



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 7c (Consent/Information)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer *BF*

**MEETING DATE:** February 7, 2022

**SUBJECT:** Legislative Report

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**SUMMARY**

This is a consent item for information purposes only. Accordingly, if interested, the Commission is invited to pull this item for additional discussion with the concurrence of the Chair. No formal action will be taken as part of this item.

The Senate Governance and Finance Committee prepared a summary of new legislation enacted in 2021, included as Attachment One.

Newly enacted legislation relevant to the Commission is highlighted by Senate Bill (SB) 13, authored by Senator Bill Dodd. SB 13 reauthorizes a pilot program until January 1, 2026, that allows the Commission to approve extensions of service outside of a local agency's sphere of influence based on determinations contained within a municipal service review. SB 13 also expands the pilot program to allow the Commission to approve service extensions to specified parcels in St. Helena if certain determinations are made.

**ATTACHMENT**

- 1) Senate Governance and Finance Committee 2021 Legislative Year Summary

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Representative of the General Public

Brendon Freeman  
*Executive Officer*

**Senate Committee on Governance & Finance  
Senator Mike McGuire, Committee Chair  
State Capitol, Room 407  
Sacramento, California 95814  
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**TO:** People Interested in Public Finance and Governance Legislation  
**FROM:** Senator Mike McGuire, Committee Chair  
**DATE:** November 24, 2021  
**SUBJECT: Summary of significant legislation heard in 2021**

Now that the legislative session has ended, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during 2021. The following summary identifies and briefly describes the significant bills that the Committee has worked on this year. At the end of each description, the bill's status is indicated in *italics*.

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

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

## **Cannabis Issues**

[SB 398 \(Skinner\)](#) allows local agencies to enter into agreements with the Bureau of Cannabis Control to administer commercial cannabis licensing, permitting, or other regulatory activities on their behalf. *Senate Appropriations Committee.*

[SB 603 \(Bradford\)](#) requires cannabis-licensing agencies to develop a needs-based fee waiver and deferral program, upon appropriation in the annual budget or other statute for that purpose, and establishes a state and local cannabis fee tax credit for fees paid by local equity applicants and licensees. *Assembly Revenue & Taxation Committee.*

## **Excise Taxes**

[SB 395 \(Caballero\)](#) enacts the Healthy Outcomes and Prevention Education Act, which imposes the California Electronic Cigarette Excise Tax on the sale of electronic cigarettes, and directs proceeds of the tax to various purposes. *Signed – Chapter 489, Statutes of 2021.*

## **Income Tax Form**

[SB 347 \(Caballero\)](#) creates a new voluntary tax contribution fund, to be known as the California Community and Neighborhood Tree Voluntary Tax Contribution Fund, and continuously appropriates moneys from this fund to the Department of Forestry and Fire Prevention for the Urban and Community Forestry Grant Program. *Signed—Chapter 104, Statutes of 2021.*

[AB 742 \(Calderon\)](#) extends the sunset date for the School Supplies for Homeless Children Voluntary Tax Contribution Fund on the personal income tax return. *Signed—Chapter 96, Statutes of 2021.*

[AB 1065 \(Maienschein\)](#) establishes the Mental Health Crisis Prevention Voluntary Tax Contribution Fund on the personal income tax return. *Signed—Chapter 61, Statutes of 2021.*

## **Land Use Planning & Development**

[SB 6 \(Caballero\)](#) enacts, until January 1, 2029, the Neighborhood Homes Act, which establishes housing as an allowable use on any parcel zoned for office or retail uses. *Assembly Housing & Community Development Committee.*

[SB 8 \(Skinner\)](#) extends the sunset on the Housing Crisis Act of 2019 (HCA) by five years, to January 1, 2030, and makes other changes. *Signed—Chapter 161, Statutes of 2021.*

[SB 9 \(Atkins\)](#) requires ministerial approval of a housing development of no more than two units in a single-family zone (duplex), the subdivision of a parcel zoned for residential use into two

parcels (lot split), or both. *Signed—Chapter 162, Statutes of 2021.*

[SB 10 \(Wiener\)](#) authorizes a city or county to pass an ordinance to zone any parcel for up to 10 units of residential density, at a height specified by the local government in the ordinance, if the parcel is located in a transit-rich area or an urban infill site. *Signed—Chapter 163, Statutes of 2021.*

[SB 12 \(McGuire\)](#) imposes certain fire hazard planning responsibilities on local governments and requires cities and counties to make specified findings on fire standards prior to permitting development in the very high fire hazard severity zone (VHFHSZ). *Assembly Housing & Community Development Committee.*

[SB 32 \(Cortese\)](#) requires cities and counties to identify goals, policies, objectives, targets, and feasible implementation strategies to decarbonize newly constructed commercial and residential buildings. *Senate Appropriations Committee.*

[SB 55 \(Stern\)](#) prohibits residential development in the VHFHSZ unless local agencies adopt a wildfire prevention strategy that mitigates significant risks of loss, injury, or death. *Senate Governance & Finance Committee.*

[SB 290 \(Skinner\)](#) makes various changes to Density Bonus Law (DBL), including providing additional benefits to housing developments that include low-income rental and for-sale housing units, and moderate-income for-sale housing units. *Signed—Chapter 340, Statutes of 2021.*

[SB 318 \(Melendez\)\\*](#) requires that independent auditors be a certified public accountant, and prohibits local agencies from retaining an independent auditor that the local agency contracted with during the preceding 10 years. *Senate Governance & Finance Committee.*

[SB 319 \(Melendez\)](#) requires local agencies that do not comply with impact fee annual report requirements for three years to include each year they did not comply with these requirements in requested audits. *Signed—Chapter 385, Statutes of 2021.*

[SB 478 \(Wiener\)](#) prohibits a local government from imposing certain floor area ratio (FAR) standards on housing projects of 3 to 10 units. *Signed—Chapter 363, Statutes of 2021.*

[SB 499 \(Leyva\)\\*](#) prohibits the land use element of a general plan from designating land uses that have the potential to adversely impact health outcomes from being located within or adjacent to a disadvantaged community. *Senate Governance & Finance Committee.*

[SB 552 \(Hertzberg\)](#) enacts several recommendations to improve small water system emergency response contained in the “Small Water Systems and Rural Communities Drought and Water Shortage Contingency Planning and Risk Assessment” report produced by the Department of Water Resources. *Signed—Chapter 245, Statutes of 2021.*

[SB 556 \(Dodd\)](#) establishes permitting requirements for the placement of small wireless facilities on streetlight and traffic signal poles owned by local governments, including specified timelines

for approving and attaching infrastructure, limitations on fees for attachments, and restrictions on local governments' ability to prohibit small wireless facility attachments. *Vetoed*.

[SB 574 \(Laird\)](#) narrows the role of the Department of Conservation (DOC) in administering the Williamson Act. *Signed—Chapter 644, Statutes of 2021*.

[SB 617 \(Wiener\)](#) requires cities and counties to adopt an automated, online permitting system for solar energy systems and energy storage. *Senate Appropriations Committee*.

[SB 621 \(Eggman\)](#) establishes a ministerial approval process for hotel and motel conversions to multifamily housing. *Senate Governance & Finance Committee*.

[SB 695 \(Ochoa Bogh\)\\*](#) prohibits a local agency from imposing a housing impact requirement on a housing development project, unless specified requirements are satisfied by the local agency, including that the local agency prepare and adopt a nexus study. *Senate Governance & Finance Committee*.

[SB 719 \(Min\)](#) provides that land comprising the former Tustin Marine Corps Air Station is exempt surplus land for the purposes of the Surplus Land Act. *Assembly Local Government Committee*.

[SB 765 \(Stern\)](#) repeals the existing prohibition on a city or county imposing a requirement of a setback for an accessory dwelling unit (ADU) of more than four feet from the rear and side lot lines. *Senate Housing Committee*.

[SB 809 \(Allen\)\\*](#) authorizes a city or county to satisfy part of its requirement to identify zones suitable for residential development in its housing element by adopting and implementing a multijurisdictional regional agreement. *Senate Housing Committee*.

[AB 345 \(Quirk-Silva\)](#) requires cities and counties to allow a qualified nonprofit corporation to sell an accessory dwelling unit (ADU) separately from the primary dwelling unit on the property, and revises the conditions for a tenancy in common agreement entered into pursuant to such a sale. *Signed—Chapter 343, Statutes of 2021*.

[AB 500 \(Ward\)](#) requires local governments in the coastal zone to amend their local coastal programs by January 1, 2024, to provide streamlined permitting procedures for certain housing projects, as specified, among other provisions. *Senate Floor*.

[AB 571 \(Mayes\)](#) prohibits local governments from imposing affordable housing impact fees, including inclusionary zoning fees and in-lieu fees, on a housing development's affordable units in a density bonus project. *Signed—Chapter 346, Statutes of 2021*.

[AB 602 \(Grayson\)](#) adds new requirements to impact fee nexus studies prepared by cities, counties, and special districts, and makes other related changes. *Signed—Chapter 347, Statutes of 2021*.

[AB 803 \(Boerner Horvath\)](#) requires cities and counties to allow development of single-family housing on small lots that are zoned for specified multifamily uses, so long as the development meets specified conditions regarding density, setbacks, dwelling size, and others. *Signed—Chapter 154, Statutes of 2021.*

[AB 970 \(McCarty\)](#) deems approved applications for electric vehicle charging stations after specified time periods. *Signed—Chapter 710, Statutes of 2021.*

[AB 989 \(Gabriel\)](#) establishes, until January 1, 2029, an Office of Housing Appeals (OHA) within the Department of Housing and Community Development (HCD). *Senate Floor.*

[AB 1124 \(Friedman\)](#) revises the definition of “solar energy system” to include all structural design features, whether mounted on the ground or on a roof. *Signed—Chapter 235, Statutes of 2021.*

[AB 1174 \(Grayson\)](#) makes several changes to the streamlined, ministerial approval process established by SB 35 (Wiener, Chapter 366, Statutes of 2017). *Signed—Chapter 160, Statutes of 2021.*

[AB 1180 \(Mathis\)](#) expands the definition of “exempt surplus land” to include surplus land that a local agency transfers to a federally recognized California Indian tribe. *Signed—Chapter 62, Statutes of 2021.*

[AB 1322 \(R. Rivas\)\\*](#) creates a process for the governing body of a city or county to seek judicial validation that a local measure approved by the voters is in conflict with state housing law. *Senate Environmental Quality Committee.*

[AB 1401 \(Friedman\)](#) prohibits public agencies from imposing parking minimums on developments within specified distances of high-quality public transit. *Senate Appropriations Committee.*

[AB 1409 \(Levine\)](#) requires cities and counties to update their safety element to identify evacuation locations. *Signed—Chapter 481, Statutes of 2021.*

## **Local Agency Formation Commissions (LAFCOs) & Boundary Changes**

[SB 13 \(Dodd\)](#) reauthorizes a Napa and San Bernardino LAFCO pilot program until January 1, 2026, that allows LAFCOs to approve extensions of service outside of a local agency’s sphere of influence, and expands the program to allow Napa LAFCO to approve service extensions to specified parcels in St. Helena. *Signed—Chapter 482, Statutes of 2021.*

[AB 1021 \(Mayes\)](#) requires the LAFCOs in Imperial and Riverside Counties to conduct a study of governance options for the Imperial Irrigation District (IID) electrical service area. *Vetoed.*

## Local Powers & Governance

[SB 60 \(Glazer\)](#) allows cities to impose a fine of up to \$5,000 for public and health and safety violations of a short-term rental ordinance. *Signed—Chapter 307, Statutes of 2021.*

[SB 271 \(Wiener\)](#) repeals eligibility requirements for an individual to run for county sheriff. *Senate Governance & Finance Committee.*

[SB 273 \(Hertzberg\)](#) authorizes a municipal wastewater agency to acquire, construct, expand, operate, maintain, and provide facilities to manage stormwater and dry weather runoff. *Signed—Chapter 241, Statutes of 2021.*

[SB 286 \(Min\)\\*](#) requires an election for an office that is determined by a plurality, with no possibility of a runoff, and is consolidated with a statewide election, to be consolidated with the statewide general election in November. *Senate Elections & Constitutional Amendments Committee.*

[SB 323 \(Caballero\)](#) establishes a 120-day statute of limitations for water and sewer rates. *Signed—Chapter 216, Statutes of 2021.*

[SB 342 \(Gonzalez\)](#) adds two additional seats to the South Coast Air Quality Management District (SCAQMD) Governing Board to be filled by persons residing in and working directly with pollution-burdened and vulnerable communities on issues of environmental justice in the South Coast Air Basin, and allows SCAQMD to create a Labor Advisory Panel to provide input on issues impacting labor in the South Coast Air Basin. *Senate Floor.*

[SB 378 \(Gonzalez\)](#) requires local governments to allow fiber installers to use microtrenching as a method for installing fiber unless the local government makes a specified finding that permitting microtrenching would adversely impact public health and safety. *Signed—Chapter 677, Statutes of 2021.*

[SB 403 \(Gonzalez\)](#) authorizes the State Water Resources Control Board (State Water Board) to order the consolidation of at-risk domestic wells and at-risk water systems. *Signed—Chapter 242, Statutes of 2021.*

[SB 427 \(Eggman\)](#) allows local agencies that provide water services to adopt an ordinance with enhanced penalties for water theft of up to \$3,000. *Signed—Chapter 137, Statutes of 2021.*

[SB 466 \(Wieckowski\)](#) allows the City of Santa Clara to sell or lease specified property for the purpose of economic development. *Assembly Local Government Committee.*

[SB 594 \(Glazer\)](#) makes various changes to state law governing candidate filing for the 2022 statewide primary election, redistricting in special districts following the 2020 census, and districting and redistricting for local governments. *Signed—Chapter 320, Statutes of 2021.*

[SB 679 \(Kamlager\)](#) establishes the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs), and authorizes LACAHSAs to utilize specified local financing tools for the purpose of funding renter protections, and the preservation and production of housing units affordable to households earning up to 80% of the area median income. *Assembly Housing & Community Development Committee.*

[SB 712 \(Hueso\)](#) prohibits a local government from adopting or enforcing a resolution or ordinance that would prevent the local government from conducting a fair evaluation of a fee-to-trust application. *Signed—Chapter 291, Statutes of 2021.*

[AB 339 \(Lee\)](#) requires, until December 31, 2023, that city councils and county boards of supervisors in jurisdictions over 250,000 residents provide both in-person and teleconference options for the public to attend their meetings. *Vetoed.*

[AB 361 \(R. Rivas\)](#) creates, until January 1, 2024, an exemption to teleconferenced public meeting requirements for local legislative bodies during states of emergency, as specified; and, until January 31, 2022, a similar exemption to teleconferenced public meeting requirements for certain state bodies, as specified. *Signed—Chapter 165, Statutes of 2021.*

[AB 428 \(Mayes\)](#) requires term limits imposed on members of a board of supervisors to allow for at least two terms. *Signed—Chapter 462, Statutes of 2021.*

[AB 481 \(Chiu\)](#) requires specified law enforcement agencies to submit a military equipment use policy to the appropriate governing body before acquiring or using military equipment. *Signed—Chapter 406, Statutes of 2021.*

[AB 537 \(Quirk\)](#) updates existing law establishing a timeline and process through which wireless telecommunication siting facility permits will be deemed approved. *Signed—Chapter 467, Statutes of 2021.*

[AB 759 \(McCarty\)](#) requires counties to hold elections for district attorney and sheriff with the presidential primary, except as specified, starting on January 1, 2023. This bill also authorizes a county board of supervisors to adopt an ordinance to hold elections for other specified county officers with the presidential primary. *Senate Floor.*

[AB 844 \(Grayson\)](#) authorizes establishment of a Green Empowerment Zone (Green EZ) for the Northern Waterfront area of Contra Costa County and tasks the Green EZ with various duties. *Signed—Chapter 377, Statutes of 2021.*

[AB 850 \(Gallagher\)](#) extends the sunset on the authorization for the Cities of El Monte, Montebello, and Willows to sell their water utilities without voter approval under specified circumstances from January 1, 2022, to January 1, 2024. *Signed, Chapter 705, Statutes of 2021.*

[AB 903 \(Frazier\)](#) dissolves the Los Medanos Community Healthcare District on February 1, 2022. *Senate Governance & Finance Committee.*



[AB 959 \(Mullin\)](#) authorizes a regional park district, regional park and open-space district, or a regional open-space district to define encroachments onto park property as a nuisance and establish a procedure for the abatement of the nuisance through summary abatement and property liens. *Signed—Chapter 268, Statutes of 2021.*

[AB 1017 \(Quirk-Silva\)](#) requires local agencies to complete an inventory of public restrooms they own and maintain, and provide their findings to the Department of Public Health. *Senate Appropriations Committee.*

[AB 1195 \(Cristina Garcia\)\\*](#) creates the Southern Los Angeles County Human Right to Water Collaboration Act. Requires the State Water Resources Control Board to appoint a Commissioner to implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Program in southern Los Angeles County. *Senate Environmental Quality Committee.*

[AB 1276 \(Carrillo\)](#) expands and revises the statute that requires single-use plastic straws only be distributed upon request to apply to specified single-use foodware accessories and standard condiments distributed by food facilities or third-party food delivery platforms. *Signed—Chapter 505, Statutes of 2021.*

## **Local Tax Authority**

[SB 555 \(McGuire\)](#) enacts the Fair and Effective Collection of Due and Payable Transient Occupancy Taxes Derived from Short-term Rentals Arranged by Short-term Rental Facilitators Act of 2021, which allows local agencies to delegate collection of transient occupancy taxes from short-term rental facilitators to CDTFA by enacting an ordinance. *Assembly Appropriations Committee.*

## **Property Taxes**

[SB 219 \(McGuire\)](#) allows a tax collector to cancel property tax delinquency penalties when the failure to pay is due to a documented hardship. *Signed—Chapter 131, Statutes of 2021.*

[SB 257 \(Skinner\)](#) states that property that museums make available for special events is considered property used exclusively for the museums' charitable purposes under the welfare exemption from property tax. *Senate Appropriations Committee.*

[SB 267 \(Hertzberg\)](#) provides that changes in ownership and profits interests in active solar energy systems financed by partnership flip transactions do not constitute changes in control of a legal entity for property tax purposes. *Signed—Chapter 424, Statutes of 2021.*

[SB 303 \(Borgeas\)](#) extends the time period for a taxpayer affected by a disaster to transfer their base year value to a replacement property until March 4, 2022, or the date the Governor terminates the COVID-19 pandemic emergency proclamation, whichever is earlier. *Signed – Chapter 540, Statutes of 2021.*

[SB 539 \(Hertzberg\)](#) enacts two new sections of property tax law to implement Proposition 19 (2020). *Signed – Chapter 427, Statutes of 2021.*

[SB 658 \(Grove\)](#) expands the disabled veterans' exemption to allow a reduced exemption for partially disabled veterans. *Senate Appropriations Committee.*

[SB 667 \(Roth\)](#) allows the executor, administrator, or personal legal representative of a claimant's estate to file a claim for the disabled veterans' exemption. *Signed – Chapter 430, Statutes of 2021.*

[SB 668 \(Bates\)](#) reenacts in statute the parent-child, grandparent-grandchild exclusion from change in ownership exclusion for two years that was effective before voters repealed the exclusion in the California Constitution when they approved Proposition 19 (2020). *Senate Governance & Finance Committee.*

[SB 675 \(Ochoa Bogh\)](#) authorizes a county board of supervisors to adopt a resolution or ordinance to implement a monthly property tax payment program, where qualified taxpayers can instead pay property taxes on a monthly basis. *Vetoed.*

[SB 706 \(Bates\)](#) provides that a change in ownership triggering a reassessment for property tax purposes occurs when 90% or more of the direct or indirect ownership interests in a legal entity are sold or transferred in a single transaction. *Senate Governance & Finance Committee.*

[AB 1203 \(Burke\)](#) changes the qualifications for a person to be eligible to be nominated to an assessment appeals board in Los Angeles County. *Signed – Chapter 418, Statutes of 2021.*

## **Redevelopment & Infrastructure Financing**

[SB 438 \(Laird\)](#) makes specified loan agreements between the City of Atascadero and its former redevelopment agency (RDA) enforceable obligations. *Assembly Appropriations Committee.*

[SB 563 \(Allen\)](#) makes various changes to the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2), including: changing its formation process, recasting eligible expenditures, adding a state matching component, and expanding housing provisions. *Senate Appropriations Committee.*

[SB 734 \(Hueso\)](#) allows local agencies to modify specified redevelopment passthrough agreements, and to forgive up to the entire outstanding principal amount of a passthrough agreement. *Signed—Chapter 221, Statutes of 2021.*

[SB 780 \(Cortese\)](#) makes several changes to enhanced infrastructure financing districts (EIFDs) and community revitalization infrastructure authorities (CRIAs), including a clarification that directly elected mayors of charter cities can be members of EIFD and CRIA boards, as well as address chartering issues. *Signed—Chapter 391, Statutes of 2021.*

[AB 336 \(Villapudua\)](#) allows any member of a taxing entity’s legislative body serving on an enhanced infrastructure financing district (EIFD) board to concurrently serve as a board member of a joint powers authority (JPA) where the taxing entity is a member. *Signed—Chapter 22, Statutes of 2021.*

[AB 464 \(Mullin\)](#) expands the types of facilities and projects enhanced infrastructure financing districts (EIFDs) may fund to include small business structures impacted by the COVID-19 pandemic and nonprofit community organizations’ facilities. *Signed—Chapter 25, Statutes of 2021.*

[AB 758 \(Nazarian\)](#) expands the types of publicly-owned utilities that can issue rate reduction bonds to include those that provide electric service. *Signed—Chapter 233, Statutes of 2021.*

## **Sales & Use Taxes**

[SB 542 \(Limón\)](#) enacts a state-only (3.9375%) sales and use tax exemption for purchases of qualified new medium or heavy-duty zero-emission trucks. *Senate Floor.*

[SB 771 \(Becker\)](#) enacts a state-only (3.9375%) sales and use tax exemption for zero emission or hybrid vehicles purchased under the Clean Cars 4 All Program. *Assembly Desk.*

[SB 792 \(Glazer\)](#) requires specified retailers to include with their sales tax returns a schedule that reports the gross receipts from sales of property for each local jurisdiction where it shipped or delivered to a purchaser in that jurisdiction. *Vetoed.*

[AB 296 \(Gipson\)](#) extends the sunset on the sales and use tax exemption for customers who repurchase their property from a pawnbroker until January 1, 2027. *Signed—Chapter 164, Statutes of 2021.*

## **State Bonds & Indebtedness**

[SB 5 \(Atkins\)\\*](#) enacts the Affordable Housing Bond Act of 2022, which places a bond of \$6.5 billion before voters at the November, 2022, general election to fund affordable rental housing and homeownership programs. *Senate Housing Committee.*

[SB 22 \(Glazer\)](#) enacts the Public Preschool, K–12, and College Health and Safety Bond Act of 2022, which places a \$15.5 billion bond before voters at a statewide election in 2022 to fund facilities for K-12 schools as well as California’s public universities. *Assembly Education Committee.*

[SB 45 \(Portantino\)](#) enacts the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which places a bond of \$5.595 billion before voters at the November, 2022 general election for projects related to wildfire prevention, safe drinking water, drought preparation, and flood protection. *Senate Floor.*

[AB 75 \(O'Donnell\)\\*](#) enacts the Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022 which places a bond of \$12 billion before voters at a statewide election in 2022 for K-12 and California Community Colleges school facilities construction and modernization projects. *Senate Education Committee.*

## State Personal & Corporate Income Taxes

[SB 49 \(Umberg\)](#) provides a tax credit for eligible costs if the taxpayer ceased business operations temporarily for a minimum of 30 consecutive days during the taxable year as a result of an emergency order. *Senate Floor.*

[SB 104 \(McGuire\)](#) creates an elective tax that allows pass-through entities to pay tax on behalf of their owners and allows a credit to the owners of those pass-through entities. AB 150 (Committee on Budget) adopted provisions from SB 104 as the Small Business Relief Act, which the governor signed into law as a part of the Budget Act of 2021. *Senate Appropriations Committee.*

[SB 240 \(Eggman\)](#) extends the sunset on the Donated Fresh Fruits or Vegetables Credit for 5 years through the 2026 taxable year. AB 150 (Committee on Budget) adopted provisions from SB 240, which the governor signed into law as a part of the Budget Act of 2021. *Senate Floor.*

[SB 276 \(Ochoa Bogh\)](#) allows Earned Income Tax Credit (EITC) recipients to elect to use earned income from prior tax years when calculating EITC for the 2021 tax year. *Senate Appropriations Committee.*

[SB 408 \(Min\)](#) provides a tax credit for small businesses in certain industries that were closed for at least 30 consecutive days in either 2020 or 2021 as a result of an emergency order. *Senate Appropriations Committee.*

[SB 424 \(Durazo\)](#) creates a tax credit for certain employers that hire homeless individuals. *Senate Appropriations Committee; subsequently enacted as part of AB 150 (Committee on Budget)*

[SB 444 \(Hertzberg\)](#) provides a personal income tax exclusion for all education awards provided under the "California for All Education Award Program." *Senate Floor.*

[SB 485 \(Portantino\)](#) creates a new credit within the existing Film and TV credit for taxpayers who produce qualified motion pictures at certified studio construction projects. *Senate Floor; subsequently enacted in SB 144 (Committee on Budget and Fiscal Review)*

[SB 553 \(Limón\)](#) enacts a state Work Opportunity Tax Credit (WOTC) largely based on the same credit contained in federal law. *Senate Appropriations Committee.*

[SB 601 \(Ochoa Bogh\)](#) increases the income threshold of the current exclusion for taxpayers who sell their primary residence to a qualified first-time homeowner to \$300,000 for taxpayers who are single or married filing jointly, and \$600,000 for taxpayers who are married filing separately, a head of household, or a surviving spouse. *Assembly Revenue & Taxation Committee.*

[SB 610 \(Grove\)](#) creates a tax credit equal to 50 percent of qualified virtual learning costs — up to \$2,250 — for each qualified dependent. *Senate Appropriations Committee.*

[SB 611 \(Allen\)](#) allows taxpayers additional tax credit amounts under to the California's Film and Motion Picture Production tax credit program when hiring graduates of the Career Pathways Training program, or an equivalent program. *Assembly Appropriations Committee.*

[SB 691 \(Rubio\)](#) allows an additional \$100 in tax credits to all ITIN filers that receive the Earned Income Tax Credit and modifies the calculation of the Young Child Tax Credit. *Senate Appropriations Committee.*

[SB 777 \(Bradford\)](#) enacts the California Jumpstart Act, which directs the California Pollution Control Financing Authority to allocate up to \$300 million in credits against the gross premiums tax to investors in relief funds. *Assembly Jobs, Economic Development, & The Economy Committee.*

[AB 340 \(Ward\)](#) conforms the State's 529 college savings plan statute to recent changes in federal tax law that expand allowable withdrawals from 529 plans to include expenses associated with participation in a registered apprenticeship program and student loan repayment. *Signed—Chapter 557, Statutes of 2021.*

[AB 447 \(Grayson\)](#) makes changes to the state low income housing tax credit program administered by the California Tax Credit Allocation Committee in the State Treasurer's Office. *Signed – Chapter 344, Statutes of 2021.*

[AB 1219 \(Berman\)](#) renews the Natural Heritage Preservation Tax Credit for qualified contributions. *Signed—Chapter 419, Statutes of 2021.*

[AB 1515 \(Santiago\)](#) establishes the Earned Income Tax Credit (EITC) Outreach and Education and Free Tax Assistance Grant Program upon appropriations of the legislature. *Senate Governance & Finance Committee.*

## **State Tax Administration**

[SB 491 \(Nielsen\)](#) prohibits the California Department of Tax and Fee Administration (CDTFA) from issuing a license to, and requires them to suspend or revoke the current tobacco license of,

retailers convicted of violations of Penal Code provisions relating to selling or distributing nitrous oxide. *Assembly Appropriations Committee.*

[AB 545 \(Quirk\)](#) requests the Regents of the University of California to perform a comprehensive assessment of major tax expenditures. *Senate Appropriations Committee.*

[AB 1402 \(Levine\)](#) requires marketplace facilitators currently required to collect sales and use taxes when selling property into California to also collect four fees imposed on sales of specific products. *Signed—Chapter 421, Statutes of 2021.*

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

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