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California Legislature
Committee on Rules

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LEVINE, MARC (D-ALT)
VALLADARES, SUZETTE
MARTINEZ (R-ALT)

Monday, January 3, 2022
Upon adjournment of Session
State Capitol, Room 437

CONSENT AGENDA

BILL REFERRALS

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REQUESTS TO ADD URGENCY CLAUSE

- 3. SB 504 (Becker) Elections: voter registration [Page 12](#)
- 4. SB 577 (Limon) Financial institutions: money transmission: escrow agents: lenders and brokers: banking [Page 22](#)

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Memo

To: Rules Committee Members
From: Michael Erke, Bill Referral Consultant
Date: 12/29/2021
Re: Consent Bill Referrals

Since you received your preliminary list of bill referrals, there have been no changes.

REFERRAL OF BILLS TO COMMITTEE

01/03/2022

Pursuant to the Assembly Rules, the following bills were referred to committee:

| Assembly Bill No. | Committee: |
|-------------------|------------|
| <u>AB 1232</u> | HIGHER ED. |
| <u>AB 1317</u> | P. & C.P. |
| <u>SCR 60</u> | RLS. |
| <u>SCR 61</u> | RLS. |
| <u>SJR 7</u> | JUD. |

REFERRAL OF BILLS TO COMMITTEE

01/03/2022

Pursuant to the Assembly Rules, the following bills were re-referred to committee:

Senate Bill No.

SB 577

Committee:

B. & F.

AMENDED IN SENATE APRIL 7, 2021
AMENDED IN SENATE MARCH 7, 2021

SENATE BILL

No. 577

Introduced by Senator Limón

February 18, 2021

An act to amend Sections 2105, 17202.1, 17414.1, ~~and 22050.5 of 22050.5, and 80001 of, and to repeal Section 80002 of,~~ the Financial Code, relating to financial institutions.

LEGISLATIVE COUNSEL'S DIGEST

SB 577, as amended, Limón. Financial institutions: *money transmission: escrow agents: lenders and ~~brokers:~~ brokers: banking.*

(1) Existing law establishes the Department of Financial Protection and Innovation in the Business, Consumer Services, and Housing Agency, headed by the Commissioner of Financial Protection and Innovation. Under existing law, the commissioner and the department are charged with oversight and enforcement of various laws, including the Money Transmission Act.

Existing law, the Money Transmission Act, prohibits a person from engaging in the business of money transmission in this state, or advertising, soliciting, or holding out as providing money transmission in this state, unless the person is licensed or exempt from licensure, as specified. Existing law requires each licensee or agent to prominently post on the premises of each branch office that conducts money transmission a specified notice regarding how to contact the department.

This bill would update the department's contact information in that notice requirement.

Existing

(2) *Existing* law, the Escrow Law, provides for the licensing and regulation of escrow agents by the Commissioner of Financial Protection and Innovation and authorizes an applicant for an escrow agent's license or a licensee, in lieu of depositing a required bond, to deposit with the commissioner a cash bond that is evidenced, as specified.

The Escrow Law prohibits a person who has been convicted of or pleaded nolo contendere to specified crimes within the past 10 years, or who has been held liable in any civil action, as provided, within the past 7 years, from serving in any capacity as an officer, director, stockholder, trustee, agent, or employee of an escrow agent, or in any position involving any duties with an escrow agent, except as specified.

This bill would correct obsolete references in those provisions.

Existing

(3) *Existing* law, the California Financing Law, provides for the licensing and regulation of finance lenders, brokers, and specified program administrators by the commissioner. The California Financing Law exempts from its provisions, until January 1, 2022, a person who makes only one loan, if it is a commercial loan, as defined, in a 12-month period.

This bill would delete the repeal date described above, thereby extending indefinitely the exemption for a person who makes only one commercial loan in a 12-month period.

(4) *Existing* law establishes the Bank on California Program within the Department of Financial Protection and Innovation as a voluntary collaborative to assist Californians in opening bank or credit union accounts. Existing law requires the department to report annually to specified committees of the Legislature on the activities of the program.

This bill would repeal that annual reporting requirement.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2105 of the Financial Code is amended
- 2 to read:
- 3 2105. (a) Each licensee or agent shall prominently post on the
- 4 premises of each branch office that conducts money transmission
- 5 a notice stating that:

1 “If you have complaints with respect to any aspect of the money
2 transmission activities conducted at this location, you may contact the
3 California Department of ~~Business Oversight~~ *Financial Protection and*
4 *Innovation* at its toll-free telephone number, 1-866-275-2677, by email at
5 ~~consumer.services@dbo.ca.gov~~, *consumer.services@dfpi.ca.gov*, or by
6 mail at the Department of ~~Business Oversight~~, *Financial Protection and*
7 *Innovation*, Consumer Services, ~~1515 K Street, Suite 200, Sacramento,~~
8 ~~CA 95814.~~ *2101 Arena Boulevard, Sacramento, CA 95834.*”
9

10 (b) The commissioner may by order or regulation modify the
11 content of the notice required by this section. This notice shall be
12 printed in English and in the same language principally used by
13 the licensee or any agent of the licensee to advertise, solicit, or
14 negotiate either orally or in writing, with respect to money
15 transmission at that branch office. The information required in this
16 notice shall be clear, legible, and in letters not less than one-half
17 inch in height. The notice shall be posted in a conspicuous location
18 in the unobstructed view of the public within the premises. The
19 licensee shall provide to each of its agents the notice required by
20 this section. In those locations operated by an agent, the agent, and
21 not the licensee, shall be responsible for the failure to properly
22 post the required notice.

23 (c) In the event that a licensee or agent conducts money
24 transmission activity via an ~~Internet Web site~~ *internet website* or
25 a mobile application that is not in a branch office, the commissioner
26 may authorize an alternative form of the notice required in
27 subdivision (a).

28 **SECTION 1.**

29 *SEC. 2.* Section 17202.1 of the Financial Code is amended to
30 read:

31 17202.1. An applicant for an escrow agent’s license or a
32 licensee may, in lieu of and subject to the same conditions as the
33 bond required by Section 17202, deposit with the commissioner
34 a cash bond in the sum specified in Section 17202. Evidence of
35 the cash bond shall be a deposit in the amount specified in Section
36 17202 in a bank or investment certificates of industrial loan
37 companies, authorized to do business in this state and insured by
38 the Federal Deposit Insurance Corporation, or an investment
39 certificate or share account in the amount specified in Section
40 17202 issued by a savings and loan association doing business in

1 this state and insured by the Federal Deposit Insurance Corporation.
2 Those deposits, certificates, or accounts shall be assigned to and
3 accepted and maintained by the commissioner, upon those terms
4 as the commissioner may prescribe, until released by the
5 commissioner, and shall not be deemed an asset of the applicant
6 or licensee for the purpose of complying with Section 17210.

7 ~~SEC. 2.~~

8 SEC. 3. Section 17414.1 of the Financial Code is amended to
9 read:

10 17414.1. (a) Any person who has been convicted of or pleaded
11 nolo contendere to any crime specified in subdivision (b) within
12 the past 10 years, or has been held liable in any civil action by
13 final judgment or any administrative judgment by any public
14 agency within the past seven years, of any of the provisions
15 specified in subdivision (b), shall not serve in any capacity as an
16 officer, director, stockholder, trustee, agent, or employee of an
17 escrow agent, or in any position involving any duties with an
18 escrow agent, in this state. This subdivision shall not apply to any
19 person whose office, employment, ownership interest, or other
20 participation in the business of a licensed escrow agent commenced
21 prior to January 1, 1992.

22 (b) Subdivision (a) applies to criminal convictions of, pleas of
23 nolo contendere to, or civil or administrative judgments entered
24 for offenses including the following:

25 (1) Offenses specified in Chapter 10 (commencing with Section
26 1320) of Division 1.1.

27 (2) Offenses specified in Article 4 (commencing with Section
28 5300) of Chapter 1 of Division 2.

29 (3) Offenses specified in Article 8 (commencing with Section
30 14750) of Chapter 4 of Division 5.

31 (4) Offenses specified in Chapter 3 (commencing with Section
32 17400), and Chapter 7 (commencing with Section 17700) of
33 Division 6.

34 (5) Offenses specified in Chapter 6 (commencing with Section
35 18435) of Division 7.

36 (6) Offenses specified in provisions of the laws of the United
37 States added or amended by the federal Financial Institutions
38 Reform, Recovery and Enforcement Act of 1989 (Public Law
39 101-73).

1 (7) Offenses involving robbery, burglary, theft, embezzlement,
2 fraud, fraudulent conversion or misappropriation of property,
3 forgery, bookmaking, receiving stolen property, counterfeiting,
4 controlled substances, extortion, checks, credit cards, or computer
5 violations specified in Section 502 of the Penal Code.

6 For the purpose of this section, but not Section 17423, an offense
7 does not include a conviction for which the person has obtained a
8 certificate of rehabilitation from a court of competent jurisdiction
9 under Section 1203.4 or 4852.13 of the Penal Code or a similar
10 certificate of rehabilitation obtained in a foreign jurisdiction.

11 (c) On and after January 1, 1992, any person who seeks
12 employment by, or an ownership interest in, or other participation
13 in the business of a licensed escrow agent shall, as a condition to
14 obtaining that employment, interest, or participation, authorize
15 Fidelity Corporation and the commissioner, or both, to have access
16 to that person's state and federal summary criminal history
17 information, as defined in Section 11105 of the Penal Code, for
18 purposes of determining whether the person has a prior conviction
19 of, or pleaded nolo contendere to, a criminal offense specified in
20 subdivision (b).

21 (d) On or before the 10th day of employment, each escrow agent
22 shall obtain and forward to the commissioner the fingerprint images
23 and related information of persons seeking employment by an
24 escrow agent. The fingerprint images and related information may
25 be submitted by certified mail, return receipt requested, or
26 transmitted electronically, using the process established by the
27 Department of Justice for requesting state and federal summary
28 criminal history information. Persons who have previously
29 submitted fingerprints or fingerprint images and related information
30 to the commissioner may so notify the commissioner and need not
31 submit additional fingerprint images and related information unless
32 requested to do so by the commissioner. The commissioner shall
33 provide written notice to both the escrow agent and to the person
34 if any of the information received pursuant to this division shows
35 that the person's employment would be in violation of Section
36 17414.1, and the escrow agent shall deny the person the
37 employment. No person whose employment is in violation of
38 subdivision (a) shall have access to trust funds or sign checks or
39 otherwise perform any activities related to the processing of escrow
40 transactions after the licensed escrow agent has been notified by

1 the commissioner that the person's employment is in violation of
2 subdivision (a).

3 (e) Any state and federal summary criminal history information
4 obtained pursuant to this section shall be kept confidential and no
5 recipient shall disclose the contents other than for the purpose of
6 determining eligibility for employment by, or acquisition of an
7 ownership interest in, or other participation in the business of a
8 licensed escrow agent.

9 (f) The authority granted by this section to the commissioner
10 or to Fidelity Corporation shall be in addition to any other authority
11 granted by law to obtain information about any person who is
12 subject to this division. Nothing in this section shall be construed
13 to limit any authority of the commissioner or Fidelity Corporation
14 otherwise provided by law.

15 (g) Any person who knowingly violates subdivision (a) or (d),
16 including, but not limited to, any escrow agent who permits
17 employment by, or an ownership interest in, or other participation
18 in the business of an escrow agent in violation of subdivision (a)
19 or (d) shall, upon conviction, be subject to punishment as set forth
20 in Section 17700. Any person who knows of a violation of
21 subdivision (a) or (d) shall immediately report the violation in
22 writing to the commissioner. No person shall be civilly liable for
23 reporting as required under this subdivision, unless the information
24 provided in the report is false and the person providing false
25 information does so with knowledge and malice. The reports filed
26 under this section, including the identity of the person making the
27 filing, shall remain confidential pursuant to state law.

28 (h) Nothing in this section shall be construed to permit the
29 reinstatement of any person barred by the commissioner pursuant
30 to Section 17423 nor to prohibit the commissioner from bringing
31 any action pursuant to Section 17423.

32 (i) If any provision of this section or the application thereof to
33 any person or circumstances is held invalid, that invalidity shall
34 not affect other provisions or applications of this section which
35 can be given effect without the invalid provision or application,
36 and to this end the provisions of this section are severable.

37 ~~SEC. 3.~~

38 *SEC. 4.* Section 22050.5 of the Financial Code is amended to
39 read:

1 22050.5. This division does not apply to any person who makes
2 no more than one loan in a 12-month period if that loan is a
3 commercial loan as defined in Section 22502.

4 *SEC. 5. Section 80001 of the Financial Code is amended to*
5 *read:*

6 80001. For purposes of this division, the following terms shall
7 have the following meanings:

8 (a) “Department” means the Department of ~~Business Oversight.~~
9 *Financial Protection and Innovation.*

10 (b) “Program” means the Bank on California Program.

11 *SEC. 6. Section 80002 of the Financial Code is repealed.*

12 ~~80002. Commencing in 2016, the department shall provide the~~
13 ~~respective chairpersons of the Senate Committee on Banking and~~
14 ~~Financial Institutions and the Assembly Committee on Banking~~
15 ~~and Finance with a brief annual summary on the activities of the~~
16 ~~program. The summary shall be submitted no later than August~~
17 ~~30 of each year.~~

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STATE CAPITOL
SACRAMENTO, CA 95814
(916) 651-4013



December 9, 2021

The Honorable Assemblymember Ken Cooley, Chair
Assembly Committee on Rules
State Capitol, Room 3016
Sacramento, CA 95814

Re: SB 504 - Request Permission for Urgency Clause.

Dear Assemblymember Cooley,

I would like to request permission to add an urgency clause to Senate Bill 504, a bi-partisan measure focused on voter registration for underserved voter groups. Technical changes were made on behalf of the Secretary of State's (SoS) office in October of 2021.

SB 504 improves two critical election processes by 1) ensuring formerly incarcerated voters are communicated with when re-registering to vote via more accurate voter roll management with CDCR, and 2) grants voters with disabilities, and military voters overseas (UOCAVA) to "Conditionally" or "Same Day" register to vote. Doing so creates a more consistent experience for all California voters.

The urgency clause is needed to give county election officials sufficient time to ensure that elections are held in a manner that is secure and accessible to military and overseas voters, voters with disabilities, and formerly incarcerated voters. It also is necessary due to the SoS's responsibility to issue regulations in advance of upcoming elections throughout the state.

For election policy questions, Garrett Jensen on my team can be reached at garrett.jensen@sen.ca.gov or (503) 806-1108. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Becker". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

JOSH BECKER
Senator, 13th District

PROPOSED AMENDMENTS

RN 22 00342 09
11/19/21 06:24 PM
SUBSTANTIVE

PROPOSED AMENDMENTS TO SENATE BILL NO. 504
AMENDED IN ASSEMBLY JULY 8, 2021
AMENDED IN ASSEMBLY JUNE 16, 2021

SENATE BILL

No. 504

Introduced by Senator Becker

February 17, 2021



An act to amend Section 2170 of, and to repeal and add Section 2212 of, the Elections Code, relating to ~~elections.~~ *elections, and declaring the urgency thereof, to take effect immediately.*

Amendment 1

LEGISLATIVE COUNSEL'S DIGEST

SB 504, as amended, Becker. Elections: voter registration.

(1) Existing law authorizes an individual who is eligible to register to vote to complete and deliver to a county elections official a conditional voter registration application that is deemed effective after the elections official determines the individual's eligibility to vote and validates the information on the application. Existing law authorizes a voter who has conditionally registered to cast a provisional or nonprovisional ballot *during the 14 days immediately preceding an election or on the day of the election*, as specified. Existing law authorizes military and overseas voters, as defined, to register for, and to vote a vote by mail ballot in, any election within the state or within the precinct in which the voter last resided within the territorial limits of the United States, as specified. ~~Existing law requires a county elections official to permit a military or overseas voter and a voter with a disability to vote using a certified remote accessible vote by mail system, except as specified.~~

PROPOSED AMENDMENTS

SB 504

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RN 22 00342 09
11/19/21 06:24 PM
SUBSTANTIVE

~~This bill would require a county elections official to make conditional voter registration available to military and overseas voters and voters with disabilities via a certified remote accessible vote by mail system. clarify that otherwise qualified military and overseas voters and voters with disabilities may complete a conditional voter registration and cast a provisional ballot or nonprovisional ballot under these provisions. The bill would authorize the Secretary of State to adopt emergency regulations to implement provisions relating to conditional voter registration and would make related findings.~~

(2) Existing law requires the clerk of the superior court of each county to periodically furnish the Secretary of State and the county elections official with certain information regarding persons who have been committed to state prison for a felony conviction. Existing law requires the Secretary of State or the county elections official to cancel the affidavit of voter registration of persons who are currently imprisoned for the conviction of a felony.

This bill would repeal those provisions and instead require the Department of Corrections and Rehabilitation, on a weekly basis, to provide the Secretary of State with specified identifying information for persons imprisoned for the conviction of a felony and persons on parole or otherwise released from that imprisonment. The bill would require the Secretary of State to compare the identifying information received from the Department of Corrections and Rehabilitation with the statewide voter registration database developed in compliance with the requirements of the federal Help America Vote Act of 2002, and to provide county elections officials with information regarding any matching registration records. The bill would require county elections officials to cancel the affidavits of voter registration of persons who are imprisoned and to notify persons who have been released from imprisonment that their voting rights are restored, that they may register to vote, and of the procedures for registering to vote. The bill would require the Secretary of State to prepare a form for county elections officials to provide this notice. The bill would immunize counties and county elections officials from liability based on actions taken in accordance with this bill based on erroneous information received from the Secretary of State or the Department of Corrections and Rehabilitation. The bill would create a presumption that a person who is ineligible to vote but receives a notice that their voting rights have been restored under these provisions, and then becomes registered or preregistered to vote and votes or attempts to vote in a subsequent

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PROPOSED AMENDMENTS

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SUBSTANTIVE

election, is not guilty of fraudulently voting or attempting to vote, except as specified.

(3) By increasing the duties of local officials on matters relating to voter registration, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(4) *This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

Page 3

1 SECTION 1. Section 2170 of the Elections Code is amended
2 to read:

3 2170. (a) "Conditional voter registration" means a properly
4 executed affidavit of registration that is delivered by the registrant
5 to the county elections official during the 14 days immediately
6 preceding an election or on election day and which may be deemed
7 effective pursuant to this article after the elections official processes
8 the affidavit, determines the registrant's eligibility to register, and
9 validates the registrant's information, as specified in subdivision
10 (c).

11 (b) In addition to other methods of voter registration provided
12 by this code, an elector who is otherwise qualified to register to
13 vote under this code and Section 2 of Article II of the California
14 Constitution, including military and overseas ~~voters~~, *voters and*
15 *voters with disabilities*, may complete a conditional voter
16 registration and cast a provisional ballot, or nonprovisional ballot
17 under subdivision (f), during the 14 days immediately preceding
18 an election or on election day pursuant to this article.

19 (c) (1) A conditional voter registration shall be deemed effective
20 if the county elections official is able to determine before or during
21 the canvass period for the election that the registrant is eligible to
22 register to vote and that the information provided by the registrant

Amendment 2

PROPOSED AMENDMENTS

**RN 22 00342 09
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SUBSTANTIVE**

SB 504

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Page 3 23 on the registration affidavit matches information contained in a
24 database maintained by the Department of Motor Vehicles or the
25 federal Social Security Administration.

26 (2) If the information provided by the registrant on the
27 registration affidavit cannot be verified pursuant to paragraph (1)
28 but the registrant is otherwise eligible to vote, the registrant shall
29 be issued a unique identification number pursuant to Section 2150
30 and the conditional voter registration shall be deemed effective.

31 (d) The county elections official shall offer conditional voter
32 registration and voting pursuant to this article, in accordance with
33 all of the following procedures:

Page 4 34 (1) The elections official shall provide conditional voter
35 registration and voting pursuant to this article at all permanent and
1 satellite offices of the county elections official and all polling
2 places in the county.

3 ~~(2) The elections official shall make conditional voter~~
4 ~~registration and voting available to military and overseas voters~~
5 ~~described in subdivision (b) of Section 300 and voters with~~
6 ~~disabilities through a certified remote accessible vote by mail~~
7 ~~system described in Section 3016.5.~~

8 ~~(3)~~
+ (2) The elections official shall advise registrants that a
9 conditional voter registration will be effective only if the registrant
10 is determined to be eligible to register to vote for the election and
11 the information provided by the registrant on the registration
12 affidavit is verified pursuant to subdivision (c).

13 ~~(4)~~
+ (3) The elections official shall conduct the receipt and handling
14 of each conditional voter registration and offer and receive a
15 corresponding ballot in a manner that protects the secrecy of the
16 ballot and allows the elections official to process the registration,
17 determine the registrant’s eligibility to register, and validate the
18 registrant’s information before counting or rejecting the
19 corresponding ballot.

20 ~~(5)~~
+ (4) After receiving a conditional voter registration, the elections
21 official shall process the registration, determine the registrant’s
22 eligibility to register, and attempt to validate the registrant’s
23 information.

24 ~~(6)~~

Amendment 3

Amendment 4

Amendment 5

Amendment 6

PROPOSED AMENDMENTS

Page 4 + (5) If a conditional registration is deemed effective, the elections official shall include the corresponding ballot in the official canvass.

27 (e) After receiving a conditional voter registration, the elections official shall provide a provisional ballot in accordance with the following procedures:

30 (1) If the elections office, satellite office, or polling place is equipped with an electronic poll book, or other means to determine the voter’s precinct, the elections official shall provide the voter with a ballot for the voter’s precinct if the ballot is available. The ballot may be cast by any means available at the elections office, satellite office, or polling place.

36 (2) If the elections official is unable to determine the voter’s precinct, or a ballot for the voter’s precinct is unavailable, the elections official shall provide the voter with a ballot and inform the voter that only the votes for the candidates and measures on which the voter would be entitled to vote in the voter’s assigned precinct may be counted pursuant to paragraph (3) of subdivision (c) of Section 14310. The ballot may be cast by any means available at the elections office, satellite office, or polling place.

Page 5 1 (3) Notwithstanding paragraph (2), if the elections official is able to determine the voter’s precinct, but a ballot for the voter’s precinct is unavailable, the elections official may inform the voter of the location of the voter’s polling place. A voter described in this paragraph shall not be required to vote at the voter’s polling place and may instead, at the voter’s choosing, cast a ballot pursuant to paragraph (2).

11 (4) This subdivision does not apply to elections conducted pursuant to Section 4005 or 4007.

13 (f) An elections official may offer a nonprovisional ballot to a registrant if the official does both of the following:

15 (1) Uses the statewide voter registration database developed in compliance with the requirements of the federal Help America Vote Act of 2002 (52 U.S.C. Sec. 20901 et seq.) to do all of the following before issuing the nonprovisional ballot:

18 (A) Verify that the registrant is deemed eligible to register to vote.

20 (B) Verify that the registrant has not voted in the state in that election.

22

PROPOSED AMENDMENTS

**RN 22 00342 09
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SUBSTANTIVE**

SB 504

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Page 5

23 (C) Verify that the registrant has not been included on a roster
24 for that election in another county in the state that is not conducting
25 elections pursuant to Section 4005.

26 (D) Update the voter’s record to indicate that the voter has voted
27 in that election.

28 (2) If the registrant has been included on a roster for that election
29 in that county, the official updates that roster to indicate that the
30 voter has voted and shall not be issued another nonprovisional
31 ballot for that election.

+ (g) *The Secretary of State may adopt emergency regulations to*
+ *implement this section. The Legislature finds and declares that*
+ *such regulations are necessary for the immediate preservation of*
+ *the public peace, health, safety, or general welfare because the*
+ *regulations will ensure that elections officials have sufficient time*
+ *to ensure that elections are held in a safe and accessible manner.*

32 SEC. 2. Section 2212 of the Elections Code is repealed.

33 SEC. 3. Section 2212 is added to the Elections Code, to read:

34 2212. (a) For purposes of this section, the following definitions
35 apply:

36 (1) “Conviction” has the same meaning as set forth in Section
37 2101.

38 (2) “Department” means the Department of Corrections and
39 Rehabilitation.

Page 6

1 (3) “Imprisoned” has the same meaning as set forth in Section
2 2101.

3 (4) “Parole” means a term of supervision by the department.

4 (5) “Statewide voter database” means the statewide voter
5 registration database developed in compliance with the
6 requirements of the federal Help America Vote Act of 2002 (52
7 U.S.C. Sec. 20901 et seq.).

8 (b) The department shall provide to the Secretary of State, on
9 a weekly basis and in a format prescribed by the Secretary of State,
10 the identification information described in subdivision (c) for all
11 of the following persons:

12 (1) Persons imprisoned for the conviction of a felony and under
13 the jurisdiction of the department. To the extent available,
14 identification information provided by the department regarding
15 these persons shall include the date on which each person’s term
16 of imprisonment began.

Amendment 7

PROPOSED AMENDMENTS

Page 6 17 (2) Persons on parole or persons released from imprisonment
18 for the conviction of a felony and no longer under the jurisdiction
19 of the department. To the extent available, identification
20 information provided by the department regarding these persons
21 shall include the dates on which each person’s parole began and
22 on which the person was discharged from the jurisdiction of the
23 department.

24 (c) Personal identification information for the purposes of
25 subdivision (b) includes all of the following:

- 26 (1) All known first names.
- 27 (2) All known last names.
- 28 (3) All known middle names.
- 29 (4) All known name suffixes.
- 30 (5) Last known address.
- 31 (6) Date of birth.
- 32 (7) Last four digits of the person’s social security number, if
33 available.
- 34 (8) Driver’s license or state-issued identification number, if
35 available.

36 (d) Upon receipt of the information described in subdivision
37 (b), the Secretary of State shall do all the following:

38 (1) Identify any registration record in the statewide voter
39 database that contains personal identifying information that, for
40 each of the unique identifiers described in subdivision (c), as
Page 7 1 available, matches information pertaining to the person described
2 in subdivision (b).

3 (2) For any matched records described in paragraph (1), provide
4 the information described in subdivision (b) and the corresponding
5 unique identifier or identifiers used in the statewide voter database
6 to county elections officials within three days of receipt of the
7 information from the department.

8 (e) Upon receipt of information from the Secretary of State
9 pursuant to subdivision (d), a county elections official shall do all
10 of the following:

11 (1) Cancel the affidavit of registration of any person described
12 in paragraph (1) of subdivision (b) whose registration information
13 matches the unique identifier or identifiers used in the statewide
14 voter database provided by the Secretary of State to the county.

15 (2) Using the form prepared by the Secretary of State pursuant
16 to subdivision (f), notify a person described in paragraph (2) of

PROPOSED AMENDMENTS

SB 504

— 8 —

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SUBSTANTIVE**

Page 7 17 subdivision (b), and whose last known address is within the county
18 based on the unique identifier or identifiers used in the statewide
19 voter database provided by the Secretary of State to the county,
20 that the person’s voting rights are restored and advise the person
21 that if the person is otherwise entitled to register to vote, the person
22 may register to vote. The county elections official shall also provide
23 the person with information regarding the procedure for registering
24 to vote.

25 (f) The Secretary of State shall prepare a form to be used by
26 county elections officials to provide the notice described in
27 paragraph (2) of subdivision (e).

28 (g) A county or county elections official shall not be liable for
29 taking or failing to take the actions described in subdivision (e)
30 when the county or county elections official have received
31 erroneous information from the Secretary of State or the
32 department.

33 (h) If a person who is ineligible to vote receives a notice under
34 paragraph (2) of subdivision (e), subsequently becomes registered
35 or preregistered to vote, and votes or attempts to vote in an election
36 held after the effective date of the person’s registration or
37 preregistration, that person shall be presumed to have acted with
38 official authorization and shall not be guilty of fraudulently voting
39 or attempting to vote pursuant to Section 18560, unless that person

Page 8 1 willfully votes or attempts to vote knowing that the person is not
2 entitled to vote.

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

+ SEC. 5. *This act is an urgency statute necessary for the*
+ *immediate preservation of the public peace, health, or safety within*
+ *the meaning of Article IV of the California Constitution and shall*
+ *go into immediate effect. The facts constituting the necessity are:*

+ *To ensure that elections officials have sufficient time to ensure*
+ *that elections are held in a manner that is secure and accessible*
+ *to military and overseas voters, voters with disabilities, and*

Amendment 8

PROPOSED AMENDMENTS

— 9 —

SB 504

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SUBSTANTIVE**

- + *formerly incarcerated voters, it is necessary for this act to take*
- + *effect immediately.*

SECURED
CONFIDENTIAL

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STATE CAPITOL, RM. 3092
SACRAMENTO, CA 95814
TEL (916) 651-4019

SANTA BARBARA DISTRICT OFFICE
222 E. CARRILLO ST., STE. 309
SANTA BARBARA, CA 93101
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300 E. ESPLANADE DR., STE. 430
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California State Senate

SENATOR
MONIQUE LIMÓN

NINETEENTH SENATE DISTRICT



COMMITTEES
BANKING & FINANCIAL INSTITUTIONS
CHAIR
HEALTH
NATURAL RESOURCES & WATER
SPECIAL COMMITTEE ON
PANDEMIC EMERGENCY RESPONSE
JOINT LEGISLATIVE COMMITTEE ON
EMERGENCY MANAGEMENT
SELECT COMMITTEE
ON THE NONPROFIT SECTOR
CHAIR

December 21, 2021

Honorable Ken Cooley
Chair, Assembly Committee on Rules
State Capitol, Room 3016
Sacramento, CA 95814

RE: Request to add an urgency clause to SB 577 (Limón)

Dear Chair Cooley,

I respectfully request that the Rules Committee approve the addition of an urgency clause to SB 577. This bill cleans up several provisions of the Financial Code, but, importantly, it removes a sunset date of January 1, 2022, on the section that provides an exemption from the California Financing Law (CFL) for commercial lenders that make only one loan in a 12-month period. The expiration of this exemption negatively affects the structuring of large financial transactions, particularly in the private equity market, which will delay or entirely prevent transactions from moving forward in 2022. My staff has received several calls from industry participants since the legislative recess began in September, urging that the exemption be reinstated as early as possible in 2022.

The advancement of SB 577 was impeded by the 12-bill limit imposed by leadership in both houses in 2021. If an urgency clause is not approved, certain transactions with associated economic activity will not move forward which will harm California investors, business owners, workers, and customers.

Sincerely,

A handwritten signature in blue ink that reads "Monique Limón".

MONIQUE LIMÓN
Senator, 19th District

AMENDED IN SENATE APRIL 7, 2021
AMENDED IN SENATE MARCH 7, 2021

SENATE BILL

No. 577

Introduced by Senator Limón

February 18, 2021

An act to amend Sections 2105, 17202.1, 17414.1, ~~and 22050.5 of 22050.5, and 80001 of, and to repeal Section 80002 of,~~ the Financial Code, relating to financial institutions.

LEGISLATIVE COUNSEL'S DIGEST

SB 577, as amended, Limón. Financial institutions: *money transmission: escrow agents: lenders and ~~brokers:~~ brokers: banking.*

(1) Existing law establishes the Department of Financial Protection and Innovation in the Business, Consumer Services, and Housing Agency, headed by the Commissioner of Financial Protection and Innovation. Under existing law, the commissioner and the department are charged with oversight and enforcement of various laws, including the Money Transmission Act.

Existing law, the Money Transmission Act, prohibits a person from engaging in the business of money transmission in this state, or advertising, soliciting, or holding out as providing money transmission in this state, unless the person is licensed or exempt from licensure, as specified. Existing law requires each licensee or agent to prominently post on the premises of each branch office that conducts money transmission a specified notice regarding how to contact the department.

This bill would update the department's contact information in that notice requirement.

~~Existing~~

(2) *Existing* law, the Escrow Law, provides for the licensing and regulation of escrow agents by the Commissioner of Financial Protection and Innovation and authorizes an applicant for an escrow agent’s license or a licensee, in lieu of depositing a required bond, to deposit with the commissioner a cash bond that is evidenced, as specified.

The Escrow Law prohibits a person who has been convicted of or pleaded nolo contendere to specified crimes within the past 10 years, or who has been held liable in any civil action, as provided, within the past 7 years, from serving in any capacity as an officer, director, stockholder, trustee, agent, or employee of an escrow agent, or in any position involving any duties with an escrow agent, except as specified.

This bill would correct obsolete references in those provisions.

Existing

(3) *Existing* law, the California Financing Law, provides for the licensing and regulation of finance lenders, brokers, and specified program administrators by the commissioner. The California Financing Law exempts from its provisions, until January 1, 2022, a person who makes only one loan, if it is a commercial loan, as defined, in a 12-month period.

This bill would delete the repeal date described above, thereby extending indefinitely the exemption for a person who makes only one commercial loan in a 12-month period.

(4) *Existing* law establishes the Bank on California Program within the Department of Financial Protection and Innovation as a voluntary collaborative to assist Californians in opening bank or credit union accounts. Existing law requires the department to report annually to specified committees of the Legislature on the activities of the program.

This bill would repeal that annual reporting requirement.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2105 of the Financial Code is amended
- 2 to read:
- 3 2105. (a) Each licensee or agent shall prominently post on the
- 4 premises of each branch office that conducts money transmission
- 5 a notice stating that:

1 “If you have complaints with respect to any aspect of the money
2 transmission activities conducted at this location, you may contact the
3 California Department of ~~Business Oversight~~ *Financial Protection and*
4 *Innovation* at its toll-free telephone number, 1-866-275-2677, by email at
5 ~~consumer.services@dbo.ca.gov~~, *consumer.services@dfpi.ca.gov*, or by
6 mail at the Department of ~~Business Oversight~~, *Financial Protection and*
7 *Innovation*, Consumer Services, ~~1515 K Street, Suite 200, Sacramento,~~
8 ~~CA 95814.~~ *2101 Arena Boulevard, Sacramento, CA 95834.*”
9

10 (b) The commissioner may by order or regulation modify the
11 content of the notice required by this section. This notice shall be
12 printed in English and in the same language principally used by
13 the licensee or any agent of the licensee to advertise, solicit, or
14 negotiate either orally or in writing, with respect to money
15 transmission at that branch office. The information required in this
16 notice shall be clear, legible, and in letters not less than one-half
17 inch in height. The notice shall be posted in a conspicuous location
18 in the unobstructed view of the public within the premises. The
19 licensee shall provide to each of its agents the notice required by
20 this section. In those locations operated by an agent, the agent, and
21 not the licensee, shall be responsible for the failure to properly
22 post the required notice.

23 (c) In the event that a licensee or agent conducts money
24 transmission activity via an ~~Internet Web site~~ *internet website* or
25 a mobile application that is not in a branch office, the commissioner
26 may authorize an alternative form of the notice required in
27 subdivision (a).

28 **SECTION 1.**

29 *SEC. 2.* Section 17202.1 of the Financial Code is amended to
30 read:

31 17202.1. An applicant for an escrow agent’s license or a
32 licensee may, in lieu of and subject to the same conditions as the
33 bond required by Section 17202, deposit with the commissioner
34 a cash bond in the sum specified in Section 17202. Evidence of
35 the cash bond shall be a deposit in the amount specified in Section
36 17202 in a bank or investment certificates of industrial loan
37 companies, authorized to do business in this state and insured by
38 the Federal Deposit Insurance Corporation, or an investment
39 certificate or share account in the amount specified in Section
40 17202 issued by a savings and loan association doing business in

1 this state and insured by the Federal Deposit Insurance Corporation.
2 Those deposits, certificates, or accounts shall be assigned to and
3 accepted and maintained by the commissioner, upon those terms
4 as the commissioner may prescribe, until released by the
5 commissioner, and shall not be deemed an asset of the applicant
6 or licensee for the purpose of complying with Section 17210.

7 ~~SEC. 2.~~

8 *SEC. 3.* Section 17414.1 of the Financial Code is amended to
9 read:

10 17414.1. (a) Any person who has been convicted of or pleaded
11 nolo contendere to any crime specified in subdivision (b) within
12 the past 10 years, or has been held liable in any civil action by
13 final judgment or any administrative judgment by any public
14 agency within the past seven years, of any of the provisions
15 specified in subdivision (b), shall not serve in any capacity as an
16 officer, director, stockholder, trustee, agent, or employee of an
17 escrow agent, or in any position involving any duties with an
18 escrow agent, in this state. This subdivision shall not apply to any
19 person whose office, employment, ownership interest, or other
20 participation in the business of a licensed escrow agent commenced
21 prior to January 1, 1992.

22 (b) Subdivision (a) applies to criminal convictions of, pleas of
23 nolo contendere to, or civil or administrative judgments entered
24 for offenses including the following:

25 (1) Offenses specified in Chapter 10 (commencing with Section
26 1320) of Division 1.1.

27 (2) Offenses specified in Article 4 (commencing with Section
28 5300) of Chapter 1 of Division 2.

29 (3) Offenses specified in Article 8 (commencing with Section
30 14750) of Chapter 4 of Division 5.

31 (4) Offenses specified in Chapter 3 (commencing with Section
32 17400), and Chapter 7 (commencing with Section 17700) of
33 Division 6.

34 (5) Offenses specified in Chapter 6 (commencing with Section
35 18435) of Division 7.

36 (6) Offenses specified in provisions of the laws of the United
37 States added or amended by the federal Financial Institutions
38 Reform, Recovery and Enforcement Act of 1989 (Public Law
39 101-73).

1 (7) Offenses involving robbery, burglary, theft, embezzlement,
2 fraud, fraudulent conversion or misappropriation of property,
3 forgery, bookmaking, receiving stolen property, counterfeiting,
4 controlled substances, extortion, checks, credit cards, or computer
5 violations specified in Section 502 of the Penal Code.

6 For the purpose of this section, but not Section 17423, an offense
7 does not include a conviction for which the person has obtained a
8 certificate of rehabilitation from a court of competent jurisdiction
9 under Section 1203.4 or 4852.13 of the Penal Code or a similar
10 certificate of rehabilitation obtained in a foreign jurisdiction.

11 (c) On and after January 1, 1992, any person who seeks
12 employment by, or an ownership interest in, or other participation
13 in the business of a licensed escrow agent shall, as a condition to
14 obtaining that employment, interest, or participation, authorize
15 Fidelity Corporation and the commissioner, or both, to have access
16 to that person's state and federal summary criminal history
17 information, as defined in Section 11105 of the Penal Code, for
18 purposes of determining whether the person has a prior conviction
19 of, or pleaded nolo contendere to, a criminal offense specified in
20 subdivision (b).

21 (d) On or before the 10th day of employment, each escrow agent
22 shall obtain and forward to the commissioner the fingerprint images
23 and related information of persons seeking employment by an
24 escrow agent. The fingerprint images and related information may
25 be submitted by certified mail, return receipt requested, or
26 transmitted electronically, using the process established by the
27 Department of Justice for requesting state and federal summary
28 criminal history information. Persons who have previously
29 submitted fingerprints or fingerprint images and related information
30 to the commissioner may so notify the commissioner and need not
31 submit additional fingerprint images and related information unless
32 requested to do so by the commissioner. The commissioner shall
33 provide written notice to both the escrow agent and to the person
34 if any of the information received pursuant to this division shows
35 that the person's employment would be in violation of Section
36 17414.1, and the escrow agent shall deny the person the
37 employment. No person whose employment is in violation of
38 subdivision (a) shall have access to trust funds or sign checks or
39 otherwise perform any activities related to the processing of escrow
40 transactions after the licensed escrow agent has been notified by

1 the commissioner that the person's employment is in violation of
2 subdivision (a).

3 (e) Any state and federal summary criminal history information
4 obtained pursuant to this section shall be kept confidential and no
5 recipient shall disclose the contents other than for the purpose of
6 determining eligibility for employment by, or acquisition of an
7 ownership interest in, or other participation in the business of a
8 licensed escrow agent.

9 (f) The authority granted by this section to the commissioner
10 or to Fidelity Corporation shall be in addition to any other authority
11 granted by law to obtain information about any person who is
12 subject to this division. Nothing in this section shall be construed
13 to limit any authority of the commissioner or Fidelity Corporation
14 otherwise provided by law.

15 (g) Any person who knowingly violates subdivision (a) or (d),
16 including, but not limited to, any escrow agent who permits
17 employment by, or an ownership interest in, or other participation
18 in the business of an escrow agent in violation of subdivision (a)
19 or (d) shall, upon conviction, be subject to punishment as set forth
20 in Section 17700. Any person who knows of a violation of
21 subdivision (a) or (d) shall immediately report the violation in
22 writing to the commissioner. No person shall be civilly liable for
23 reporting as required under this subdivision, unless the information
24 provided in the report is false and the person providing false
25 information does so with knowledge and malice. The reports filed
26 under this section, including the identity of the person making the
27 filing, shall remain confidential pursuant to state law.

28 (h) Nothing in this section shall be construed to permit the
29 reinstatement of any person barred by the commissioner pursuant
30 to Section 17423 nor to prohibit the commissioner from bringing
31 any action pursuant to Section 17423.

32 (i) If any provision of this section or the application thereof to
33 any person or circumstances is held invalid, that invalidity shall
34 not affect other provisions or applications of this section which
35 can be given effect without the invalid provision or application,
36 and to this end the provisions of this section are severable.

37 ~~SEC. 3.~~

38 *SEC. 4.* Section 22050.5 of the Financial Code is amended to
39 read:

1 22050.5. This division does not apply to any person who makes
2 no more than one loan in a 12-month period if that loan is a
3 commercial loan as defined in Section 22502.

4 *SEC. 5. Section 80001 of the Financial Code is amended to*
5 *read:*

6 80001. For purposes of this division, the following terms shall
7 have the following meanings:

8 (a) “Department” means the Department of ~~Business Oversight.~~
9 *Financial Protection and Innovation.*

10 (b) “Program” means the Bank on California Program.

11 *SEC. 6. Section 80002 of the Financial Code is repealed.*

12 ~~80002. Commencing in 2016, the department shall provide the~~
13 ~~respective chairpersons of the Senate Committee on Banking and~~
14 ~~Financial Institutions and the Assembly Committee on Banking~~
15 ~~and Finance with a brief annual summary on the activities of the~~
16 ~~program. The summary shall be submitted no later than August~~
17 ~~30 of each year.~~

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**ADMINISTRATIVE ITEM:
MINIMUM WAGE POLICY FOR HOURLY EMPLOYEES**

ISSUE:

Should the Assembly adopt a \$17 per hour Minimum Wage Policy for hourly employees?

BACKGROUND:

In 2016, the Legislature passed Senate Bill 3 (Chapter 4, Statutes of 2016), which established a minimum wage adjustment schedule to achieve \$15 per hour by January 1, 2022.

On May 5, 2016, the Assembly approved a Minimum Wage Policy with a more aggressive timeline than required by Senate Bill 3. The Assembly has been paying hourly employees \$15 per hour since January 2019.

Cities across California also already provide \$15 per hour or higher to employees. The proposed \$17 per hour Minimum Wage Policy will keep the Assembly ahead of the state's minimum wage.

RECOMMENDATION:

Approve

**ADMINISTRATIVE ITEM:
2022 ASSEMBLY HOLIDAY SCHEDULE**

ISSUE:

Approval of the proposed holiday schedule for the year 2022.

BACKGROUND:

The Assembly Committee on Rules is responsible for creating a holiday schedule to be observed by Assembly employees during the calendar year.

In addition, the Rules Committee has authorized Assembly employees to take two personal holidays at any time during the year with the approval of the Assemblymember.

In the instances where the proposed Assembly holiday differs from the State holiday, Assembly precedent has been followed.

RECOMMENDATION:

Approve

2022 ASSEMBLY HOLIDAY SCHEDULE

The following are proposed holidays to be observed by the Assembly in 2022:

Monday, January 17 - MARTIN LUTHER KING, JR. DAY

Monday, February 21 - PRESIDENTS' DAY

Friday, April 1 - CESAR CHAVEZ DAY

Monday, May 30 - MEMORIAL DAY

Monday, July 4 - INDEPENDENCE DAY

Monday, September 5 - LABOR DAY

Friday, November 11 - VETERANS DAY

Thursday and Friday, November 24 and 25 - THANKSGIVING

Friday and Monday - December 23 and 26 - WINTER HOLIDAY

Friday and Monday, December 30 and January 2, 2023 – NEW YEAR HOLIDAY

In addition, the Rules Committee has authorized Assembly employees to take two personal holidays at any time during the year with the approval of the Assemblymember.