services to program participants.
- (3) Voluntary participation in the program and the written consent of the nonincarcerated parent, legal guardian, or caretaker.

(4) At least three of the five components listed in subparagraphs (A) to (E), inclusive:

- (A) Physical health, including any of the following:
  - (i) Enrollment in Medi-Cal, if the child is not already covered by insurance.
  - (ii) Referrals, if appropriate, to medical treatment.
  - (iii) Vision and dental check-ups and treatments.
- (B) Emotional health, which may include mentorship programs.
- (C) Mental health, which may include counseling services.
- (D) Environmental health, including either of the following:
  - (i) Tutors.
  - (ii) Parenting classes for the caretaker of the child or the incarcerated parent.
- (E) Social health, including either of the following:
  - (i) After school programs.
  - (ii) Visitation with the incarcerated parent, if appropriate for the child and the incarcerated parent.

(d) In accordance with any applicable County of Riverside outcomes rate card development service grant agreement, the county shall track and report participants' performance outcomes, including increased visitation with the incarcerated parent, trauma alleviation, improved mental health, improved developmental health, improved parenting practices within the family, reduced utilization of child welfare services, and indicators of reduced intergenerational transfer of criminal behavior.

(e) (1) The County of Riverside shall, if it opts to establish the program described in this section, prepare and submit an interim report regarding the Children of Incarcerated Parents Program to the Joint Legislative Budget Committee on or before December 31, 2024. The report shall contain, at a minimum, information on the number and ages of participants served, including performance outcomes.

(2) The County of Riverside shall, if it opts to establish the program described in this section, prepare and submit a final report regarding the Children of Incarcerated Parents Program to the Joint Legislative Budget Committee on December 31, 2028.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need in the County of Riverside to implement the program that the county has developed to provide services to the children of incarcerated parents.

Amendment 3  
On page 2, strike out lines 1 to 3, inclusive



## AMENDMENTS TO ASSEMBLY BILL NO. 3010

## Amendment 1

In the title, in line 1, strike out "relating to financial institutions." and insert:  
to amend Sections 23001, 23016, and 23036 of, and to add Section 23036.5 to, the Financial Code, relating to deferred deposit transactions.

## Amendment 2

On page 1, before line 1, insert:

- SECTION 1. Section 23001 of the Financial Code is amended to read:  
23001. As used in this division, the following terms have the following meanings:
- (a) "Deferred deposit transaction" means a transaction whereby a person defers depositing a customer's personal check until a specific date, pursuant to a written agreement for a fee or other charge, as provided in Section 23035.
- (b) "Commissioner" means the Commissioner of Business Oversight.
- (c) "Database" means a common database established pursuant to Section 23036.5.
- (d) "Department" means the Department of Business Oversight.
- (e) "Licensee" means any person who offers, originates, or makes a deferred deposit transaction, who arranges a deferred deposit transaction for a deferred deposit originator, who acts as an agent for a deferred deposit originator, or who assists a deferred deposit originator in the origination of a deferred deposit transaction. However, "licensee" does not include a state or federally chartered bank, thrift, savings association, industrial loan company, or credit union. "Licensee" also does not include a retail seller engaged primarily in the business of selling consumer goods, including consumables, to retail buyers that cashes checks or issues money orders for a minimum fee not exceeding two dollars (\$2) as a service to its customers that is incidental to its main purpose or business. "Licensee" also does not include an employee regularly employed by a licensee at the licensee's place of business. An employee, when acting under the scope of the employee's employment, shall be exempt from any other law from which the employee's employer is exempt.
- (f) "Person" means an individual, a corporation, a partnership, a limited liability company, a joint venture, an association, a joint stock company, a trust, an unincorporated organization, a government entity, or a political subdivision of a government entity.
- (g) "Deferred deposit originator" means a person who offers, originates, or makes a deferred deposit transaction.

SEC. 2. Section 23016 of the Financial Code is amended to read:



23016. (a) Each licensee shall pay to the commissioner its pro rata share of all costs and expenses reasonably incurred in the administration of this division, as estimated by the commissioner, for the ensuing year and any deficit actually incurred or anticipated in the administration of the program in the year in which the assessment is made. The assessment will be based on the number of locations. The assessment shall include an amount that is sufficient to cover the reasonable regulatory costs of the commissioner to develop and administer the database.

(b) On or before the 20th day of May in each year, the commissioner shall notify each licensee by mail of the amount assessed and levied against it and that amount shall be paid within 30 days thereafter. If payment is not made within 30 days, the commissioner may assess and collect a penalty, in addition to the assessment, of 1 percent of the assessment for each month or part of a month that the payment is delayed or withheld.

(c) If a licensee fails to pay the assessment on or before the 30th day of June following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the certificate issued to the licensee. If, after an order is made, a request for hearing is filed in writing within 30 days, and a hearing is not held within 60 days thereafter, the order is deemed rescinded as of its effective date. During any period when its certificate is revoked or suspended, a licensee shall not conduct business pursuant to this division except as may be permitted by order of the commissioner. However, the revocation, suspension, or surrender of a certificate shall not affect the powers of the commissioner as provided in this division.

SEC. 3. Section 23036 of the Financial Code is amended to read:

23036. (a) A fee for a deferred deposit transaction shall not exceed 15 percent of the face amount of the check.

(b) A licensee may allow an extension of time, or a payment plan, for repayment of an existing deferred deposit transaction but may not charge any additional fee or charge of any kind in conjunction with the extension or payment plan. A licensee that complies with the provisions of this subdivision shall not be deemed to be in violation of subdivision (g) of Section 23037.

(c) A licensee shall not enter into an agreement for a deferred deposit transaction with a customer during the period of time that an earlier written agreement for a deferred deposit transaction for the same customer is ~~in-effect~~ effect with any licensee, as reflected by the database established pursuant to Section 23036.5.

(d) A licensee who enters into a deferred deposit transaction agreement, or any assignee of that licensee, shall not be entitled to recover damages for that transaction in any action brought pursuant to, or governed by, Section 1719 of the Civil Code.

(e) A fee not to exceed fifteen dollars (\$15) may be charged for the return of a dishonored check by a depository institution in a deferred deposit transaction. A single fee charged pursuant to this subdivision is the exclusive charge for a dishonored check. No fee may be added for late payment.

(f) No amount in excess of the amounts authorized by this section shall be directly or indirectly charged by a licensee pursuant to a deferred deposit transaction.

(g) A licensee shall be subject to the provisions of Title 1.6C (commencing with Section 1788) of Part 4 of Division 3 of the Civil Code.

SEC. 4. Section 23036.5 is added to the Financial Code, to read:

23036.5. (a) For purposes of this section:

(1) "Database provider" means a third-party vendor that has entered into an agreement with the commissioner to administer a database.

(2) "Outstanding deferred deposit transaction" means a deferred deposit transaction listed in the database that has not been paid in full.

(b) (1) The commissioner shall, by July 1, 2019, develop, operate, and maintain an Internet Web site and common database in which a licensee shall, by the time period described below, record each deferred deposit transaction for the purpose of preventing violations of this division. The database shall do all of the following:

(A) Allow licensees real-time access to information on deferred deposit transactions entered into the database through an Internet connection.

(B) Retain data in the database only as necessary to ensure compliance with this division.

(2) The commissioner may, consistent with existing contracting requirements, contract with a database provider to develop, operate, or maintain the database described in paragraph (1) on behalf of the department. If the commissioner does so, the commissioner shall include the following provisions in the contract:

(A) A provision requiring data be archived 365 calendar days after it was first entered, and allow the commissioner access to that archived data as necessary.

(B) A provision requiring the database provider to ensure that the data is confidential, except as otherwise authorized by this section.

(C) A provision requiring the database provider to comply with all requirements of this section relating to the database.

(c) On or after July 1, 2019, a licensee, before entering into any deferred deposit transaction, shall conduct a search on the database to ensure that the customer does not have any outstanding deferred deposit transactions. If that customer does have an outstanding deferred deposit transaction, the licensee shall not enter into a deferred deposit transaction with that customer.

(d) If the search conducted by the licensee under subdivision (c) reveals that the customer does not have any outstanding deferred deposit transaction, and that transaction otherwise meets all other requirements of this division, the licensee may enter into an agreement for that transaction with the customer. After entering into that agreement, the licensee shall submit all information regarding the customer and the transaction that the commissioner determines is necessary to record that transaction. That information shall include, at a minimum, the following:

(1) Identifying information regarding the applicant, including the applicant's date of birth and one of the following:

(A) The applicant's social security number.

(B) The applicant's alien registration number.

(C) The applicant's individual tax identification number.

(2) Identifying information regarding the terms of the deferred deposit transaction, including the amount of the check, the amount of money received by the customer, the date of the transaction, the date the customer's check will be withdrawn from the customer's account, and fees associated with the deferred deposit transaction.

(e) On or after, July 1, 2019, a licensee shall immediately record in the database any event related to a deferred deposit transaction that was recorded in the database, including, but not limited to, the following:

(1) Imposition of a returned check fee.

- (2) A payment default.
- (3) A due date extension.
- (4) Entering into a repayment plan.
- (5) The charge off of a debt.
- (6) Entering into a settlement.
- (7) The referral or sale of a deferred deposit transaction to a third party for collection.
- (8) Any action brought in court, including, but not limited to, small claims court, and the terms of any judgment obtained, including costs and attorneys' fees.
- (f) If a deferred deposit transaction that was recorded in the database is paid in full, then the licensee shall immediately record in the database that the funds were received from the customer, the method by which the transaction was repaid, and every unsuccessful attempt by the licensee to recover funds from a customer's account, if applicable.
- (g) A licensee shall immediately correct any incorrect data that was previously entered into the database, including any information that the licensee becomes aware needs to be updated.
- (h) If a licensee is unable to access the database due to technical difficulties, the licensee shall not be in violation of any obligation to immediately record data pursuant to this section so long as the licensee records that data on the next business day following the day that the database becomes accessible, or complies with any alternate process to record that data established by the commissioner.
- (i) A licensee shall maintain generally accepted security safeguards to maintain the confidentiality and security of information transmitted to the database, as determined by the commissioner.
- (j) (1) The information contained in the database is confidential and not subject to public inspection, and the database and its contents are not subject to requests under the California Public Records Act, Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code. A licensee may not disclose the information except as otherwise provided by law, including paragraph (2).
- (2) Notwithstanding paragraph (1), the commissioner may publicly release aggregate data maintained in the database if the commissioner finds that the release is in the public interest. However, that release shall, in no instance, include personal information of any customer.

SEC. 5. The Legislature finds and declares that Section 4 of this act, which adds Section 23036.5 to the Financial Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following finding to demonstrate the interest protected by this limitation and the need for protecting the interest:

Records of deferred deposit transaction customers include personal financial information, which must be protected to avoid identity theft and other misuse. Therefore, the health and safety of the people of California are enhanced by limiting access of deferred deposit transaction data to ensure that customer information remains confidential.

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Substantive

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Amendment 3  
On page 1, strike out lines 1 to 3, inclusive

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## AMENDMENTS TO ASSEMBLY BILL NO. 3015

## Amendment 1

In the title, in line 1, after "act" insert:

to add Section 13978.9 to the Government Code, and to add Section 38592.7 to the Health and Safety Code,

## Amendment 2

On page 6, strike out lines 35 to 40, inclusive, strike out pages 7 and 8 and insert:

SEC. 2. Section 13978.9 is added to the Government Code, to read:

13978.9. (a) In addition to the requirements of subdivision (c) of Section 13978.8, the state freight plan submitted on or before December 31, 2024, with respect to the development of transportation infrastructure to support the introduction of intermodal zero-emissions cargo handling equipment at California seaports and rail yards, shall include all of the following:

- (1) An identification of significant intermodal infrastructure and equipment trends, needs, and issues.
- (2) A description of freight policies, strategies, and performance measures that will guide freight-related transportation infrastructure investment decisions.
- (3) A description of how the state freight plan will improve the ability of California to develop the freight-related transportation infrastructure investment decisions necessary to meet the greenhouse gas emission goals established under Executive Order B-30-15 and zero-emission transition, efficiency, and economic competitiveness goals established under Executive Order B-32-15.
- (4) A description of how the state freight plan is consistent with the State Air Resources Board scoping plan update adopted pursuant to Section 38592.5 of the Health and Safety Code, the California Sustainable Freight Action Plan, and the state board's mobile source strategy.

(b) In developing the information described in subdivision (a), the Transportation Agency shall do all of the following:

- (1) In addition to consultation with the freight advisory committee established pursuant to Section 13978.8, convene a working group consisting of representatives of seaports, marine terminal operators, ocean carriers, waterfront labor, cargo owners, the State Air Resources Board, the State Energy Resources Conservation and Development Commission, the Public Utilities Commission, and air quality management and air pollution control districts, to advise the agency on the development of the information specified in subdivision (a).
- (2) Consider the technical report developed by the State Air Resources Board pursuant to Section 38592.7 of the Health and Safety Code with respect to zero-emission cargo handling equipment.
- (3) Consider the report developed pursuant Section 38591.3 of the Health and Safety Code.

SEC. 3. Section 38592.7 is added to the Health and Safety Code, to read:



38592.7. (a) No later than June 30, 2023, the state board shall develop a technical report with respect to the transition to zero-emission cargo handling equipment that includes all of the following:

(1) Evaluation of the cargo handling equipment commercially available to achieve zero-emission and near-zero-emission operations.

(2) The cost, cost effectiveness, and cost-benefit analysis of cargo handling equipment commercially available to achieve zero-emission and near-zero-emission operations.

(3) The infrastructure required to support the operation of cargo handling equipment commercially available to achieve zero-emission and near-zero-emission operations.

(4) The cost, cost effectiveness, and cost-benefit analysis of infrastructure to support the operation of cargo handling equipment commercially available to achieve zero-emission and near-zero-emission operations.

(5) Evaluation of cargo-handling equipment to achieve zero-emission and near-zero-emission operations that is under research and development but is commercially unavailable.

(6) Evaluation of the cargo-handling equipment emissions reductions achieved under Section 2479 of Title 13 of the California Code of Regulations, and the cost, cost effectiveness, and cost-benefit analysis of the performance of applicable rules related to cargo-handling equipment.

(7) Evaluation of the relative benefits of introduction of zero-emission cargo-handling equipment at seaports and rail yards as compared to the requirements of Section 2479 of Title 13 of the California Code of Regulations with respect to the emissions of greenhouse gases, criteria air pollutants, diesel particulate matter, and other toxic air contaminants, and community health benefits for a disadvantaged community.

(b) The state board shall consider and incorporate the findings of the technical report created pursuant to subdivision (a) in all updates of the scoping plan occurring on and after July 1, 2023, with respect to achieving the 2050 statewide greenhouse emissions targets established by the Executive Order B-30-15.



## AMENDMENTS TO ASSEMBLY BILL NO. 3023

## Amendment 1

In the title, strike out lines 1 and 2 and insert:

An act to amend Sections 21091, 21092.2, and 21177 of, and to add Section 21091.2 to, the Public Resources Code, relating to environmental quality.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 21091 of the Public Resources Code is amended to read: 21091. (a) The public review period for a draft environmental impact report shall not be less than 30 days. If the draft environmental impact report is submitted to the State Clearinghouse for review, the review period shall be at least 45 days, and the lead agency shall provide a sufficient number of copies of the document, in either a hard-copy or electronic form as required by the Office of Planning and Research, to the State Clearinghouse for review and comment by state agencies.

(b) The public review period for a proposed negative declaration or proposed mitigated negative declaration shall not be less than 20 days. If the proposed negative declaration or proposed mitigated negative declaration is submitted to the State Clearinghouse for review, the review period shall be at least 30 days, and the lead agency shall provide a sufficient number of copies of the document, in either a hard-copy or electronic form as required by the Office of Planning and Research, to the State Clearinghouse for review and comment by state agencies.

(c) (1) Notwithstanding subdivisions (a) and (b), if a draft environmental impact report, proposed negative declaration, or proposed mitigated negative declaration is submitted to the State Clearinghouse for review and the period of review by the State Clearinghouse is longer than the public review period established pursuant to subdivision (a) or (b), whichever is applicable, the public review period shall be at least as long as the period of review and comment by state agencies as established by the State Clearinghouse.

(2) The public review period and the state agency review period may, but are not required to, begin and end at the same time. Day one of the state agency review period shall be the date that the State Clearinghouse distributes the CEQA document to state agencies.

(3) If the submittal of a CEQA document is determined by the State Clearinghouse to be complete, the State Clearinghouse shall distribute the document within three working days from the date of receipt. The State Clearinghouse shall specify the information that will be required in order to determine the completeness of the submittal of a CEQA document.

(4) (A) Except as provided in subparagraph (B), the lead agency shall post any environmental review documents, such as a draft environmental impact report, proposed negative declaration, proposed mitigated negative declaration, or addendum to an environmental review document, along with any appendices and documents incorporated



by reference, on its Internet Web site, if any, from the commencement of the public comment period to the date on which the project is approved or disapproved.

(B) Subparagraph (A) does not apply if the lead agency submits the environmental review document to the State Clearinghouse for inclusion in the database established and maintained pursuant to Section 21159.9.

(C) This paragraph shall not be construed in any manner that results in the invalidation of an action if there has been substantial compliance with the requirements of this section.

(d) (1) The lead agency shall consider comments it receives on a draft environmental impact report, proposed negative declaration, or proposed mitigated negative declaration if those comments are received within the public review period.

(2) (A) With respect to the consideration of comments received on a draft environmental impact report, the lead agency shall evaluate comments on environmental issues that are received from persons who have reviewed the draft and shall prepare a written response pursuant to subparagraph (B). The lead agency may also respond to comments that are received after the close of the public review period.

(B) The written response shall describe the disposition of each significant environmental issue that is raised by commenters. The responses shall be prepared consistent with Section 15088 of Title 14 of the California Code of Regulations.

(3) (A) With respect to the consideration of comments received on a draft environmental impact report, proposed negative declaration, proposed mitigated negative declaration, or notice pursuant to Section 21080.4, the lead agency shall accept comments via electronic mail and shall treat electronic-mail comments as equivalent to written comments.

(B) Any law or regulation relating to written comments received on a draft environmental impact report, proposed negative declaration, proposed mitigated negative declaration, or notice received pursuant to Section 21080.4 shall also apply to electronic-mail comments received for those reasons.

(e) (1) Criteria for shorter review periods by the State Clearinghouse for documents that must be submitted to the State Clearinghouse shall be set forth in the written guidelines issued by the Office of Planning and Research and made available to the public.

(2) Those shortened review periods may not be less than 30 days for a draft environmental impact report and 20 days for a negative declaration.

(3) A request for a shortened review period shall only be made in writing by the decisionmaking body of the lead agency to the Office of Planning and Research. The decisionmaking body may designate by resolution or ordinance a person authorized to request a shortened review period. A designated person shall notify the decisionmaking body of this request.

(4) A request approved by the State Clearinghouse shall be consistent with the criteria set forth in the written guidelines of the Office of Planning and Research.

(5) A shortened review period may not be approved by the Office of Planning and Research for a proposed project of statewide, regional, or areawide environmental significance as determined pursuant to Section 21083.

(6) An approval of a shortened review period shall be given prior to, and reflected in, the public notice required pursuant to Section 21092.

(f) Prior to carrying out or approving a project for which a negative declaration has been adopted, the lead agency shall consider the negative declaration together with comments that were received and considered pursuant to paragraph (1) of subdivision (d).

SEC. 2. Section 21091.2 is added to the Public Resources Code, to read:

21091.2. (a) (1) The lead agency or responsible agency shall prepare an addendum to a previously certified environmental impact report if some changes or additions are necessary but none of the conditions described in Section 15162 of Title 14 of the California Code of Regulations, or a successor regulation, calling for the preparation of a subsequent environmental impact report have occurred.

(2) The lead agency or responsible agency may prepare an addendum to an adopted negative declaration if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 of Title 14 of the California Code of Regulations, as amended from time to time, calling for the preparation of a subsequent environmental impact report or negative declaration have occurred.

(b) If an addendum is prepared pursuant to subdivision (a), the public agency shall provide public notice of the availability of the addendum and a public review period of not less than 20 days. The public agency is not required to respond to any comments received regarding the addendum.

(c) The decision-making body of the public agency shall consider the addendum with the final environmental impact report or adopted negative declaration prior to making a decision on the project.

(d) A brief explanation of the decision not to prepare a subsequent environmental impact report pursuant to Section 15162 of Title 14 of the California Code of Regulations shall be included in an addendum to an environmental impact report, the lead agency's required findings on the project, or elsewhere in the record of proceedings. The explanation shall be supported by substantial evidence.

SEC. 3. Section 21092.2 of the Public Resources Code is amended to read:

21092.2. (a) The notices required pursuant to Sections 21080.4, 21083.9, 21092, 21108, 21152, and 21161 shall be mailed to every person who has filed a written request for notices with either the clerk of the governing body or, if there is no governing body, the director of the agency. If the agency offers to provide the notices by email, upon filing a written request for notices, a person may request that the notices be provided to him or her by email. The request may also be filed with any other person designated by the governing body or director to receive these requests. The agency may require requests for notices to be annually renewed. The public agency may charge a fee, except to other public agencies, that is reasonably related to the costs of providing this service.

(b) Subdivision (a) shall not be construed in any manner that results in the invalidation of an action because of the failure of a person to receive a requested notice, if there has been substantial compliance with the requirements of this section.

(c) The notices required pursuant to Sections 21080.4 and 21161 shall be provided by the State Clearinghouse to any legislator in whose district the project has an environmental impact, if the legislator requests the notice and the State Clearinghouse has received it.

(d) (1) Except as provided in paragraph (2), the lead agency shall post the notices described in subdivision (a) on its Internet Web site, if any.

(2) Paragraph (1) does not apply if the lead agency submits the notices described in subdivision (a) to the State Clearinghouse for inclusion in the database established and maintained pursuant to Section 21159.9.

SEC. 4. Section 21177 of the Public Resources Code is amended to read:

21177. (a) (1) An action or proceeding shall not be brought pursuant to Section 21167 unless the either of the following applies:

(A) The alleged grounds for noncompliance with this division were presented to the public agency orally or in writing by any person during the public comment period provided by this ~~division~~ or division.

(B) If the alleged grounds for noncompliance were not known or could not have been known with the exercise of reasonable diligence during the public comment period, or if no public comment period was provided pursuant to this division, the alleged grounds of noncompliance were presented to the public agency orally or in writing by any person prior to the close of the public hearing on the project before the issuance of the notice of determination.

(2) (A) Paragraph (1) applies to projects approved after January 1, 2019.

(B) For projects approved on or before January 1, 2019, subdivision (a) of this section, as it read before January 1, 2019, applies.

(b) A person shall not maintain an action or proceeding unless ~~that~~ either of the following applies:

(1) The person objected to the approval of the project orally or in writing during the public comment period provided by this ~~division~~ or division.

(2) If no public comment period was provided by this division, the person objected to the approval of the project orally or in writing prior to the close of the public hearing on the project before the filing of notice of determination pursuant to Sections 21108 and 21152.

(c) This section does not preclude any organization formed after the approval of a project from maintaining an action pursuant to Section 21167 if a member of that organization has complied with ~~subdivision~~ subdivisions (a) and (b). The alleged grounds for noncompliance may be presented directly by a member of the organization or by a member agreeing with, or supporting, the alleged grounds for noncompliance presented in the comments of another person.

(d) This section does not apply to the Attorney General.

(e) This section does not apply to any alleged grounds for noncompliance with this division for which there was no public hearing or other opportunity for members of the public to raise those objections orally or in writing prior to the approval of the project, or if the public agency failed to give the notice required by law.

~~(f) This section shall become operative on January 1, 2016.~~

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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Substantive

Amendment 3  
On page 1, strike out lines 1 to 4, inclusive

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## AMENDMENTS TO ASSEMBLY BILL NO. 3029

## Amendment 1

In the title, in line 1, strike out "Section 17010 of the Revenue and Taxation Code," strike out line 2 and insert:

Sections 17053.73 and 23626 of, and to add and repeal Sections 17053.76 and 23626.5 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

## Amendment 2

On page 1, before line 1, insert:

SECTION 1. Section 17053.73 of the Revenue and Taxation Code is amended to read:

17053.73. (a) (1) For each taxable year beginning on or after January 1, 2014, and before January 1, 2021, there shall be allowed to a qualified taxpayer that hires a qualified full-time employee and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area, and that receives a tentative credit reservation for that qualified full-time employee, a credit against the "net tax," as defined in Section 17039, in an amount calculated under this section.

(2) The amount of the credit allowable under this section for a taxable year shall be equal to the product of the tentative credit amount for the taxable year and the applicable percentage for that taxable year.

(3) (A) If a qualified taxpayer relocates to a designated census tract or economic development area, the qualified taxpayer shall be allowed a credit with respect to qualified wages for each qualified full-time employee employed within the new location only if the qualified taxpayer provides each employee at the previous location or locations a written offer of employment at the new location in the designated census tract or economic development area with comparable compensation.

(B) For purposes of this paragraph, "relocates to a designated census tract or economic development area" means an increase in the number of qualified full-time employees, employed by a qualified taxpayer, within a designated census tract or tracts or economic development areas within a 12-month period in which there is a decrease in the number of full-time employees, employed by the qualified taxpayer in this state, but outside of designated census tracts or economic development areas.

(C) This paragraph does not apply to a small business.

(4) The credit allowed by this section may be claimed only on a timely filed original return of the qualified taxpayer and only with respect to a qualified full-time employee for whom the qualified taxpayer has received a tentative credit reservation.

(b) For purposes of this section:

(1) The "tentative credit amount" for a taxable year shall be equal to the product of the applicable credit percentage for each qualified full-time employee and the



qualified wages paid by the qualified taxpayer during the taxable year to that qualified full-time employee.

(2) The “applicable percentage” for a taxable year shall be equal to a fraction, the numerator of which is the net increase in the total number of full-time employees employed in this state during the taxable year, determined on an annual full-time equivalent basis, as compared with the total number of full-time employees employed in this state during the base year, determined on the same basis, and the denominator of which shall be the total number of qualified full-time employees employed in this state during the taxable year. The applicable percentage shall not exceed 100 percent.

(3) The “applicable credit percentage” means the credit percentage for the calendar year during which a qualified full-time employee was first employed by the qualified taxpayer. The applicable credit percentage for all calendar years shall be 35 percent.

(4) “Base year” means the 2013 taxable year, except in the case of a qualified taxpayer who first hires a qualified full-time employee in a taxable year beginning on or after January 1, 2015, the base year means the taxable year immediately preceding the taxable year in which a qualified full-time employee was first hired by the qualified taxpayer.

(5) “Acquired” includes any gift, inheritance, transfer incident to divorce, or any other transfer, whether or not for consideration.

(6) “Annual full-time equivalent” means either of the following:

(A) In the case of a full-time employee paid hourly qualified wages, “annual full-time equivalent” means the total number of hours worked for the qualified taxpayer by the employee, not to exceed 2,000 hours per employee, divided by 2,000.

(B) In the case of a salaried full-time employee, “annual full-time equivalent” means the total number of weeks worked for the qualified taxpayer by the employee divided by 52.

(7) “Designated census tract” means a census tract within the state that is determined by the Department of Finance to have a civilian unemployment rate that is within the top 25 percent of all census tracts within the state and has a poverty rate within the top 25 percent of all census tracts within the state, as prescribed in Section 13073.5 of the Government Code.

(8) “Economic development area” means either of the following:

(A) A former enterprise zone. For purposes of this section, “former enterprise zone” means an enterprise zone designated and in effect as of December 31, 2011, any enterprise zone designated during 2012, and any revision of an enterprise zone prior to June 30, 2013, under former Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code, as in effect on December 31, 2012, excluding any census tract within an enterprise zone that is identified by the Department of Finance pursuant to Section 13073.5 of the Government Code as a census tract within the lowest quartile of census tracts with the lowest civilian unemployment and poverty.

(B) A local agency military base recovery area designated as of the effective date of the act adding this subparagraph, in accordance with Section 7114 of the Government Code.

(9) “Minimum wage” means the wage established pursuant to Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.



(10) (A) "Qualified full-time employee" means an individual who meets all of the following requirements:

(i) Performs at least 50 percent of his or her services for the qualified taxpayer during the taxable year in a designated census tract or economic development area.

(ii) Receives starting wages that are at least 150 percent of the minimum wage.

(iii) Is hired by the qualified taxpayer on or after January 1, 2014.

(iv) Is hired by the qualified taxpayer after the date the Department of Finance determines that the census tract referred to in clause (i) is a designated census tract or that the census tracts within a former enterprise zone are not census tracts with the lowest civilian unemployment and poverty.

(v) Satisfies either of the following conditions:

(I) Is paid qualified wages by the qualified taxpayer for services not less than an average of 35 hours per week.

(II) Is a salaried employee and was paid compensation during the taxable year for full-time employment, within the meaning of Section 515 of the Labor Code, by the qualified taxpayer.

(vi) Upon commencement of employment with the qualified taxpayer, satisfies any of the following conditions:

(I) Was unemployed for the six months immediately preceding employment with the qualified taxpayer. In the case of an individual that completed a program of study at a college, university, or other postsecondary educational institution, received a baccalaureate, postgraduate, or professional degree, and was unemployed for the six months immediately preceding employment with the qualified taxpayer, that individual must have completed that program of study at least 12 months prior to the individual's commencement of employment with the qualified taxpayer.

(II) Is a veteran who separated from service in the Armed Forces of the United States within the 12 months preceding commencement of employment with the qualified taxpayer.

(III) Was a recipient of the credit allowed under Section 32 of the Internal Revenue Code, relating to earned income, as applicable for federal purposes, for the previous taxable year.

(IV) Is an ex-offender previously convicted of a felony.

(V) Is a recipient of either CalWORKs, in accordance with Article 2 (commencing with Section 11250) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or general assistance, in accordance with Section 17000.5 of the Welfare and Institutions Code.

(B) An individual may be considered a qualified full-time employee only for the period of time commencing with the date the individual is first employed by the qualified taxpayer and ending 60 months thereafter.

(11) (A) "Qualified taxpayer" means a person or entity engaged in a trade or business within a designated census tract or economic development area that, during the taxable year, pays or incurs qualified wages.

(B) In the case of any pass-thru entity, the determination of whether a taxpayer is a qualified taxpayer under this section shall be made at the entity level and any credit under this section or Section 23626 shall be allowed to the pass-thru entity and passed through to the partners and shareholders in accordance with applicable provisions of

this part or Part 11 (commencing with Section 23001). For purposes of this subdivision, the term "pass-thru entity" means any partnership or "S" corporation.

(C) "Qualified taxpayers" shall not include any of the following:

(i) Employers that provide temporary help services, as described in Code 561320 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(ii) Employers that provide retail trade services, as described in Sector 44-45 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(iii) Employers that are primarily engaged in providing food services, as described in Code 711110, 722511, 722513, 722514, or 722515 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(iv) Employers that are primarily engaged in services as described in Code 713210, 721120, or 722410 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(v) (I) An employer that is a sexually oriented business.

(II) For purposes of this clause:

(ia) "Sexually oriented business" means a nightclub, bar, restaurant, or similar commercial enterprise that provides for an audience of two or more individuals live nude entertainment or live nude performances where the nudity is a function of everyday business operations and where nudity is a planned and intentional part of the entertainment or performance.

(ib) "Nude" means clothed in a manner that leaves uncovered or visible, through less than fully opaque clothing, any portion of the genitals or, in the case of a female, any portion of the breasts below the top of the areola of the breasts.

(D) Subparagraph (C) shall not apply to a taxpayer that is a "small business."

(12) "Qualified wages" means those wages that meet all of the following requirements:

(A) (i) Except as provided in clause (ii), that portion of wages paid or incurred by the qualified taxpayer during the taxable year to each qualified full-time employee that exceeds 150 percent of minimum wage, but does not exceed 350 percent of minimum wage.

(ii) (I) In the case of a qualified full-time employee employed in a designated pilot area, that portion of wages paid or incurred by the qualified taxpayer during the taxable year to each qualified full-time employee that exceeds ten dollars (\$10) per hour or an equivalent amount for salaried employees, but does not exceed 350 percent of minimum wage. For qualified full-time employees described in the preceding sentence, clause (ii) of subparagraph (A) of paragraph (10) is modified by substituting "ten dollars (\$10) per hour or an equivalent amount for salaried employees" for "150 percent of the minimum wage."

(II) For purposes of this clause:

(ia) "Designated pilot area" means an area designated as a designated pilot area by the Governor's Office of Business and Economic Development.

(ib) Areas that may be designated as a designated pilot area are limited to areas within a designated census tract or an economic development area with average wages

less than the statewide average wages, based on information from the Labor Market Division of the Employment Development Department, and areas within a designated census tract or an economic development area based on high poverty or high unemployment.

(ic) The total number of designated pilot areas that may be designated is limited to five, one or more of which must be an area within five or fewer designated census tracts within a single county based on high poverty or high unemployment or an area within an economic development area based on high poverty or high unemployment.

(id) The designation of a designated pilot area shall be applicable for a period of four calendar years, commencing with the first calendar year for which the designation of a designated pilot area is effective. The applicable period of a designated pilot area may be extended, in the sole discretion of the Governor's Office of Business and Economic Development, for an additional period of up to three calendar years. The applicable period, and any extended period, shall not extend beyond December 31, 2020.

(III) The designation of an area as a designated pilot area and the extension of the applicable period of a designated pilot area shall be at the sole discretion of the Governor's Office of Business and Economic Development and shall not be subject to administrative appeal or judicial review.

(B) Wages paid or incurred during the 60-month period beginning with the first day the qualified full-time employee commences employment with the qualified taxpayer. In the case of any employee who is reemployed, including a regularly occurring seasonal increase, in the trade or business operations of the qualified taxpayer, this reemployment shall not be treated as constituting commencement of employment for purposes of this section.

(C) Except as provided in paragraph (3) of subdivision (n), qualified wages shall not include any wages paid or incurred by the qualified taxpayer on or after the date that the Department of Finance's redesignation of designated census tracts is effective, as provided in paragraph (2) of subdivision (g), so that a census tract is no longer a designated census tract.

(13) "Seasonal employment" means employment by a qualified taxpayer that has regular and predictable substantial reductions in trade or business operations.

(14) (A) "Small business" means a trade or business that has aggregate gross receipts, less returns and allowances reportable to this state, of less than two million dollars (\$2,000,000) during the previous taxable year.

(B) (i) For purposes of this paragraph, "gross receipts, less returns and allowances reportable to this state," means the sum of the gross receipts from the production of business income, as defined in subdivision (a) of Section 25120, and the gross receipts from the production of nonbusiness income, as defined in subdivision (d) of Section 25120.

(ii) In the case of any trade or business activity conducted by a partnership or an "S" corporation, the limitations set forth in subparagraph (A) shall be applied to the partnership or "S" corporation and to each partner or shareholder.

(C) (i) "Small business" shall not include a sexually oriented business.

(ii) For purposes of this subparagraph:

(I) "Sexually oriented business" means a nightclub, bar, restaurant, or similar commercial enterprise that provides for an audience of two or more individuals live

nude entertainment or live nude performances where the nudity is a function of everyday business operations and where nudity is a planned and intentional part of the entertainment or performance.

(II) "Nude" means clothed in a manner that leaves uncovered or visible, through less than fully opaque clothing, any portion of the genitals or, in the case of a female, any portion of the breasts below the top of the areola of the breasts.

(15) An individual is "unemployed" for any period for which the individual is all of the following:

(A) Not in receipt of wages subject to withholding under Section 13020 of the Unemployment Insurance Code for that period.

(B) Not a self-employed individual (within the meaning of Section 401(c)(1)(B) of the Internal Revenue Code, relating to self-employed individual) for that period.

(C) Not a registered full-time student at a high school, college, university, or other postsecondary educational institution for that period.

(c) The net increase in full-time employees of a qualified taxpayer shall be determined as provided by this subdivision:

(1) (A) The net increase in full-time employees shall be determined on an annual full-time equivalent basis by subtracting from the amount determined in subparagraph (C) the amount determined in subparagraph (B).

(B) The total number of full-time employees employed in the base year by the taxpayer and by any trade or business acquired by the taxpayer during the current taxable year.

(C) The total number of full-time employees employed in the current taxable year by the taxpayer and by any trade or business acquired during the current taxable year.

(2) For taxpayers who first commence doing business in this state during the taxable year, the number of full-time employees for the base year shall be zero.

(d) For purposes of this section:

(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) In determining whether the taxpayer has first commenced doing business in this state during the taxable year, the provisions of subdivision (f) of Section 17276, without application of paragraph (7) of that subdivision, shall apply.

(e) (1) To be eligible for the credit allowed by this section, a qualified taxpayer shall, upon hiring a qualified full-time employee, request a tentative credit reservation from the Franchise Tax Board within 30 days of complying with the Employment Development Department's new hire reporting requirements as provided in Section 1088.5 of the Unemployment Insurance Code, in the form and manner prescribed by the Franchise Tax Board.

(2) To obtain a tentative credit reservation with respect to a qualified full-time employee, the qualified taxpayer shall provide necessary information, as determined by the Franchise Tax Board, including the name, social security number, the start date of employment, the rate of pay of the qualified full-time employee, the qualified taxpayer's gross receipts, less returns and allowances, for the previous taxable year, and whether the qualified full-time employee is a resident of a targeted employment



area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013.

(3) The qualified taxpayer shall provide the Franchise Tax Board an annual certification of employment with respect to each qualified full-time employee hired in a previous taxable year, on or before, the 15th day of the third month of the taxable year. The certification shall include necessary information, as determined by the Franchise Tax Board, including the name, social security number, start date of employment, and rate of pay for each qualified full-time employee employed by the qualified taxpayer.

(4) A tentative credit reservation provided to a taxpayer with respect to an employee of that taxpayer shall not constitute a determination by the Franchise Tax Board with respect to any of the requirements of this section regarding a taxpayer's eligibility for the credit authorized by this section.

(f) The Franchise Tax Board shall do all of the following:

(1) Approve a tentative credit reservation with respect to a qualified full-time employee hired during a calendar year.

(2) Determine the aggregate tentative reservation amount and the aggregate small business tentative reservation amount for a calendar year.

(3) A tentative credit reservation request from a qualified taxpayer with respect to a qualified full-time employee who is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013, shall be expeditiously processed by the Franchise Tax Board. The residence of a qualified full-time employee in a targeted employment area shall have no other effect on the eligibility of an individual as a qualified full-time employee or the eligibility of a qualified taxpayer for the credit authorized by this section.

~~(4) Notwithstanding Section 19542, provide as a searchable database on its Internet Web site, for each taxable year beginning on or after January 1, 2014, and before January 1, 2021, the employer names, amounts of tax credit claimed, and number of new jobs created for each taxable year pursuant to this section and Section 23626.~~

(g) (1) The Department of Finance shall, by January 1, 2014, and by January 1 of every fifth year thereafter, provide the Franchise Tax Board with a list of the designated census tracts and a list of census tracts with the lowest civilian unemployment rate.

(2) The redesignation of designated census tracts and lowest civilian unemployment census tracts by the Department of Finance as provided in Section 13073.5 of the Government Code shall be effective, for purposes of this credit, one year after the date the Department of Finance redesignates the designated census tracts.

(h) For purposes of this section:

(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) All employees of trades or businesses that are not incorporated, and that are under common control, shall be treated as employed by a single taxpayer.

(3) The credit, if any, allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the expense of the qualified wages giving rise to the credit, and shall be allocated to that trade or business in that manner.

(4) Principles that apply in the case of controlled groups of corporations, as specified in subdivision (h) of Section 23626, shall apply with respect to determining employment.

(5) If an employer acquires the major portion of a trade or business of another employer, hereinafter in this paragraph referred to as the predecessor, or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section, other than subdivision (i), for any taxable year ending after that acquisition, the employment relationship between a qualified full-time employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(i) (1) If the employment of any qualified full-time employee, with respect to whom qualified wages are taken into account under subdivision (a), is terminated by the qualified taxpayer at any time during the first 36 months after commencing employment with the qualified taxpayer, whether or not consecutive, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) does not apply to any of the following:

(A) A termination of employment of a qualified full-time employee who voluntarily leaves the employment of the qualified taxpayer.

(B) A termination of employment of a qualified full-time employee who, before the close of the period referred to in paragraph (1), becomes disabled and unable to perform the services of that employment, unless that disability is removed before the close of that period and the qualified taxpayer fails to offer reemployment to that employee.

(C) A termination of employment of a qualified full-time employee, if it is determined that the termination was due to the misconduct, as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations, of that employee.

(D) A termination of employment of a qualified full-time employee due to a substantial reduction in the trade or business operations of the qualified taxpayer, including reductions due to seasonal employment.

(E) A termination of employment of a qualified full-time employee, if that employee is replaced by other qualified full-time employees so as to create a net increase in both the number of employees and the hours of employment.

(F) A termination of employment of a qualified full-time employee, when that employment is considered seasonal employment and the qualified employee is rehired on a seasonal basis.

(3) For purposes of paragraph (1), the employment relationship between the qualified taxpayer and a qualified full-time employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the qualified taxpayer, if the qualified full-time employee continues to be employed in that trade or business and the qualified taxpayer retains a substantial interest in that trade or business.

(4) An increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(j) In the case of an estate or trust, both of the following apply:

(1) The qualified wages for a taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

(2) A beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated, for purposes of this part, as the employer with respect to those wages.

(k) In the case in which the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and the succeeding four years if necessary, until the credit is exhausted.

(l) The Franchise Tax Board may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section, including any guidelines regarding the allocation of the credit allowed under this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(m) (1) Upon the effective date of this section, the Department of Finance shall estimate the total dollar amount of credits that will be claimed under this section with respect to each fiscal year from the 2013–14 fiscal year to the 2020–21 fiscal year, inclusive.

(2) The Franchise Tax Board shall annually provide to the Joint Legislative Budget Committee, by no later than March 1, a report of the total dollar amount of the credits claimed under this section with respect to the relevant fiscal year. The report shall compare the total dollar amount of credits claimed under this section with respect to that fiscal year with the department's estimate with respect to that same fiscal year. If the total dollar amount of credits claimed for the fiscal year is less than the estimate for that fiscal year, the report shall identify options for increasing annual claims of the credit so as to meet estimated amounts.

(n) (1) This section shall remain in effect only until December 1, 2024, and as of that date is repealed.

(2) Notwithstanding paragraph (1) of subdivision (a), this section shall continue to be operative for taxable years beginning on or after January 1, 2021, but only with respect to qualified full-time employees who commenced employment with a qualified taxpayer in a designated census tract or economic development area in a taxable year beginning before January 1, 2021.

(3) This section shall remain operative for any qualified taxpayer with respect to any qualified full-time employee after the designated census tract is no longer designated or an economic development area ceases to be an economic development area, as defined in this section, for the remaining period, if any, of the 60-month period after the original date of hiring of an otherwise qualified full-time employee and any wages paid or incurred with respect to those qualified full-time employees after the designated census tract is no longer designated or an economic development area ceases to be an economic development area, as defined in this section, shall be treated as qualified wages under this section, provided the employee satisfies any other



requirements of paragraphs (10) and (12) of subdivision (b), as if the designated census tract was still designated and binding or the economic development area was still in existence.

SEC. 2. Section 17053.76 is added to the Revenue and Taxation Code, to read:

17053.76. (a) (1) For each taxable year beginning on or after January 1, 2019, and before January 1, 2024, there shall be allowed to a qualified taxpayer that hires a qualified full-time employee and pays or incurs qualified wages attributable to work performed by the qualified full-time employee, and that receives a tentative credit reservation for that qualified full-time employee, a credit against the "net tax," as defined in Section 17039, in an amount calculated under this section.

(2) The amount of the credit allowable under this section for a taxable year shall be equal to the product of the tentative credit amount for the taxable year and the applicable percentage for that taxable year.

(3) The credit allowed by this section may be claimed only on a timely filed original return of the qualified taxpayer and only with respect to a qualified full-time employee for whom the qualified taxpayer has received a tentative credit reservation.

(b) For purposes of this section:

(1) The "tentative credit amount" for a taxable year shall be equal to the product of the applicable credit percentage for each qualified full-time employee and the qualified wages paid by the qualified taxpayer during the taxable year to that qualified full-time employee.

(2) The "applicable percentage" for a taxable year shall be equal to a fraction, the numerator of which is the net increase in the total number of full-time employees employed in this state during the taxable year, determined on an annual full-time equivalent basis, as compared with the total number of full-time employees employed in this state during the base year, determined on the same basis, and the denominator of which shall be the total number of qualified full-time employees employed in this state during the taxable year. The applicable percentage shall not exceed 100 percent.

(3) The "applicable credit percentage" means the credit percentage for the calendar year during which a qualified full-time employee was first employed by the qualified taxpayer. Unless otherwise specified in the Budget Act, the applicable credit percentage for each taxable year beginning on or after January 1, 2019, shall be 0 percent.

(4) "Acquired" includes any gift, inheritance, transfer incident to divorce, or any other transfer, whether or not for consideration.

(5) "Annual full-time equivalent" means either of the following:

(A) In the case of a full-time employee paid hourly qualified wages, "annual full-time equivalent" means the total number of hours worked for the qualified taxpayer by the employee, not to exceed 2,000 hours per employee, divided by 2,000.

(B) In the case of a salaried full-time employee, "annual full-time equivalent" means the total number of weeks worked for the qualified taxpayer by the employee divided by 52.

(6) "Applicable minimum wage" means the wage established pursuant to Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code or the local minimum wage of any city or city and county, whichever is higher, for the period during which the qualified wages are paid or incurred by the qualified taxpayer.

(7) "Base year" means the 2018 taxable year, except in the case of a qualified taxpayer who first hires a qualified full-time employee in a taxable year beginning on or after January 1, 2020, the base year means the taxable year immediately preceding the taxable year in which a qualified full-time employee was first hired by the qualified taxpayer.

(8) (A) "Qualified full-time employee" means an individual who meets all of the following requirements:

(i) Receives starting wages that are at least 100 percent of the applicable minimum wage.

(ii) Is hired by the qualified taxpayer on or after January 1, 2019.

(iii) Satisfies either of the following conditions:

(I) Is paid qualified wages by the qualified taxpayer for services not less than an average of 35 hours per week.

(II) Is a salaried employee and was paid compensation during the taxable year for full-time employment, within the meaning of Section 515 of the Labor Code, by the qualified taxpayer.

(iv) Upon commencement of employment with the qualified taxpayer, satisfies any of the following conditions:

(I) Was unemployed for the six months immediately preceding employment with the qualified taxpayer. In the case of an individual who completed a program of study at a college, university, or other postsecondary educational institution, received a baccalaureate, postgraduate, or professional degree, and was unemployed for the six months immediately preceding employment with the qualified taxpayer, that individual must have completed that program of study at least 12 months prior to the individual's commencement of employment with the qualified taxpayer.

(II) Is a veteran who separated from service in the Armed Forces of the United States within the 12 months preceding commencement of employment with the qualified taxpayer.

(III) Was a recipient of the credit allowed under Section 32 of the Internal Revenue Code, relating to earned income, as applicable for federal purposes, for the previous taxable year.

(IV) Is an ex-offender previously convicted of a felony.

(V) Is a recipient of either CalWORKs, in accordance with Article 2 (commencing with Section 11250) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or general assistance, in accordance with Section 17000.5 of the Welfare and Institutions Code.

(B) An individual may be considered a qualified full-time employee only for the period of time commencing with the date the individual is first employed by the qualified taxpayer and ending 24 months thereafter.

(9) (A) "Qualified taxpayer" means a person or entity engaged in a trade or business within the state that, during the taxable year, pays or incurs qualified wages.

(B) In the case of any pass-thru entity, the determination of whether a taxpayer is a qualified taxpayer under this section shall be made at the entity level and any credit under this section or Section 23626.5 shall be allowed to the pass-thru entity and passed through to the partners and shareholders in accordance with applicable provisions of this part or Part 11 (commencing with Section 23001). For purposes of this subdivision, the term "pass-thru entity" means any partnership or "S" corporation.

(C) "Qualified taxpayers" shall not include any of the following:

(i) Employers that provide temporary help services, as described in Code 561320 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(ii) Employers that are primarily engaged in services as described in Code 713210, 721120, or 722410 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(iii) (I) An employer that is a sexually oriented business.

(II) For purposes of this clause:

(ia) "Sexually oriented business" means a nightclub, bar, restaurant, or similar commercial enterprise that provides for an audience of two or more individuals live nude entertainment or live nude performances where the nudity is a function of everyday business operations and where nudity is a planned and intentional part of the entertainment or performance.

(ib) "Nude" means clothed in a manner that leaves uncovered or visible, through less than fully opaque clothing, any portion of the genitals or, in the case of a female, any portion of the breasts below the top of the areola of the breasts.

(10) "Qualified wages" means those wages that are subject to withholding under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code and that meet all of the following requirements:

(A) That portion of any otherwise qualified wages paid or incurred by the qualified taxpayer during the taxable year to each qualified full-time employee that exceeds 100 percent of the applicable minimum wage, but does not exceed 350 percent of the applicable minimum wage.

(B) Any otherwise qualified wages paid or incurred during the 24-month period beginning with the first day the qualified full-time employee commences employment with the qualified taxpayer. In the case of any employee who is reemployed, including a regularly occurring seasonal increase, in the trade or business operations of the qualified taxpayer, this reemployment shall not be treated as constituting commencement of employment for purposes of this section.

(11) "Seasonal employment" means employment by a qualified taxpayer that has regular and predictable substantial reductions in trade or business operations.

(12) An individual is "unemployed" for any period for which the individual is all of the following:

(A) Not in receipt of wages subject to withholding under Section 13020 of the Unemployment Insurance Code for that period.

(B) Not a self-employed individual (within the meaning of Section 401(c)(1)(B) of the Internal Revenue Code, relating to self-employed individual) for that period.

(C) Not a registered full-time student at a high school, college, university, or other postsecondary educational institution for that period.

(c) The net increase in full-time employees of a qualified taxpayer shall be determined as provided by this subdivision:

(1) (A) The net increase in full-time employees shall be determined on an annual full-time equivalent basis by subtracting from the amount determined in subparagraph (C) the amount determined in subparagraph (B).

(B) The total number of full-time employees employed in the base year by the taxpayer and by any trade or business acquired by the taxpayer during the current taxable year.

(C) The total number of full-time employees employed in the current taxable year by the taxpayer and by any trade or business acquired during the current taxable year.

(2) For taxpayers who first commence doing business in this state during the taxable year, the number of full-time employees for the base year shall be zero.

(d) For purposes of this section:

(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) In determining whether the taxpayer has first commenced doing business in this state during the taxable year, the provisions of subdivision (f) of Section 17276, without application of paragraph (7) of that subdivision, shall apply.

(e) (1) To be eligible for the credit allowed by this section, a qualified taxpayer shall, upon hiring a qualified full-time employee, request a tentative credit reservation from the Franchise Tax Board within 30 days from the commencement of employment of each qualified employee with the qualified taxpayer, in the form and manner prescribed by the Franchise Tax Board.

(2) To obtain a tentative credit reservation with respect to a qualified full-time employee, the qualified taxpayer shall provide necessary information, as determined by the Franchise Tax Board, including the name, social security number, the start date of employment, the rate of pay of the qualified full-time employee, and the qualified taxpayer's gross receipts, less returns and allowances, for the previous taxable year and whether the qualified full-time employee is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013.

(3) A tentative credit reservation provided to a taxpayer with respect to an employee of that taxpayer shall not constitute a determination by the Franchise Tax Board with respect to any of the requirements of this section regarding a taxpayer's eligibility for the credit authorized by this section.

(f) The Franchise Tax Board shall do all of the following:

(1) Approve a tentative credit reservation with respect to a qualified full-time employee hired during a calendar year.

(2) Report the total amount of credits claimed under this section and Section 23626.5 on a monthly basis to the Department of Finance.

(3) Determine the aggregate tentative credit reservation amount for a calendar year.

(4) A tentative credit reservation request from a qualified taxpayer with respect to a qualified full-time employee who is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013, shall be expeditiously processed by the Franchise Tax Board. The residence of a qualified full-time employee in a targeted employment area shall have no other effect on the eligibility of an individual as a qualified full-time employee or the eligibility of a qualified taxpayer for the credit authorized by this section.

(g) For purposes of this section:



(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) All employees of trades or businesses that are not incorporated, and that are under common control, shall be treated as employed by a single taxpayer.

(3) The credit, if any, allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the expense of the qualified wages giving rise to the credit, and shall be allocated to that trade or business in that manner.

(4) Principles that apply in the case of controlled groups of corporations, as specified in subdivision (h) of Section 23626, shall apply with respect to determining employment.

(5) If an employer acquires the major portion of a trade or business of another employer, hereinafter in this paragraph referred to as the predecessor, or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section, other than subdivision (i), for any taxable year ending after that acquisition, the employment relationship between a qualified full-time employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(h) (1) If the employment of any qualified full-time employee, with respect to whom qualified wages are taken into account under subdivision (a), is terminated by the qualified taxpayer at any time during the first 12 months after commencing employment with the qualified taxpayer, whether or not consecutive, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) does not apply to any of the following:

(A) A termination of employment of a qualified full-time employee who voluntarily leaves the employment of the qualified taxpayer.

(B) A termination of employment of a qualified full-time employee who, before the close of the period referred to in paragraph (1), becomes disabled and unable to perform the services of that employment, unless that disability is removed before the close of that period and the qualified taxpayer fails to offer reemployment to that employee.

(C) A termination of employment of a qualified full-time employee, if it is determined that the termination was due to "misconduct" of the employee, as that term is defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations.

(D) A termination of employment of a qualified full-time employee due to a substantial reduction in the trade or business operations of the qualified taxpayer, including reductions due to seasonal employment.

(E) A termination of employment of a qualified full-time employee, if that employee is replaced by other qualified full-time employees so as to create a net increase in both the number of employees and the hours of employment.

(F) A termination of employment of a qualified full-time employee, when that employment is considered seasonal employment and the qualified employee is rehired on a seasonal basis.

(3) For purposes of paragraph (1), the employment relationship between the qualified taxpayer and a qualified full-time employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the qualified taxpayer, if the qualified full-time employee continues to be employed in that trade or business and the qualified taxpayer retains a substantial interest in that trade or business.

(4) An increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(i) In the case of an estate or trust, both of the following apply:

(1) The qualified wages for a taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

(2) A beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated, for purposes of this part, as the employer with respect to those wages.

(j) In the case in which the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and the succeeding four years if necessary, until the credit is exhausted.

(k) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(l) (1) Upon the effective date of this section, the Department of Finance shall estimate the total dollar amount of credits that will be claimed under this section with respect to each fiscal year from the 2019–20 fiscal year to the 2023–24 fiscal year, inclusive.

(2) The Franchise Tax Board shall annually provide to the Joint Legislative Budget Committee, by no later than March 1, a report of the total dollar amount of the credits claimed under this section with respect to the relevant fiscal year. The report shall compare the total dollar amount of credits claimed under this section with respect to that fiscal year with the department's estimate with respect to that same fiscal year. If the total dollar amount of credits claimed for the fiscal year is less than the estimate for that fiscal year, the report shall identify options for increasing annual claims of the credit so as to meet estimated amounts.

(m) (1) This section shall remain in effect only until December 1, 2024, and as of that date is repealed.

(2) Notwithstanding paragraph (1) of subdivision (a), this section shall continue to be operative for taxable years beginning on or after January 1, 2024, but only with respect to qualified full-time employees who commenced employment with a qualified taxpayer in this state in a taxable year beginning before January 1, 2024.

(3) This section shall remain operative for any qualified taxpayer with respect to any qualified full-time employee for the remaining period, if any, of the 24-month period after the original date of hiring of an otherwise qualified full-time employee and any wages paid or incurred with respect to those qualified full-time employees,



shall be treated as qualified wages under this section, provided the employee satisfies any other requirements of paragraphs (8) and (10) of subdivision (b).

(n) This credit and the credit allowed by Section 23626.5 shall be known, and may be cited, as the California New Employment Credit.

SEC. 3. Section 23626 of the Revenue and Taxation Code is amended to read:

23626. (a) (1) For each taxable year beginning on or after January 1, 2014, and before January 1, 2021, there shall be allowed to a qualified taxpayer that hires a qualified full-time employee and pays or incurs qualified wages attributable to work performed by the qualified full-time employee in a designated census tract or economic development area, and that receives a tentative credit reservation for that qualified full-time employee, a credit against the "tax," as defined by Section 23036, in an amount calculated under this section.

(2) The amount of the credit allowable under this section for a taxable year shall be equal to the product of the tentative credit amount for the taxable year and the applicable percentage for the taxable year.

(3) (A) If a qualified taxpayer relocates to a designated census tract or economic development area, the qualified taxpayer shall be allowed a credit with respect to qualified wages for each qualified full-time employee who is employed within the new location only if the qualified taxpayer provides each employee at the previous location or locations a written offer of employment at the new location in the designated census tract or economic development area with comparable compensation.

(B) For purposes of this paragraph, "relocates to a designated census tract or economic development area" means an increase in the number of qualified full-time employees, employed by a qualified taxpayer, within a designated census tract or tracts or economic development areas within a 12-month period in which there is a decrease in the number of full-time employees, employed by the qualified taxpayer in this state, but outside of designated census tracts or economic development areas.

(C) This paragraph does not apply to a small business.

(4) The credit allowed by this section may only be claimed on a timely filed original return of the qualified taxpayer and only with respect to a qualified full-time employee for whom the qualified taxpayer has received a tentative credit reservation.

(b) For purposes of this section:

(1) The "tentative credit amount" for a taxable year shall be equal to the product of the applicable credit percentage for each qualified full-time employee and the qualified wages paid by the qualified taxpayer during the taxable year to that qualified full-time employee.

(2) The "applicable percentage" for a taxable year shall be equal to a fraction, the numerator of which is the net increase in the total number of full-time employees employed in this state during the taxable year, determined on an annual full-time equivalent basis, as compared with the total number of full-time employees employed in this state during the base year, determined on the same basis, and the denominator of which shall be the total number of qualified full-time employees employed in this state during the taxable year. The applicable percentage shall not exceed 100 percent.

(3) The "applicable credit percentage" means the credit percentage for the calendar year during which a qualified full-time employee was first employed by the qualified taxpayer. The applicable credit percentage for all calendar years shall be 35 percent.

(4) "Base year" means the 2013 taxable year, or in the case of a qualified taxpayer who first hires a qualified full-time employee in a taxable year beginning on or after January 2015, the taxable year immediately preceding the taxable year in which the qualified full-time employee was hired.

(5) "Acquired" includes any gift, inheritance, transfer incident to divorce, or any other transfer, whether or not for consideration.

(6) "Annual full-time equivalent" means either of the following:

(A) In the case of a full-time employee paid hourly qualified wages, "annual full-time equivalent" means the total number of hours worked for the qualified taxpayer by the employee (not to exceed 2,000 hours per employee) divided by 2,000.

(B) In the case of a salaried full-time employee, "annual full-time equivalent" means the total number of weeks worked for the qualified taxpayer by the employee divided by 52.

(7) "Designated census tract" means a census tract within the state that is determined by the Department of Finance to have a civilian unemployment rate that is within the top 25 percent of all census tracts within the state and has a poverty rate within the top 25 percent of all census tracts within the state, as prescribed in Section 13073.5 of the Government Code.

(8) "Economic development area" means either of the following:

(A) A former enterprise zone. For purposes of this section, "former enterprise zone" means an enterprise zone designated and in effect as of December 31, 2011, any enterprise zone designated during 2012, and any revision of an enterprise zone prior to June 30, 2013, under former Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code, as in effect on December 31, 2012, excluding any census tract within an enterprise zone that is identified by the Department of Finance pursuant to Section 13073.5 of the Government Code as a census tract within the lowest quartile of census tracts with the lowest civilian unemployment and poverty.

(B) A local agency military base recovery area designated as of the effective date of the act adding this subparagraph, in accordance with Section 7114 of the Government Code.

(9) "Minimum wage" means the wage established pursuant to Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(10) (A) "Qualified full-time employee" means an individual who meets all of the following requirements:

(i) Performs at least 50 percent of his or her services for the qualified taxpayer during the taxable year in a designated census tract or economic development area.

(ii) Receives starting wages that are at least 150 percent of the minimum wage.

(iii) Is hired by the qualified taxpayer on or after January 1, 2014.

(iv) Is hired by the qualified taxpayer after the date the Department of Finance determines that the census tract referred to in clause (i) is a designated census tract or that the census tracts within a former enterprise zone are not census tracts with the lowest civilian unemployment and poverty.

(v) Satisfies either of the following conditions:

(I) Is paid qualified wages by the qualified taxpayer for services not less than an average of 35 hours per week.

(II) Is a salaried employee and was paid compensation during the taxable year for full-time employment, within the meaning of Section 515 of the Labor Code, by the qualified taxpayer.

(vi) Upon commencement of employment with the qualified taxpayer, satisfies any of the following conditions:

(I) Was unemployed for the six months immediately preceding employment with the qualified taxpayer. In the case of an individual who completed a program of study at a college, university, or other postsecondary educational institution, received a baccalaureate, postgraduate, or professional degree, and was unemployed for the six months immediately preceding employment with the qualified taxpayer, that individual must have completed that program of study at least 12 months prior to the individual's commencement of employment with the qualified taxpayer.

(II) Is a veteran who separated from service in the Armed Forces of the United States within the 12 months preceding commencement of employment with the qualified taxpayer.

(III) Was a recipient of the credit allowed under Section 32 of the Internal Revenue Code, relating to earned income, as applicable for federal purposes, for the previous taxable year.

(IV) Is an ex-offender previously convicted of a felony.

(V) Is a recipient of either CalWORKs, in accordance with Article 2 (commencing with Section 11250) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or general assistance, in accordance with Section 17000.5 of the Welfare and Institutions Code.

(B) An individual may only be considered a qualified full-time employee for the period of time commencing with the date the individual is first employed by the qualified taxpayer and ending 60 months thereafter.

(11) (A) "Qualified taxpayer" means a corporation engaged in a trade or business within designated census tract or economic development area that, during the taxable year, pays or incurs qualified wages.

(B) In the case of any pass-thru entity, the determination of whether a taxpayer is a qualified taxpayer under this section shall be made at the entity level and any credit under this section or Section 17053.73 shall be allowed to the pass-thru entity and passed through to the partners and shareholders in accordance with applicable provisions of this part or Part 10 (commencing with Section 17001). For purposes of this subdivision, the term "pass-thru entity" means any partnership or "S" corporation.

(C) "Qualified taxpayer" shall not include any of the following:

(i) Employers that provide temporary help services, as described in Code 561320 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(ii) Employers that provide retail trade services, as described in Sector 44-45 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(iii) Employers that are primarily engaged in providing food services, as described in Code 711110, 722511, 722513, 722514, or 722515 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(iv) Employers that are primarily engaged in services as described in Code 713210, 721120, or 722410 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(v) (I) An employer that is a sexually oriented business.

(II) For purposes of this clause:

(ia) "Sexually oriented business" means a nightclub, bar, restaurant, or similar commercial enterprise that provides for an audience of two or more individuals live nude entertainment or live nude performances where the nudity is a function of everyday business operations and where nudity is a planned and intentional part of the entertainment or performance.

(ib) "Nude" means clothed in a manner that leaves uncovered or visible, through less than fully opaque clothing, any portion of the genitals or, in the case of a female, any portion of the breasts below the top of the areola of the breasts.

(D) Subparagraph (C) shall not apply to a taxpayer that is a "small business."

(12) "Qualified wages" means those wages that meet all of the following requirements:

(A) (i) Except as provided in clause (ii), that portion of wages paid or incurred by the qualified taxpayer during the taxable year to each qualified full-time employee that exceeds 150 percent of minimum wage, but does not exceed 350 percent of the minimum wage.

(ii) (I) In the case of a qualified full-time employee employed in a designated pilot area, that portion of wages paid or incurred by the qualified taxpayer during the taxable year to each qualified full-time employee that exceeds ten dollars (\$10) per hour or an equivalent amount for salaried employees, but does not exceed 350 percent of the minimum wage. For qualified full-time employees described in the preceding sentence, clause (ii) of subparagraph (A) of paragraph (10) is modified by substituting "ten dollars (\$10) per hour or an equivalent amount for salaried employees" for "150 percent of the minimum wage."

(II) For purposes of this clause:

(ia) "Designated pilot area" means an area designated as a designated pilot area by the Governor's Office of Business and Economic Development.

(ib) Areas that may be designated as a designated pilot area are limited to areas within a designated census tract or an economic development area with average wages less than the statewide average wages, based on information from the Labor Market Division of the Employment Development Department, and areas within a designated census tract or an economic development area based on high poverty or high unemployment.

(ic) The total number of designated pilot areas that may be designated is limited to five, one or more of which must be an area within five or fewer designated census tracts within a single county based on high poverty or high unemployment or an area within an economic development area based on high poverty or high unemployment.

(id) The designation of a designated pilot area shall be applicable for a period of four calendar years, commencing with the first calendar year for which the designation of a designated pilot area is effective. The applicable period of a designated pilot area may be extended, in the sole discretion of the Governor's Office of Business and Economic Development, for an additional period of up to three calendar years.



The applicable period, and any extended period, shall not extend beyond December 31, 2020.

(III) The designation of an area as a designated pilot area and the extension of the applicable period of a designated pilot area shall be at the sole discretion of the Governor's Office of Business and Economic Development and shall not be subject to administrative appeal or judicial review.

(B) Wages paid or incurred during the 60-month period beginning with the first day the qualified full-time employee commences employment with the qualified taxpayer. In the case of any employee who is reemployed, including regularly occurring seasonal increase, in the trade or business operations of the qualified taxpayer, this reemployment shall not be treated as constituting commencement of employment for purposes of this section.

(C) Except as provided in paragraph (3) of subdivision (m), qualified wages shall not include any wages paid or incurred by the qualified taxpayer on or after the date that the Department of Finance's redesignation of designated census tracts is effective, as provided in paragraph (2) of subdivision (g), so that a census tract is no longer determined to be a designated census tract.

(13) "Seasonal employment" means employment by a qualified taxpayer that has regular and predictable substantial reductions in trade or business operations.

(14) (A) "Small business" means a trade or business that has aggregate gross receipts, less returns and allowances reportable to this state, of less than two million dollars (\$2,000,000) during the previous taxable year.

(B) (i) For purposes of this paragraph, "gross receipts, less returns and allowances reportable to this state," means the sum of the gross receipts from the production of business income, as defined in subdivision (a) of Section 25120, and the gross receipts from the production of nonbusiness income, as defined in subdivision (d) of Section 25120.

(ii) In the case of any trade or business activity conducted by a partnership or an "S" corporation, the limitations set forth in subparagraph (A) shall be applied to the partnership or "S" corporation and to each partner or shareholder.

(iii) For taxpayers that are required to be included in a combined report under Section 25101 or authorized to be included in a combined report under Section 25101.15, the dollar amount specified in subparagraph (A) shall apply to the aggregate gross receipts of all taxpayers that are required to be or authorized to be included in a combined report.

(C) (i) "Small business" shall not include a sexually oriented business.

(ii) For purposes of this subparagraph:

(I) "Sexually oriented business" means a nightclub, bar, restaurant, or similar commercial enterprise that provides for an audience of two or more individuals live nude entertainment or live nude performances where the nudity is a function of everyday business operations and where nudity is a planned and intentional part of the entertainment or performance.

(II) "Nude" means clothed in a manner that leaves uncovered or visible, through less than fully opaque clothing, any portion of the genitals or, in the case of a female, any portion of the breasts below the top of the areola of the breasts.

(15) An individual is "unemployed" for any period for which the individual is all of the following:

(A) Not in receipt of wages subject to withholding under Section 13020 of the Unemployment Insurance Code for that period.

(B) Not a self-employed individual (within the meaning of Section 401(c)(1)(B) of the Internal Revenue Code, relating to self-employed individual) for that period.

(C) Not a registered full-time student at a high school, college, university, or other postsecondary educational institution for that period.

(c) The net increase in full-time employees of a qualified taxpayer shall be determined as provided by this subdivision:

(1) (A) The net increase in full-time employees shall be determined on an annual full-time equivalent basis by subtracting from the amount determined in subparagraph (C) the amount determined in subparagraph (B).

(B) The total number of full-time employees employed in the base year by the taxpayer and by any trade or business acquired by the taxpayer during the current taxable year.

(C) The total number of full-time employees employed in the current taxable year by the taxpayer and by any trade or business acquired during the current taxable year.

(2) For taxpayers who first commence doing business in this state during the taxable year, the number of full-time employees for the base year shall be zero.

(d) For purposes of this section:

(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) In determining whether the taxpayer has first commenced doing business in this state during the taxable year, the provisions of subdivision (g) of Section 24416, without application of paragraph (7) of that subdivision, apply.

(e) (1) To be eligible for the credit allowed by this section, a qualified taxpayer shall, upon hiring a qualified full-time employee, request a tentative credit reservation from the Franchise Tax Board within 30 days of complying with the Employment Development Department's new hire reporting requirement as provided in Section 1088.5 of the Unemployment Insurance Code, in the form and manner prescribed by the Franchise Tax Board.

(2) To obtain a tentative credit reservation with respect to a qualified full-time employee, the qualified taxpayer shall provide necessary information, as determined by the Franchise Tax Board, including the name, the social security number, the start date of employment, the rate of pay of the qualified full-time employee, the qualified taxpayer's gross receipts, less returns and allowances, for the previous taxable year, and whether the qualified full-time employee is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013.

(3) The qualified taxpayer shall provide the Franchise Tax Board an annual certification of employment with respect to each qualified full-time employee hire in a previous taxable year, on or before the 15th day of the third month of the taxable year. The certification shall include necessary information, as determined by the Franchise Tax Board, including the name, social security number, start date of employment, and rate of pay for each qualified full-time employee employed by the qualified taxpayer.



(4) A tentative credit reservation provided to a taxpayer with respect to an employee of that taxpayer shall not constitute a determination by the Franchise Tax Board with respect to any of the requirements of this section regarding a taxpayer's eligibility for the credit authorized by this section.

(f) The Franchise Tax Board shall do all of the following:

(1) Approve a tentative credit reservation with respect to a qualified full-time employee hired during a calendar year.

(2) Determine the aggregate tentative reservation amount and the aggregate small business tentative reservation amount for a calendar year.

(3) A tentative credit reservation request from a qualified taxpayer with respect to a qualified full-time employee who is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013, shall be expeditiously processed by the Franchise Tax Board. The residence of a qualified full-time employee in a targeted employment area shall have no other effect on the eligibility of an individual as a qualified full-time employee or the eligibility of a qualified taxpayer for the credit authorized by this section.

~~(4) Notwithstanding Section 19542, provide as a searchable database on its Internet Web site, for each taxable year beginning on or after January 1, 2014, and before January 1, 2021, the employer names, amounts of tax credit claimed, and number of new jobs created for each taxable year pursuant to this section and Section 17053.73.~~

(g) (1) The Department of Finance shall, by January 1, 2014, and by January 1 of every fifth year thereafter, provide the Franchise Tax Board with a list of the designated census tracts and a list of census tracts with the lowest civilian unemployment rate.

(2) The redesignation of designated census tracts and lowest civilian unemployment census tracts by the Department of Finance as provided in Section 13073.5 of the Government Code shall be effective, for purposes of this credit, one year after the date that the Department of Finance redesignates the designated census tracts.

(h) (1) For purposes of this section:

(A) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single qualified taxpayer.

(B) All employees of all corporations that are members of the same controlled group of corporations shall be treated as employed by a single qualified taxpayer.

(C) The credit, if any, allowable by this section to each member shall be determined by reference to its proportionate share of the expense of the qualified wages giving rise to the credit, and shall be allocated in that manner.

(D) If a qualified taxpayer acquires the major portion of a trade or business of another taxpayer, hereinafter in this paragraph referred to as the predecessor, or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after that acquisition, the employment relationship between a qualified full-time employee and a qualified taxpayer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(2) For purposes of this subdivision, "controlled group of corporations" means a controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code, except that:

(A) "More than 50 percent" shall be substituted for "at least 80 percent" each place it appears in Section 1563(a)(1) of the Internal Revenue Code.

(B) The determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of Section 1563 of the Internal Revenue Code.

(3) Rules similar to the rules provided in Sections 46(e) and 46(h) of the Internal Revenue Code, as in effect on November 4, 1990, shall apply to both of the following:

(A) An organization to which Section 593 of the Internal Revenue Code applies.

(B) A regulated investment company or a real estate investment trust subject to taxation under this part.

(i) (1) If the employment of any qualified full-time employee, with respect to whom qualified wages are taken into account under subdivision (a), is terminated by the qualified taxpayer at any time during the first 36 months after commencing employment with the qualified taxpayer, whether or not consecutive, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) does not apply to any of the following:

(A) A termination of employment of a qualified full-time employee who voluntarily leaves the employment of the qualified taxpayer.

(B) A termination of employment of a qualified full-time employee who, before the close of the period referred to in paragraph (1), becomes disabled and unable to perform the services of that employment, unless that disability is removed before the close of that period and the qualified taxpayer fails to offer reemployment to that employee.

(C) A termination of employment of a qualified full-time employee, if it is determined that the termination was due to the misconduct, as defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations, of that employee.

(D) A termination of employment of a qualified full-time employee due to a substantial reduction in the trade or business operations of the qualified taxpayer, including reductions due to seasonal employment.

(E) A termination of employment of a qualified full-time employee, if that employee is replaced by other qualified full-time employees so as to create a net increase in both the number of employees and the hours of employment.

(F) A termination of employment of a qualified full-time employee, when that employment is considered seasonal employment and the qualified employee is rehired on a seasonal basis.

(3) For purposes of paragraph (1), the employment relationship between the qualified taxpayer and a qualified full-time employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the qualified taxpayer, if the qualified full-time employee continues to be employed in that trade or business and the qualified taxpayer retains a substantial interest in that trade or business.

(4) An increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(j) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and the succeeding four years if necessary, until exhausted.

(k) The Franchise Tax Board may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section, including any guidelines regarding the allocation of the credit allowed under this section. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(l) (1) Upon the effective date of this section, the Department of Finance shall estimate the total dollar amount of credits that will be claimed under this section with respect to each fiscal year from the 2013–14 fiscal year to the 2020–21 fiscal year, inclusive.

(2) The Franchise Tax Board shall annually provide to the Joint Legislative Budget Committee, by no later than March 1, a report of the total dollar amount of the credits claimed under this section with respect to the relevant fiscal year. The report shall compare the total dollar amount of credits claimed under this section with respect to that fiscal year with the department's estimate with respect to that same fiscal year. If the total dollar amount of credits claimed for the fiscal year is less than the estimate for that fiscal year, the report shall identify options for increasing annual claims of the credit so as to meet estimated amounts.

(m) (1) This section shall remain in effect only until December 1, 2024, and as of that date is repealed.

(2) Notwithstanding paragraph (1) of subdivision (a), this section shall continue to be operative for taxable years beginning on or after January 1, 2021, but only with respect to qualified full-time employees who commenced employment with a qualified taxpayer in a designated census tract or economic development area in a taxable year beginning before January 1, 2021.

(3) This section shall remain operative for any qualified taxpayer with respect to any qualified full-time employee after the designated census tract is no longer designated or an economic development area ceases to be an economic development area, as defined in this section, for the remaining period, if any, of the 60-month period after the original date of hiring of an otherwise qualified full-time employee and any wages paid or incurred with respect to those qualified full-time employees after the designated census tract is no longer designated or an economic development area ceases to be an economic development area, as defined in this section, shall be treated as qualified wages under this section, provided the employee satisfies any other requirements of paragraphs (10) and (12) of subdivision (b), as if the designated census tract was still designated and binding or the economic development area was still in existence.

SEC. 4. Section 23626.5 is added to the Revenue and Taxation Code, to read:

23626.5. (a) (1) For each taxable year beginning on or after January 1, 2019, and before January 1, 2024, there shall be allowed to a qualified taxpayer that hires a qualified full-time employee and pays or incurs qualified wages attributable to work

performed by the qualified full-time employee, and that receives a tentative credit reservation for that qualified full-time employee, a credit against the "tax," as defined in Section 23036, in an amount calculated under this section.

(2) The amount of the credit allowable under this section for a taxable year shall be equal to the product of the tentative credit amount for the taxable year and the applicable percentage for that taxable year.

(3) The credit allowed by this section may be claimed only on a timely filed original return of the qualified taxpayer and only with respect to a qualified full-time employee for whom the qualified taxpayer has received a tentative credit reservation.

(b) For purposes of this section:

(1) The "tentative credit amount" for a taxable year shall be equal to the product of the applicable credit percentage for each qualified full-time employee and the qualified wages paid by the qualified taxpayer during the taxable year to that qualified full-time employee.

(2) The "applicable percentage" for a taxable year shall be equal to a fraction, the numerator of which is the net increase in the total number of full-time employees employed in this state during the taxable year, determined on an annual full-time equivalent basis, as compared with the total number of full-time employees employed in this state during the base year, determined on the same basis, and the denominator of which shall be the total number of qualified full-time employees employed in this state during the taxable year. The applicable percentage shall not exceed 100 percent.

(3) The "applicable credit percentage" means the credit percentage for the calendar year during which a qualified full-time employee was first employed by the qualified taxpayer. Unless otherwise specified in the Budget Act, the applicable credit percentage for each taxable year beginning on or after January 1, 2019, shall be 0 percent.

(4) "Acquired" includes any gift, inheritance, transfer incident to divorce, or any other transfer, whether or not for consideration.

(5) "Annual full-time equivalent" means either of the following:

(A) In the case of a full-time employee paid hourly qualified wages, "annual full-time equivalent" means the total number of hours worked for the qualified taxpayer by the employee, not to exceed 2,000 hours per employee, divided by 2,000.

(B) In the case of a salaried full-time employee, "annual full-time equivalent" means the total number of weeks worked for the qualified taxpayer by the employee divided by 52.

(6) "Applicable minimum wage" means the wage established pursuant to Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code or the local minimum wage of any city or city and county, whichever is higher, for the period during which the qualified wages are paid or incurred by the qualified taxpayer.

(7) "Base year" means the 2018 taxable year, except in the case of a qualified taxpayer who first hires a qualified full-time employee in a taxable year beginning on or after January 1, 2020, the base year means the taxable year immediately preceding the taxable year in which a qualified full-time employee was first hired by the qualified taxpayer.

(8) (A) "Qualified full-time employee" means an individual who meets all of the following requirements:



(i) Receives starting wages that are at least 100 percent of the applicable minimum wage.

(ii) Is hired by the qualified taxpayer on or after January 1, 2019.

(iii) Satisfies either of the following conditions:

(I) Is paid qualified wages by the qualified taxpayer for services not less than an average of 35 hours per week.

(II) Is a salaried employee and was paid compensation during the taxable year for full-time employment, within the meaning of Section 515 of the Labor Code, by the qualified taxpayer.

(iv) Upon commencement of employment with the qualified taxpayer, satisfies any of the following conditions:

(I) Was unemployed for the six months immediately preceding employment with the qualified taxpayer. In the case of an individual who completed a program of study at a college, university, or other postsecondary educational institution, received a baccalaureate, postgraduate, or professional degree, and was unemployed for the six months immediately preceding employment with the qualified taxpayer, that individual must have completed that program of study at least 12 months prior to the individual's commencement of employment with the qualified taxpayer.

(II) Is a veteran who separated from service in the Armed Forces of the United States within the 12 months preceding commencement of employment with the qualified taxpayer.

(III) Was a recipient of the credit allowed under Section 32 of the Internal Revenue Code, relating to earned income, as applicable for federal purposes, for the previous taxable year.

(IV) Is an ex-offender previously convicted of a felony.

(V) Is a recipient of either CalWORKs, in accordance with Article 2 (commencing with Section 11250) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, or general assistance, in accordance with Section 17000.5 of the Welfare and Institutions Code.

(B) An individual may be considered a qualified full-time employee only for the period of time commencing with the date the individual is first employed by the qualified taxpayer and ending 24 months thereafter.

(9) (A) "Qualified taxpayer" means a corporation engaged in a trade or business within the state that, during the taxable year, pays or incurs qualified wages.

(B) In the case of any pass-thru entity, the determination of whether a taxpayer is a qualified taxpayer under this section shall be made at the entity level and any credit under this section or Section 17053.76 shall be allowed to the pass-thru entity and passed through to the partners and shareholders in accordance with applicable provisions of this part or Part 10 (commencing with Section 17001). For purposes of this subdivision, the term "pass-thru entity" means any partnership or "S" corporation.

(C) "Qualified taxpayers" shall not include any of the following:

(i) Employers that provide temporary help services, as described in Code 561320 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(ii) Employers that are primarily engaged in services as described in Code 713210, 721120, or 722410 of the North American Industry Classification System (NAICS) published by the United States Office of Management and Budget, 2012 edition.

(iii) (I) An employer that is a sexually oriented business.

(II) For purposes of this clause:

(ia) "Sexually oriented business" means a nightclub, bar, restaurant, or similar commercial enterprise that provides for an audience of two or more individuals live nude entertainment or live nude performances where the nudity is a function of everyday business operations and where nudity is a planned and intentional part of the entertainment or performance.

(ib) "Nude" means clothed in a manner that leaves uncovered or visible, through less than fully opaque clothing, any portion of the genitals or, in the case of a female, any portion of the breasts below the top of the areola of the breasts.

(10) "Qualified wages" means those wages that are subject to withholding under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code and that meet all of the following requirements:

(A) That portion of any otherwise qualified wages paid or incurred by the qualified taxpayer during the taxable year to each qualified full-time employee that exceeds 100 percent of the applicable minimum wage, but does not exceed 350 percent of the applicable minimum wage.

(B) Any otherwise qualified wages paid or incurred during the 24-month period beginning with the first day the qualified full-time employee commences employment with the qualified taxpayer. In the case of any employee who is reemployed, including a regularly occurring seasonal increase, in the trade or business operations of the qualified taxpayer, this reemployment shall not be treated as constituting commencement of employment for purposes of this section.

(11) "Seasonal employment" means employment by a qualified taxpayer that has regular and predictable substantial reductions in trade or business operations.

(12) An individual is "unemployed" for any period for which the individual is all of the following:

(A) Not in receipt of wages subject to withholding under Section 13020 of the Unemployment Insurance Code for that period.

(B) Not a self-employed individual (within the meaning of Section 401(c)(1)(B) of the Internal Revenue Code, relating to self-employed individual) for that period.

(C) Not a registered full-time student at a high school, college, university, or other postsecondary educational institution for that period.

(c) The net increase in full-time employees of a qualified taxpayer shall be determined as provided by this subdivision:

(1) (A) The net increase in full-time employees shall be determined on an annual full-time equivalent basis by subtracting from the amount determined in subparagraph (C) the amount determined in subparagraph (B).

(C) the amount determined in subparagraph (B).

(B) The total number of full-time employees employed in the base year by the taxpayer and by any trade or business acquired by the taxpayer during the current taxable year.

(C) The total number of full-time employees employed in the current taxable year by the taxpayer and by any trade or business acquired during the current taxable year.

(2) For taxpayers who first commence doing business in this state during the taxable year, the number of full-time employees for the base year shall be zero.

(d) For purposes of this section:



(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) In determining whether the taxpayer has first commenced doing business in this state during the taxable year, the provisions of subdivision (g) of Section 24416, without application of paragraph (7) of that subdivision, shall apply.

(e) (1) To be eligible for the credit allowed by this section, a qualified taxpayer shall, upon hiring a qualified full-time employee, request a tentative credit reservation from the Franchise Tax Board within 30 days from the commencement of employment of each qualified employee with the qualified taxpayer, in the form and manner prescribed by the Franchise Tax Board.

(2) To obtain a tentative credit reservation with respect to a qualified full-time employee, the qualified taxpayer shall provide necessary information, as determined by the Franchise Tax Board, including the name, social security number, the start date of employment, the rate of pay of the qualified full-time employee, and the qualified taxpayer's gross receipts, less returns and allowances, for the previous taxable year and whether the qualified full-time employee is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013.

(3) A tentative credit reservation provided to a taxpayer with respect to an employee of that taxpayer shall not constitute a determination by the Franchise Tax Board with respect to any of the requirements of this section regarding a taxpayer's eligibility for the credit authorized by this section.

(f) The Franchise Tax Board shall do all of the following:

(1) Approve a tentative credit reservation with respect to a qualified full-time employee hired during a calendar year.

(2) Report the total amount of credits claimed under this section and Section 17053.76 on a monthly basis to the Department of Finance.

(3) Determine the aggregate credit reservation amount for a calendar year.

(4) A tentative credit reservation request from a qualified taxpayer with respect to a qualified full-time employee who is a resident of a targeted employment area, as defined in former Section 7072 of the Government Code, as in effect on December 31, 2013, shall be expeditiously processed by the Franchise Tax Board. The residence of a qualified full-time employee in a targeted employment area shall have no other effect on the eligibility of an individual as a qualified full-time employee or the eligibility of a qualified taxpayer for the credit authorized by this section.

(g) For purposes of this section:

(1) All employees of the trades or businesses that are treated as related under Section 267, 318, or 707 of the Internal Revenue Code shall be treated as employed by a single taxpayer.

(2) All employees of trades or businesses that are not incorporated, and that are under common control, shall be treated as employed by a single taxpayer.

(3) The credit, if any, allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the expense of the qualified wages giving rise to the credit, and shall be allocated to that trade or business in that manner.

(4) Principles that apply in the case of controlled groups of corporations, as specified in subdivision (h) of Section 23626, shall apply with respect to determining employment.

(5) If an employer acquires the major portion of a trade or business of another employer, hereinafter in this paragraph referred to as the predecessor, or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section, other than subdivision (i), for any taxable year ending after that acquisition, the employment relationship between a qualified full-time employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(h) (1) If the employment of any qualified full-time employee, with respect to whom qualified wages are taken into account under subdivision (a), is terminated by the qualified taxpayer at any time during the first 12 months after commencing employment with the qualified taxpayer, whether or not consecutive, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) does not apply to any of the following:

(A) A termination of employment of a qualified full-time employee who voluntarily leaves the employment of the qualified taxpayer.

(B) A termination of employment of a qualified full-time employee who, before the close of the period referred to in paragraph (1), becomes disabled and unable to perform the services of that employment, unless that disability is removed before the close of that period and the qualified taxpayer fails to offer reemployment to that employee.

(C) A termination of employment of a qualified full-time employee, if it is determined that the termination was due to "misconduct" of the employee, as that term is defined in Sections 1256-30 to 1256-43, inclusive, of Title 22 of the California Code of Regulations.

(D) A termination of employment of a qualified full-time employee due to a substantial reduction in the trade or business operations of the qualified taxpayer, including reductions due to seasonal employment.

(E) A termination of employment of a qualified full-time employee, if that employee is replaced by other qualified full-time employees so as to create a net increase in both the number of employees and the hours of employment.

(F) A termination of employment of a qualified full-time employee, when that employment is considered seasonal employment and the qualified employee is rehired on a seasonal basis.

(3) For purposes of paragraph (1), the employment relationship between the qualified taxpayer and a qualified full-time employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the qualified taxpayer, if the qualified full-time employee continues to be employed in that trade or business and the qualified taxpayer retains a substantial interest in that trade or business.

(4) An increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(i) In the case of an estate or trust, both of the following apply:

(1) The qualified wages for a taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each.

(2) A beneficiary to whom any qualified wages have been apportioned under paragraph (1) shall be treated, for purposes of this part, as the employer with respect to those wages.

(j) In the case in which the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and the succeeding four years if necessary, until the credit is exhausted.

(k) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any rule, guideline, or procedure prescribed by the Franchise Tax Board pursuant to this section.

(l) (1) Upon the effective date of this section, the Department of Finance shall estimate the total dollar amount of credits that will be claimed under this section with respect to each fiscal year from the 2019–20 fiscal year to the 2023–24 fiscal year, inclusive.

(2) The Franchise Tax Board shall annually provide to the Joint Legislative Budget Committee, by no later than March 1, a report of the total dollar amount of the credits claimed under this section with respect to the relevant fiscal year. The report shall compare the total dollar amount of credits claimed under this section with respect to that fiscal year with the department's estimate with respect to that same fiscal year. If the total dollar amount of credits claimed for the fiscal year is less than the estimate for that fiscal year, the report shall identify options for increasing annual claims of the credit so as to meet estimated amounts.

(m) (1) This section shall remain in effect only until December 1, 2024, and as of that date is repealed.

(2) Notwithstanding paragraph (1) of subdivision (a), this section shall continue to be operative for taxable years beginning on or after January 1, 2024, but only with respect to qualified full-time employees who commenced employment with a qualified taxpayer in this state in a taxable year beginning before January 1, 2024.

(3) This section shall remain operative for any qualified taxpayer with respect to any qualified full-time employee for the remaining period, if any, of the 24-month period after the original date of hiring of an otherwise qualified full-time employee and any wages paid or incurred with respect to those qualified full-time employees, shall be treated as qualified wages under this section, provided the employee satisfies any other requirements of paragraphs (8) and (10) of subdivision (b).

(n) This credit and the credit allowed by Section 17053.76 shall be known, and may be cited, as the California New Employment Credit.

SEC. 5. (a) In accordance with Section 41 of the Revenue and Taxation Code, the purpose of the California New Employment Credit, as added to the Revenue and Taxation Code by Sections 17053.76 and 23626.5, is to help individuals who, because of their personal history, have trouble entering the work force to obtain a job and

develop employment skills. To measure whether the credit achieves its intended purpose, the Franchise Tax Board shall annually prepare a written report on the following:

- (1) The number of tax returns claiming the credit.
  - (2) The number of employees represented on tax returns claiming the credit.
  - (3) The distribution of newly hired employees over the five different employment-disadvantaged categories.
  - (4) The average credit amount on tax returns claiming the credit.
  - (5) The average credit amount per employee on tax returns claiming the credit.
- (b) On or before \_\_\_\_\_, and each \_\_\_\_\_ thereafter while Sections 17053.76 and 23626.5 are in effect, the Franchise Tax Board shall provide the written report required by subdivision (a) to the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate and Assembly Committees on Appropriations, the Senate Committee on Governance and Finance, and the Assembly Committees on Revenue and Taxation.

SEC. 6. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.

Amendment 3

On page 1, strike out lines 1 to 8, inclusive, and strike out page 2