



A G E N D A

CHINO HILLS LEGISLATIVE ADVOCACY COMMITTEE
REGULAR MEETING
MONDAY, JANUARY 27, 2025
10:30 A.M.

CIVIC CENTER, GOLDEN EAGLE CONFERENCE ROOM, 2ND FLOOR
14000 CITY CENTER DRIVE, CHINO HILLS, CALIFORNIA

COMMITTEE MEMBERS

BRIAN JOHSZ
PETER ROGERS

BENJAMIN MONTGOMERY
CITY MANAGER

LYNNAE SISEMORE
ASSISTANT CITY CLERK

This agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda unless the Legislative Advocacy Committee makes a determination that an emergency exists or that a need to take immediate action on the item came to the attention of the City subsequent to the posting of the agenda. The City Clerk has on file copies of written documentation relating to each item of business on this Agenda available for public inspection in the Office of the City Clerk in a public binder, and on the City's website at www.chinohills.org/Agendas while the meeting is in session. Materials related to an item on this Agenda submitted to the Committee after distribution of the agenda packet are available for public inspection in the Office of the City Clerk at 14000 City Center Drive, Chino Hills, CA during normal business hours and on the City's website at www.chinohills.org/Agendas.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in the Council meeting, please contact the City Clerk's Office, (909) 364-2620, at least 48 hours prior to the meeting to enable the City to make reasonable arrangements. [Click here](#) to view the City's Reasonable Accommodation Policy or contact the City Clerk's office to obtain a copy.

Emails and documents submitted by the public will be considered a public document subject to posting on the City's website and are subject to the Public Records Act.

PLEASE SILENCE ALL ELECTRONIC DEVICES WHILE COMMITTEE IS IN SESSION.

Speaker Cards - Those persons wishing to address the Legislative Advocacy Committee on any matter, whether or not it appears on the agenda, must complete and submit to the Committee Secretary a "Request to Speak" form available in the Office of the City Clerk. In accordance with the Public Records Act, any information you provide on this form is available to the public. You are not required to provide your name or other personal information in order to speak. The Committee Secretary will explain how you will be called to speak if you decline to provide your name. Comments will be limited to a maximum of three minutes per speaker for agendized items and a maximum of one minute for non-agendized items. Only one speaker card per person per comment period may be submitted. Individuals must submit their own speaker card. Public comment periods will generally be limited to 30 minutes per meeting and/or the maximum time limits for speaking may be reduced, so not all members of the public may have the opportunity to speak at every committee meeting. If you want to communicate information to the City you can also do so via email at cityclerk@chinohills.org. All public comments must address matters within the subject matter jurisdiction of the Legislative Advocacy Committee, which is considered "City business." Failure to adhere to the prohibition against public comments on non-city business, will result in the speaker losing their opportunity to provide public comments at that meeting.

"City business" includes matters over which the City has been granted authority pursuant to state law, subject to state and federal legal and constitutional limitations. These matters include the construction, maintenance and repair of streets, parks and public facilities; providing water, sewer and trash services; providing recreation services and programs; overseeing land development except to the extent the City's authority has been pre-empted by federal and state law; providing public safety services, including police and fire/paramedic services which the City does by contracting with the San Bernardino County Sheriff's Department and working with the Chino Valley Fire District and through its own code enforcement personnel; imposing regulations over conduct and activities in the City to protect the health, safety and welfare of the community; and the City also has the right to hire and manage personnel, the responsibility to maintain public records and the authority to impose fees and taxes and provide the financial services necessary to provide the above services.

"Signs", banners, flags or other symbolic material (except those that are emblazoned on clothing) are prohibited within the conference room because they may obstruct the view of other attendees, obstruct the passage of other attendees, create a fire or safety hazard, or otherwise disturb the business of the meeting. However, signs no larger than 12X24 inches are permitted.

TIPS FOR PUBLIC SPEAKING AT A COMMITTEE MEETING

- If you have filled out a speaker card with or without your name and/or contact information, please hand it to the Committee Secretary.
- A speaker may not relinquish his/her time to another speaker.
- Be prepared to come forward to the speaker's podium when your name is called.
- As you begin to speak, state your name clearly for the record (although this is not required) and city of residence. If you represent a group or organization, please state that information as well.
- Don't be nervous. It may help to take a deep breath and exhale slowly before you speak.
- Please show courtesy to others and direct all comments to the Committee.
- Do not address comments to the audience or staff members.
- Make your position known at the beginning, then present supporting information.
- Identify your main points. Writing them down ahead of time will help you organize your thoughts at the podium.
- Don't repeat yourself. If a previous speaker has already made the point you planned to make, simply refer to that speaker and emphasize your support for that position.
- Handouts summarizing your position may be distributed to the Committee Secretary before or after your presentation.
- Close your comments with an action statement such as, "Adopt this resolution" or "I urge you to vote 'yes' (or 'no') on this item."
- Any person who disrupts the orderly conduct of the Committee's business may be barred from making further comments and shall be subject to removal from the Conference Room.

10:30 A.M. - CALL TO ORDER / ROLL CALL

PUBLIC COMMENTS - AGENDIZED ITEMS

1. **PUBLIC COMMENTS:** At this time members of the public may address the Legislative Advocacy Committee regarding any item appearing on the agenda. Those persons wishing to address the Committee are requested to complete and submit to the Committee Secretary a "Request to Speak" card. Comments will be limited to a maximum of three minutes per speaker. The time allotted per person may vary depending on the total number of speaker cards received. This comment period will generally be limited to 30 minutes per meeting, so not all members of the public may have the opportunity to speak at every committee meeting.

PUBLIC MEETING

2. Approve October 29, 2024, Legislative Advocacy Committee Meeting Minutes
3. Discuss Fiscal Year 2025-26 Community Project State and Federal Funding Requests
4. Review and approve suggested updates pursuant to Section 5.2 - Legislative Program within Chino Hills Administrative Policies and Procedures Manual and 2016 Legislative Platform
5. Discuss City's position on draft resolution for California's 30x30 Initiative which establishes State goal of conserving 30 percent of California's lands by 2030 and direct staff on action to be taken
6. Discuss City's position on ten Assembly Bills: AB 1 (Connolly) Residential Property Insurance: Wildfire Risk; AB 226 (Calderon) California FAIR Plan Association; AB 232 (Calderon) Natural disasters: catastrophe savings accounts: personal income tax; AB 238 (Harabedian) Mortgage forbearance: state of emergency: wildfire; AB 239 (Harabedian) state-led County of Los Angeles disaster housing task force; AB 241 (Tangipa) Wildfire and Vegetation Management Voluntary Tax Contribution Fund; AB 245 (Gipson) Property taxation: disaster victims; AB 246 (Bryan) State of emergency: residential rent increases: County of Los Angeles: price gouging: enforcement by district attorney; AB 262 (Caloza) - California Individual Assistance Act; and AB 265 (Caloza) Small Business Recovery Fund Act
7. Presentation on Legislative Calendar and State Budget given by Townsend Public Affairs

PUBLIC COMMENTS - NON-AGENDIZED ITEMS

8. **PUBLIC COMMENTS:** At this time, members of the public may address the Legislative Advocacy Committee regarding any items within the subject matter jurisdiction of the Committee that do not appear on the agenda. Please complete and submit to the Committee Secretary a "Request to Speak" card. Comments will be limited to a maximum of one minute per speaker. The time allotted per person may vary depending on the total number of speaker cards received. This comment period will generally be limited to 30 minutes per meeting, so not all members of the public may have the opportunity to speak at every committee meeting.

FUTURE DISCUSSION ITEMS

ADJOURNMENT:

MINUTES

LEGISLATIVE ADVOCACY COMMITTEE

CITY OF CHINO HILLS
REGULAR MEETING
OCTOBER 29, 2024

The Regular meeting of the Legislative Advocacy Committee was called to order at 3:30 p.m.

PRESENT: COMMITTEE MEMBERS: BRIAN JOHSZ
PETER ROGERS

ABSENT: COMMITTEE MEMBERS: NONE

ALSO PRESENT: BENJAMIN MONTGOMERY, CITY MANAGER
LYNNAE SISEMORE, SECRETARY
WENDI GENSEL, DEPUTY CITY CLERK II
ERIC O'DONNELL, DIRECTOR, TOWNSEND PUBLIC AFFAIRS

PUBLIC COMMENTS

There were no public comments.

MEETING MINUTES

On a motion made by Committee Member Johsz, the Committee with all members present, unanimously approved the June 18, 2024, Legislative Advocacy Committee meeting minutes, as presented.

CALIFORNIA'S 30X30 INITIATIVE

Secretary Sisemore stated that Governor Newsom issued the Nature-Based Solutions Executive Order No. N-82-20 in October 2020, to launch innovative strategies to use California land to fight climate change, conserve biodiversity, and boost climate resilience. She said that California has become the first state in the nation to pledge to conserve 30 percent of land and coastal water by 2030, joining an international movement with 38 countries in the commitment to conserve natural areas across the planet. Secretary Sisemore stated that California's 30x30 initiative aims to fight species loss and ecosystem destruction. Lastly, she said that staff is recommending that the Committee consider presenting a resolution to the City Council in support of California's 30x30 goal to protect nature.

Townsend Public Affairs (TPA) Director O'Donnell stated that typically cities submit grant applications for acquisition of lands, and that this 2020 Executive Order is for the State of California agencies and governmental partners to support and combat the climate and biodiversity crisis by 30 percent over the course of ten years. He said that the draft

resolution presented is very broad and suggested staff to tailor the resolution to be explicit to the City of Chino Hills.

Committee Member Rogers stated that the Hills for Everyone Conservation Consultant Melanie Schlotterbeck asked for the City of Chino Hills to adopt a resolution supporting the 30x30 initiative to protect the lands and nature.

Following discussion, there was consensus from the Committee members to have staff continue to research the initiative and draft a resolution specific to the City of Chino Hills, and for the Legislative Advocacy Committee members to review and consider at a future meeting.

PRESENTATIONS

TOWNSEND PUBLIC AFFAIRS - STATE, FEDERAL, AND LEGISLATIVE UPDATES

TPA Director O'Donnell stated that Governor Newsom vetoed many bills due to budgetary restrictions. He said that when the budget situation is not as dire, many of the bills that did not move forward will reappear. He continued that Assembly Bill 98 (Carillo): Planning and zoning: logistics use, which would prescribe various statewide warehouse design and build standards for any proposed new or expanded logistics use developments, as specified, including among other things, standards for building design and location, parking, truck loading bays, landscaping buffers, entry gates, and signage, was a significant undertaking during the last couple days of the Legislative Session. TPA Director O'Donnell stated that many communities had concerns with this bill, which would require every city to update their circulation elements to accommodate these types of facilities as an unfunded mandate. He advised that the City of Chino Hills be prepared to update their circulation elements in plans to accommodate the bill's language.

TPA Director O'Donnell stated that a special session was held on gas prices, and that two bills were introduced and passed. He said that one of the bills approved charts a path to allow the California Energy Commission (CEC) to require refineries to have two weeks of gas supply on hand during maintenance periods, which requires refineries to close for a two-week period in order to provide the mandated supply. In the same hearing, the other gas bill requires the California Air Resources Board to analyze the use of 15 percent ethanol blended gasoline and for the CEC to explore ways to expand the size of California's fuels market to increase in-state supply and stabilize costs to consumers.

Committee Member Johsz asked what the increase in gas prices will become. TPA Director O'Donnell stated that gas prices could be anywhere from \$.08 to \$.47 cents more per gallon.

TPA Director O'Donnell stated that nothing has changed with regards to the November 2024 ballot. He stated that Proposition No. 4, which authorizes bonds for water, wildfire, and land protection measures, and Proposition No. 36, which increases penalties for certain theft and drug crimes, were polling strong and are the two propositions that would most impact the City of Chino Hills infrastructure.

TPA Director O'Donnell stated that there is no update on Community Project Fundings statewide, other than a continuing resolution which was passed due to the election. TPA Director O'Donnell stated that he would like to begin discussions on future earmarks at the beginning of the 2025, as February is when the next round of earmarks will be open for submissions.

Committee Member Johsz asked what other surrounding cities submitted for their Community Project funding requests. TPA Director O'Donnell stated that the City of Tustin received \$2.5 million dollars for security cameras for their Hangers, parks, etc., and some other cities received funding for water-well and conservation projects.

City Manager Montgomery asked if solar projects get approved for funding. TPA Director O'Donnell stated that solar is not a popular item that is funded any longer.

FUTURE DISCUSSION ITEMS

Secretary Sisemore stated that staff will provide feedback on the 2016 Legislative Platform and policy to the Legislative Advocacy Committee members at a future meeting.

ADJOURNMENT:

The meeting was adjourned at 4:05 p.m.

Respectfully submitted,

Lynnae Sisemore
Secretary



LEGISLATIVE ADVOCACY COMMITTEE AGENDA STAFF REPORT

TO: COMMITTEE MEMBERS DATE: JANUARY 27, 2025
FROM: CITY MANAGER ITEM NO: 3
SUBJECT: FISCAL YEAR 2025-26 COMMUNITY PROJECT STATE AND FEDERAL
FUNDING REQUESTS

RECOMMENDATION:

Discuss Fiscal Year 2025-26 Community Project State and Federal Funding Requests.

BACKGROUND/ANALYSIS:

Annually, the City of Chino Hills requests support for state and federal funding for community projects that reflect the priorities of the City of Chino Hills and its residents.

Last year, the City submitted letters of support to Congresswoman Kim, Congresswoman Torres, Senator Butler, and Senator Padilla asking them for support for funding for the following Chino Hills Community projects: Electric Resiliency and Sustainability, Recycled Water System Expansion, Fire Risk Reduction Project, Electric Vehicle Charging Infrastructure at the City Yard, and the Los Serranos Community - Fairway Boulevard Flood Protection. All of the City's submissions were selected except for the Electric Vehicle Charging Infrastructure at the City Yard, but we have yet to know if any projects were approved by Congress for Fiscal Year 2024-25 Community Project Funding requests.

This year, staff discussed possible Community Funding Projects for such as:

- Big League Dreams Sports Park enhancements (parking, accessible playground, restrooms)
- Solar Panels at the City Yard
- Roadway work in Los Serranos
- Los Serranos Golf Netting and/or flood control on Fairway Drive
- Old Fire Station off Eucalyptus
- Community Garden - 5 acres in Los Serranos owned by Greening
- ADU - water project, individual services to each property
- McCoy Equestrian Center - Technology Upgrade (PA System, Lighting, etc.)
- Recycled Water - Western Hills, North Side of City - Parks/Landscape Needs
- Carbon Canyon Liquor Store (secure, possibly turn area into park)
- Electronic charging stations in City (public and EV Fleet)
- Climate Resiliency (landscaping w/ native plants)
- Citizens on Patrol Vehicles
- Park Efficiencies
- Irrigation Meters to Smart Readers
- Pine Avenue extension project

Staff recommends that the committee discuss the projects and direct City staff on which project should be prepared for Fiscal Year 2025-26 consideration.

ENVIRONMENTAL (CEQA) REVIEW:

This proposed action is not subject to review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.), because it does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this action does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

FISCAL IMPACT:

There is no fiscal impact.

Respectfully Submitted,

Recommended By:


Benjamin Montgomery
City Manager


Cheryl Balz
City Clerk



LEGISLATIVE ADVOCACY COMMITTEE AGENDA STAFF REPORT

TO: COMMITTEE MEMBERS DATE: JANUARY 27, 2025
FROM: CITY MANAGER ITEM NO: 4
SUBJECT: LEGISLATIVE PLATFORM AND POLICY UPDATES

RECOMMENDATION:

Review and approve the suggested updates pursuant to Section 5.2 - Legislative Program within the Chino Hills Administrative Policies and Procedures Manual and to adopted 2016 Legislative Platform.

BACKGROUND/ANALYSIS:

At the June 18, 2024 Legislative Advocacy Committee (LAC) meeting, the committee reviewed the legislative administrative policies and platform requested to ensure that they are robust and inclusive to the interests of the City today. The City of Chino Hills adopted a State and Federal Legislative Platform in 2016 as a guide to protect and promote the City's local control, fiscal stability, funding opportunities, and interest in priority issues that may impact the City at the State and Federal levels. Our lobbyist Townsend Public Affairs reviewed the currently Legislative Platform and has made a few additions to each section of the Legislative Platform (Attachment A).

The City also adopted a Legislative Program, Section 5.2, within the Chino Hills Administrative Policies and Procedures Manual that depicts the roles and responsibilities of the City Manager and City Clerk/Legislative Analyst. Currently, Section 4.11 of the Policy directs the City Clerk/Legislative Analyst in coordination with the LAC and City Manager to prepare annual updates to the Platform for adoption by the City Council. To date, there have not been any changes to the Platform since its inception. Staff recommends reviewing the platform on a bi-annual basis to reflect the regional needs and interests of the City (Attachment B).

Both the Legislative Platform (Platform) and Legislative Program (Policy) serve as a guide for staff to follow while considering legislative action(s) in a timely manner and to develop proactive legislative strategies and establish relationships to preserve and maintain service levels through additional revenues and reduced mandates.

Staff is requesting that the LAC Committee review the update in Section 4.11 of the Legislative Program and additions to the Platform, which are attached as Attachments A and B for your review, before presenting to the City Council at a later date.

ENVIRONMENTAL (CEQA) REVIEW:

This proposed action is not subject to review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.), because it does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this action does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).


FISCAL IMPACT:

There is no fiscal impact.

Respectfully Submitted,

Recommended By:


Benjamin Montgomery
City Manager


Cheryl Balz
City Clerk

Attachments Attachment A - Legislative Platform
Attachment B - Admin Policy Leg Program



CITY OF CHINO HILLS

2016 STATE AND FEDERAL LEGISLATIVE PLATFORM

Approved: June 14, 2016

The Legislative Platform is a tool to protect and promote the City's interests on priority issues and legislative/regulatory matters that may impact the City at the state and federal level. The guiding principles and policy statements below allow City staff and legislative advocates to address legislative and regulatory issues in a timely and directed manner, without precluding City Council consideration of additional legislative matters arising throughout the year. This platform supplements existing City Council established goals and policies in various documents including the City's General Plan.

GUIDING PRINCIPLES

I. Preservation of Local Control

Support measures that preserve and protect the City's general law powers and duties to enact legislation and policy direction concerning local affairs. Oppose measures that preempt local authority.

II. Promotion of Fiscal Stability

Support measures that promote fiscal stability, predictability, and financial independence. Support measures that preserve and promote the City's revenue base. Oppose measures that mandate costs with no guarantee of local reimbursement or offsetting benefit. Oppose measures that shift local funds to the county, state or federal government, without offsetting benefit.

III. Support Funding Opportunities

Support measures that allow the City to compete for its fair share of regional, state and federal funding including competitive grants and other funding programs. Support measures that promote dedicated funding streams at the regional, state and federal levels allowing the City to maximize local revenues, offset and leverage capital expenditures, and maintain City goals and standards.

POLICY STATEMENTS

ADMINISTRATIVE SERVICES

General Area of Review: Elections, Ralph M. Brown Act, Public Records Act, Political Reform Act, conflict of interest, insurance, tort reform and open and transparent government.

General Policy Statements:

- Support legislation that recognizes the need to conduct the public's business in public.
- Support legislation to allow alternative methods of meeting public notice requirements and enhancing them through the use of cost effective and innovative, technology friendly methods of communication.
- Support legislation to improve and streamline the Political Reform Act and its implementation through regulations.
- Support legislation that would allow a city presented with an allegation of a violation of the California Voter Rights Act (CVRA) to address the allegation before any person may file a lawsuit related to the alleged violation.
- Support legislation to reduce unnecessary and costly procedures for conducting a municipal election.
- Support legislation providing city councils more flexibility to fill city council vacancies including extending the appointment period to fill a vacancy.
- Support legislation to allow cities to conduct mail ballot elections when appropriate to reduce the cost of elections and increase voter turnout.
- Support legislation that limits the exposure of local governments to lawsuits related to liability, including unimproved natural conditions and design immunity.
- Oppose legislation that mandates costly and unnecessary procedures related to the election process.
- Support legislation that would update the Ralph M. Brown Act to better interface with advancements in technology
- Support legislation that would provide flexibility to cities when responding to Public Records Act requests while maintaining the integrity of public access

COMMUNITY SERVICES

General Area of Review: Parks, recreation, libraries, cultural arts, youth, community and human services programs.

General Policy Statements:

- Support legislation and funding for the development and preservation of open space consistent with the City's General Plan, Open Space Master Plan, and other related policies.
- Support legislation and funding for the construction, rehabilitation and maintenance of public facilities, parks and open space.
- Support legislation and funding for policies and programs that promote the overall health and wellness of families, veterans, seniors and youth in the City.

- Support legislation and funding for youth-related prevention and intervention programs, including after school educational and recreational programs.

COMMUNITY SERVICES

General Policy Statements (continued):

- Support legislation and funding for policies and programs that support and promote special needs participants including the construction and rehabilitation of existing parks to support said populous.
- [Support continued State funding for local art, cultural, and music programs, as well as funding for facilities and programs for the City's youth, adults, and seniors.](#)

EMPLOYEE RELATIONS

General Area of Review: Labor relations, employee relations and other matters related to human resources.

General Policy Statements:

- Support legislation that increases local control and limits additional financial burdens related to employee relations and collective bargaining that can be appropriately negotiated at the bargaining table.
- [Support workers' compensation reform that requires formulas to rely on more evidence of work-related causation to determine compensability, higher thresholds for compensation, or a proportionate exposure formula.](#)

ENVIRONMENTAL QUALITY

General Area of Review: Air, water and water quality, climate change, CEQA, integrated waste management, hazardous materials, coastal issues, and utilities.

General Policy Statements:

- Support legislation and funding to create a sustainable and stable water supply, encourage conservation of water resources and reduce urban runoff pollution.
- Support legislation and funding for renewable energy and advanced technologies that reduce energy use while providing a public benefit that is greater than the cost of compliance.
- Support legislation and funding for local government energy efficiency and renewable energy programs.
- Support legislation and funding for recyclable materials markets while maintaining local authority and flexibility to regulate solid waste and recyclables.
- Support legislation for streamlining the environmental regulatory permitting processes. This includes the complete evaluation of current processes and staffing resources and their impacts on critical public projects
- [Support thoughtfully planned greenhouse gas \(GHG\) emissions reduction and climate adaptation measures that are financially feasible to contribute to climate-smart communities.](#)

- [Support financial incentive mechanisms to cities and businesses to fund public and private capital for organic waste diversion and recycling infrastructure in order to comply with the Organic waste procurement mandates](#)

HOUSING, COMMUNITY, ECONOMIC DEVELOPMENT

General Area of Review: Land use, development, annexation and incorporation, building standards, economic development, redevelopment and enterprise zones, mobile home and sign regulations.

General Policy Statements:

- Support legislation and funding to strengthen the capability of local agencies to prepare, adopt and implement plans for responsible growth, development, zoning, and annexations.
- Support legislation and funding for the adoption of effective state building codes to promote community building safety and mitigation of natural hazards.
- Support legislation and funding for the adoption of effective and clear green building standards in the California Building Code while providing a public benefit that is greater than the cost of compliance.
- Support legislation and funding programs that promotes the development and enhancement of safe, affordable, and accessible housing within the City for all economic segments of the population.
- Support legislation and funding for improvements to housing element law to provide clear processes and flexibility to allow regional cooperation and establish realistic housing goals and performance standards.
- Support legislation that promotes the fair and effective distribution of State infrastructure bond funds consistent with the needs of diverse local cities.
- Support funding mechanisms that encourage and facilitate infrastructure development and economic development.
- Support legislation to retain existing fees on telecommunications services and for public, educational and governmental channels.
- Support legislation that promotes the ability of cities to maintain and manage the public right-of-way and receive compensation for its use.
- Support legislation that expands city control over the location of alcohol and drug abuse treatment facilities within residential districts.
- Oppose legislation that limits local control over wireless applications.
- Oppose legislation to restrict the authority of cities to zone and plan for the deployment of telecommunications infrastructure.
- Support legislation to allow local jurisdictions to work with others to fulfill RHNA requirements in order to meet regional demand.

PUBLIC SAFETY

General Area of Review: Law enforcement, fire and life safety, emergency communications, emergency services, disaster preparedness, Indian gaming, and nuisance abatement.

General Policy Statements:

- Support legislation to provide a greater share of and increased latitude to spend asset forfeiture funds.

- Support legislation to improve local law enforcement, fire suppression and prevention, hazardous materials mitigation, rescue, emergency medical services, and disaster preparedness.

PUBLIC SAFETY

General Policy Statements (continued):

- Support legislation to reimburse the City for overtime costs paid to public safety personnel who are required to appear in State and/or County courts.
- Support legislation to grant state and federal funding to supplement local law enforcement to increase staffing, equipment and capital improvements to maintain public safety.
- Support legislation and funding to provide law enforcement/public safety agencies greater access to wireless communication necessary to support a national wireless broadband network capable of use by any public safety entity to serve and protect communities throughout the nation.
- Support legislation and funding that promotes comprehensive and effective drug and alcohol education and rehabilitation programs.
- Support legislation and funding to assist local law enforcement to reduce crimes related to illicit drugs, burglary, and assault, including domestic violence, and sobriety and driver's license checkpoints.
- Support legislation to prohibit the manufacture, import, sale and use of dangerous synthetic substances that mimic marijuana, methamphetamine and heroin.
- Support legislation that prevents juvenile access to alcohol and illegal drugs.
- Support legislation to deter drivers from operating motor vehicles while under the influence of alcohol and drugs.
- Support legislation that provides frontline funding for police services associated with the "early release" of state prisoners as a result of state-mandated criminal justice realignment provisions.
- Support legislation and funding to strengthen and enforce legal protections for all individuals who are victims of crime, including minors and victims of family violence and sexual assault.
- Support legislation to maintain or increase funding for shelters, victim advocacy, trauma and crisis counseling and related mental health services, to assist victims of violent crime, especially minors and victims of family violence and sexual assault.
- Support legislation and funding to coordinate homeland security programs, training and emergency response efforts among federal, state, and local governments with clearly defined roles and responsibilities.
- Support legislation and funding for Urban Area Security Initiative ("UASI") and other funding initiatives administered by the Department of Homeland Security to enhance the City's ability to respond to regional or national threats.
- Support legislation and funding to secure adequate frequencies and communications systems for multi-jurisdictional connectivity for public safety and protect the frequencies from intrusion.
- Support legislation to increase Emergency Management Performance grant funding retaining flexibility in use of funds for emergency preparedness training, disaster events and disaster communication efforts.
- Support legislation and funding to treat and assist the needs of at-risk juvenile offenders and juveniles placed on court-ordered formal probation.

- Support legislation and funding for programs that protect youth from tobacco, alcohol and drug use, and related prevention and intervention programs including gang prevention and after-school programs.

PUBLIC SAFETY

General Policy Statements (continued):

- Oppose legislation to expand “early release” for low-risk serious and violent offenders without an increase in sustained funding to ensure responsible supervision by parole agents and for local agencies that provide post-release supervision.

REVENUE AND TAXATION

General Area of Review: Finance administration, taxation reform, general and special revenue and revenue sources at the federal, state and local levels.

General Policy Statements:

- Support the State’s effort to balance its budget through actions that do not adversely affect City revenues, services or ability to carry out its governmental responsibilities.
- Support efforts which make funds to support public facilities more available to local municipalities including but not limited to libraries and open space.
- Support legislation to stabilize State and local government financing, to increase funding to local agencies in an equitable manner, and to permit the most cost-efficient management of state-mandated programs.
- Support efforts to ensure that the City receives its fair share of State allocations.
- Support legislation that would redistribute State and Federal revenues to better meet local government responsibilities.
- [Support policies that expand and enhance local government financing tools](#)
- Support legislation to improve payments in-lieu revenue to local governments that have the responsibility to provide local government services for State and county facilities.
- Support legislation that would protect or propose any constitutional amendment that provides a guarantee for local government finances.
- Support legislation and funding that preserves and enhances a positive business climate and maintains and grows the business tax base.
- Support any measure that would provide greater local control over how local funds are expended.
- Oppose measures that would impose State and Federal mandated costs for which there is no guarantee of local reimbursement or offsetting benefits.
- Oppose any efforts to increase the City’s share-of-cost, maintenance-of-effort requirements or other financial responsibility for State mandated programs absent new revenues sufficient to meet current and future program needs.
- Oppose efforts of the State to avoid state mandate claims through the practice of repealing the statutes, then re-enacting them. *(In 2005, the State Legislature repealed section of the Brown Act that were subject to mandated claims, then re-enacted the same language pursuant to a voter-approval initiative, and therefore, not subject to mandate claims.)*

- Oppose efforts that either increase the City's liability or decrease outside parties' liability concerning municipal finances.
- Oppose any change in tax allocations, which would negatively affect local government.

REVENUE AND TAXATION

General Policy Statements (continued):

- Oppose any state-imposed redistribution, reduction or use restriction on general purpose revenue, sales taxes or property taxes unless financially beneficial to the City. *(Note that a redistribution of sales and property tax may be beneficial to Chino Hills in the event that sales tax growth lags behind property tax growth.)*
- Oppose legislation which would reduce local discretion over locally-imposed taxes such as transient occupancy tax.
- Oppose legislation which would restrict or eliminate the availability of traditional government financing instruments or practices.
- Oppose legislation to reduce or remove tax-exempt status of municipal bonds

TRANSPORTATION, COMMUNICATION AND PUBLIC WORKS

General Area of Review: Transportation, construction, telecommunications and general public works related areas.

General Policy Statements:

- Support legislation to ensure the City receives its fair share of transportation revenue and increase funding for local transportation and transit programs and projects.
- Support legislation to protect dedicated transportation-related tax revenues and enhance the ability of local agencies to finance local transportation programs and facilities, including the gas tax and bond funds.
- [Support legislation to increase funding for jurisdictions to repair, maintain, and replace state and local transportation infrastructure.](#)
- Support legislation that gives priority to self-help and “super” self-help counties when allocating bond funding and other transportation funding mechanisms.
- Support legislation to improve access and funding to public transportation.
- Support legislation and funding mechanisms that support and encourage the use of transit and non-motorized transportation.
- Support legislation that enhances the safety of city streets and arterials for vehicular, bicycle, and pedestrian traffic.
- Support legislation that will reduce traffic congestion and support regional transportation programs.
- Support legislation and funding opportunities for upgrades and/or separations for at-grade crossings.
- Support legislation that increases local flexibility in the allocation of transportation capital funds.
- Support legislation that encourages the use of design-build methods to facilitate a faster, stream-lined approach to project delivery.

CITY OF CHINO HILLS

ADMINISTRATIVE POLICIES AND PROCEDURES MANUAL

Date Adopted: 08/28/01

Last Revised: 11/12/19

LEGISLATIVE PROGRAM

Section: 5.2

1. PURPOSE

The purpose of this policy is to coordinate and advance the City's legislative agenda to enhance its ability to govern and provide essential municipal and community services. The Legislative Platform is the mechanism through which the Legislative Program is administered. The Legislative Platform serves as a reference document for legislative positions providing guidance to the City Council, Legislative Advocacy Committee, and staff in considering legislative proposals introduced at the State and Federal levels in a timely manner.

2. RESPONSIBILITY

In coordination with the City Manager, City Clerk/Legislative Analyst or designee, the implementation of this policy is the responsibility of the City Clerk's to develop proactive legislative strategies and establish relationships to preserve and enhance the City's ability to maintain acceptable program service levels through additional revenues and reduced mandates.

3. POLICY

The Legislative Platform contains general policy statements and City-specific policy statements. The general policy statements reflect commonly-accepted positions on matters pertaining to local governance of general law and charter cities in the State of California. The City-specific policy statements reflect positions that the City of Chino Hills has directly and collectively taken action on in the past. All policy statements in the Legislative Platform are consistent with the policies outlined in the City of Chino Hills governing documents (i.e., General Plan, Parks, Recreation, and Open Space Master Plan, Infrastructure Master Plan, etc.).

3.1 Two members of the City Council shall act as the Legislative Advocacy Committee to be appointed annually by the full City Council. The City Clerk/Legislative Analyst or designee shall act as secretary to the Committee.

3.2 The following shall be delegated to the Legislative Advocacy Committee, which will accomplish the tasks on behalf of the City Council without requiring prior approval of the City Council:

- 3.2.1 Meet with elected State and Federal officials on a regular basis (i.e. quarterly) regarding legislation and matters affecting the City;
- 3.2.2 Review all legislation affecting the City;
- 3.2.3 Refer controversial or debatable legislative issues to the City Council for review;
- 3.2.4 Formulate official City positions on non-controversial legislation. Position taken on any issue in conflict with the position of the League of California Cities, shall be taken to the Legislative Advocacy Committee;
- 3.2.5 Instruct the City Clerk/Legislative Analyst or designee to review all current legislation that may affect the City;
- 3.2.6 Assist in the drafting of legislation benefiting the City; and
- 3.2.7 Report to the City Council regarding any actions taken by the committee on the above tasks.

4. PROCEDURE

In addition to coordinating formal action through the Legislative Advocacy Committee, City Clerk/Legislative Analyst or designee, will administer the City's Legislative Program by generally performing the following functions:

- 4.1 Work with Department Directors and staff to identify matters of legislative importance and develop positions on State and Federal legislative proposals and general matters of legislative interest. Individual departments shall notify the City Clerk if they desire the City to take a particular stand on any issue. Their response should include the reasons for their opposition or support of the issue;
- 4.2 Communicate matters of legislative importance to the Legislative Advocacy Committee through periodic updates, and identify and coordinate positions for formal action by the Legislative Advocacy Committee;
- 4.3 Review positions and analysis done by the League of California Cities, National League of Cities, legislative advocates, and local government/professional associations in formulating positions;
- 4.4 Monitor and track key bills through the legislative process utilizing legislative websites, and government/professional associations;
- 4.5 Communicate the City's positions to Federal, State, and County legislators;

- 4.6 Participate as needed in the drafting and amending of legislative proposals that significantly impact the City;
- 4.7 Work with the League of California Cities, National League of Cities, legislative advocates, other cities and local government/professional associations on legislative matters of mutual concern;
- 4.8 Participate and attend legislative briefings and meetings to actively engage and stay apprised of legislative trends and upcoming legislation;
- 4.9 The City Clerk or designee shall coordinate with the City Manager the preparation of letters for the Mayor's signature explaining the City's official positions on the proposed legislation for all matters outlined on the City's Legislative Platform without formal action of the Legislative Advocacy Committee;
- 4.10 All matters that fall outside the scope of the adopted Legislative Platform shall be reviewed by the Legislative Advocacy Committee at a noticed meeting in accordance with the Ralph M. Brown Act; and
- 4.11 In coordination with the Legislative Advocacy Committee and City Manager, prepare ~~annual~~ [bi-annual updates to reflect the regional needs and interests of the City](#) to the Legislative Platform for adoption by the City Council.



LEGISLATIVE ADVOCACY COMMITTEE AGENDA STAFF REPORT

TO: COMMITTEE MEMBERS DATE: JANUARY 27, 2025
FROM: CITY MANAGER ITEM NO: 5
SUBJECT: CALIFORNIA'S 30X30 INITIATIVE - GOAL TO PROTECT NATURE

RECOMMENDATION:

1. Discuss City's position on the draft resolution for California's 30x30 Initiative which establishes a State goal of conserving 30 percent of California's lands by 2030; and
2. Direct staff on action to be taken.

BACKGROUND/ANALYSIS:

At the October 29, 2024 Legislative Advocacy Committee meeting, the committee members discussed California's 30x30 initiative that aims to fight species loss and ecosystem destruction by boosting green infrastructure in urban areas and enhancing the conservation of local parks and open spaces, and asked that the proposed resolution to the City Council be more specific to the City of Chino Hills.

The City of Chino Hills supports water use efficiencies, environmental quality, and land conservation bills to preserve open space and natural habitats in the region. Chino Hills has 44 local parks and the Chino Hills State Park, which provides refuge for both biodiversity and solitude for those visiting. At 14,102 acres, the Chino Hills State Park is managed as an open space habitat where all plant and animal life are protected. Prado Regional Park, which is a 2,000 acre park on Euclid Avenue, is adjacent to the City of Chino Hills and offers fishing, archery, camping, and other outdoor activities.

For both lands and coastal waters, California is tracking progress toward the 30x30 goal via the California Nature tool, a suite of interactive mapping and visualization tools compiling statewide biodiversity, access, climate, and conservation information. Chino Hills can contribute by conserving their open space and parks for future generations to come.

Staff recommends that the committee review and consider the draft 30x30 resolution to present to the City Council at a future meeting.

ENVIRONMENTAL (CEQA) REVIEW:

This proposed action is not subject to review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.), because it does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this action does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

FISCAL IMPACT:

There is no fiscal impact with this item.

Respectfully Submitted,

Recommended By:


Benjamin Montgomery
City Manager


Cheryl Balz
City Clerk

Attachments Draft Resolution

RESOLUTION NO. 2025R-____

A RESOLUTION OF THE CITY OF CHINO HILLS,
SUPPORTING THE STATE OF CALIFORNIA'S 30x30 GOAL
TO PROTECT NATURE IN THE CITY OF CHINO HILLS
PARKS AND OPEN SPACE

WHEREAS, California's lands are home to nature found nowhere else on Earth and abundant ecosystems that sustain our communities, support our economy, provide for our recreation, and anchor our history, culture, and traditions; and

WHEREAS, the Chino Hills State Park and Prado Regional Park are cherished destinations for recreation, and for the appreciation of our region's natural beauty and wonder, which means preserving open space and natural habitats for future generations; and

WHEREAS, Chino Hills' commitment to conserve 30 percent of our open space by 2030 will help California's 30x30 initiative to conserve natural areas and sustain the economic prosperity, clean energy resources, and food supply; and

WHEREAS, Working to achieve 30x30 provides an opportunity to conserve open space and expand equitable outdoor access and recreation amongst the Chino Hills State Park, Prado Regional Park and the 44 local parks in the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHINO HILLS DOES RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The City of Chino Hills establishes our support for 30x30 and locally led efforts to conserve and restore at least 30 percent of lands by 2030.

SECTION 2. The City of Chino Hills calls upon the State of California to provide the resources and support necessary to assist regional and local efforts to achieve 30x30 goals.

SECTION 3. The City of Chino Hills, in consequence of this resolution, declares itself a "30x30 Community for Nature."

SECTION 4. The City Clerk shall certify as to the adoption of this resolution.

PASSED, APPROVED, AND ADOPTED ____ day of _____ 2025.

ART BENNETT, MAYOR

ATTEST:

CHERYL BALZ, CITY CLERK

APPROVED AS TO FORM:

MARK D. HENSLEY, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) §
CITY OF CHINO HILLS)

I, CHERYL BALZ, City Clerk of the City of Chino Hills, DO HEREBY CERTIFY that the foregoing Resolution No. 2025R-__ was duly adopted at a regular meeting of the City Council of the City of Chino Hills held on the ____ day of _____ 2025, by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Chino Hills, California, on the day and year last written below.

[L] CHERYL BALZ, CITY CLERK

DATE



LEGISLATIVE ADVOCACY COMMITTEE AGENDA STAFF REPORT

TO: COMMITTEE MEMBERS DATE: JANUARY 27, 2025
FROM: CITY MANAGER ITEM NO: 6
SUBJECT: STATE LEGISLATIVE ACTIONS - LOS ANGELES COUNTY CATASTROPHIC
FIRES

RECOMMENDATION:

1. Discuss City's position on ten Assembly Bills: AB 1 (Connolly) Residential Property Insurance: Wildfire Risk, AB 226 (Calderon) California FAIR Plan Association, AB 232 (Calderon) Natural disasters: catastrophe savings accounts: personal income tax, AB 238 (Harabedian) Mortgage forbearance: state of emergency: wildfire, AB 239 (Harabedian) State-led County of Los Angeles disaster housing task force, AB 241 (Tangipa) Wildfire and Vegetation Management Voluntary Tax Contribution Fund, AB 245 (Gipson) Property taxation: disaster victims, AB 246 (Bryan) State of emergency: residential rent increases: County of Los Angeles: price gouging: enforcement by district attorney, AB 262 (Caloza) - California Individual Assistance Act, and AB 265 (Caloza) Small Business Recovery Fund Act; and
2. Direct staff on action to be taken.

BACKGROUND/ANALYSIS:

As of January 21, 2025, a series of catastrophic wildfires in the Los Angeles area, driven by prolonged dry conditions and severe winds, have resulted in the evacuation of over 150,000 residents and at least 27 confirmed fatalities. The fires, which began on January 7, include up to six concurrent incidents, with the Pacific Palisades and Altadena neighborhoods experiencing the most significant impacts. While the full scope of damages and casualties is yet to be determined, this event is anticipated to rank among the most severe and costly disasters in United States history.

In response to the crisis, state lawmakers have introduced new legislation aimed at aiding the victims of the fires and implementing solutions to prevent catastrophic fire damage in the future.

Townsend Public Affairs (TPA) has provided a memo (Attachment A) providing a detailed summary of the following ten Assembly Bills:

1. AB 1 (Connolly) Residential Property Insurance: Wildfire Risk
2. AB 226 (Calderon) California FAIR Plan Association
3. AB 232 (Calderon) Natural Disasters: Catastrophe Savings Accounts: Personal Income Tax
4. AB 238 (Harabedian) Mortgage Forbearance: State of Emergency: Wildfire
5. AB 239 (Harabedian) State-led County of Los Angeles Disaster Housing Task Force
6. AB 241 (Tangipa) Wildfire and Vegetation Management Voluntary Tax Contribution Fund

7. AB 245 (Gipson) Property Taxation: Disaster Victims
8. AB 246 (Bryan) State of Emergency: Residential Rent Increases: County of Los Angeles: Price Gouging: Enforcement by District Attorney
9. AB 262 (Caloza) California Individual Assistance Act
10. AB 265 (Caloza) Small Business Recovery Fund Act

City staff recommends that the committee discuss the Assembly Bills pertaining to wildfires and receive an update on these bills impacts from the City's Lobbyist, TPA.

ENVIRONMENTAL (CEQA) REVIEW:

This proposed action is not subject to review under the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA") and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.), because it does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and, constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this action does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

FISCAL IMPACT:

There is no fiscal impact with this item.

Respectfully Submitted,

Recommended By:


Benjamin Montgomery
City Manager


Cheryl Balz
City Clerk

Attachments Attachment A - TPA Memo

- AB 1 Bill Text
- AB 226 Bill Text
- AB 232 Bill Text
- AB 238 Bill Text
- AB 239 Bill Text
- AB 241 Bill Text
- AB 245 Bill Text
- AB 246 Bill Text
- AB 262 Bill Text
- AB 265 Bill Text

MEMORANDUM

To: City of Chino Hills

From: Townsend Public Affairs

Date: January 21, 2025

Subject: Overview of State Legislative Actions RE: Los Angeles County Catastrophic Fires

OVERVIEW

As of January 21, 2025, a series of catastrophic wildfires in the Los Angeles area, driven by prolonged dry conditions and severe winds, have resulted in the evacuation of over 150,000 residents and at least 27 confirmed fatalities. The fires, which began on January 7, include up to six concurrent incidents, with the Pacific Palisades and Altadena neighborhoods experiencing the most significant impacts. While the full scope of damages and casualties is yet to be determined, this event is anticipated to rank among the most severe and costly disasters in United States history.

In response to the crisis, state lawmakers have introduced new legislation aimed at aiding the victims of the fires and implementing solutions to prevent catastrophic fire damage in the future. A detailed summary of these actions is provided below.

LEGISLATIVE ACTIONS

AB 1 (Connolly): Introduced one month before the Palisades Fire broke out, AB 1 mandates that by January 1, 2030, and every five years after, the Department of Insurance must assess whether to update its regulations to include more building hardening measures and community-wide fire mitigation programs. This process must involve consulting with certain agencies and developing a public participation process to evaluate these measures. Existing regulations prohibit an insurer from using a rating plan that does not take into account and reflect specified wildfire risk mitigation, including property-level building hardening measures.

AB 226 (Calderon): AB 226, the FAIR Plan Stabilization Act, aims to bolster the state's insurance framework by increasing the claims-paying capacity of the Fair Access to Insurance Requirements (FAIR) Plan through the issue of catastrophe bonds. The bill authorizes the FAIR Plan to collaborate with the California Infrastructure and Economic Development Bank (IBank) to issue bonds in the event of liquidity challenges following major disasters like wildfires. These bonds would help finance insurance claims, ensuring that policyholders receive timely support during times of crisis.

AB 232 (Calderon): AB 232 would allow homeowners to create a catastrophe savings account until January 1, 2030. The account's purpose is to cover insurance deductibles and uninsured losses from wildfires, floods, or other emergencies as declared by the Governor. Money withdrawn from the account must be used for these specific expenses with penalties for misuse. The

Department of Financial Protection and Innovation oversees penalties which are deposited into the Financial Protection Fund. Contributions to these accounts can be deducted from adjusted gross income for tax purposes, and interest earned on these accounts is excluded from gross income. It would take effect immediately as a tax policy.

AB 238 (Harabedian): Current law requires a mortgage servicer to comply with applicable federal guidance regarding borrower options following a forbearance relating to the COVID-19 emergency. This bill would authorize a borrower who is experiencing financial hardship due to the wildfire disaster declared by the Governor to request forbearance on their mortgage loan. The forbearance would last up to 180 days with the option to extend another 180 days without additional documentation, fees, penalties, or interest. The bill would require the borrower to affirm that they are experiencing financial hardship due to the wildfire disaster. The bill would take effect immediately as an urgency measure.

AB 239 (Harabedian): Would require that the Department of Housing and Community Development (HCD) and the Office of Emergency Services (OES) create a joint task force to address housing reconstruction in Los Angeles County following the wildfires. This task force would collaborate with local and federal entities, including FEMA, to facilitate rebuilding efforts. It mandates the appointment of a state disaster housing coordinator to expedite resource distribution to affected communities. The bill would take effect immediately as an urgency measure.

AB 241 (Tangipa): This bill would allow an individual taxpayer to contribute amounts in excess of their personal income tax liability for the support of specified funds and accounts, including to the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund. The bill would also allow an individual to designate on their tax return that a specified amount in excess of their tax liability be transferred to the continuously appropriated fund, which would be created by this bill.

AB 245 (Gipson): This bill states the intent of the Legislature to enact legislation that would provide meaningful and automatic property tax relief for disaster victims, including fire disasters, in areas of the State proclaimed by the Governor. This bill will likely be expanded upon later in the legislative process to provide a more substantial definition of property tax relief for wildfire victims.

AB 246 (Bryan): This bill proposes to cap rental rates in Los Angeles County at their January 7, 2025 levels until 12 months after the end of state of emergency due to the Palisades Fire. The bill would be enforced by the District Attorney who can issue fines or prosecute price increases and evictions during emergencies. The bill temporarily nullifies the Costa-Hawkins Rental Housing Act which caps rent increases at no more than 10% over a 12-month period.

AB 262 (Caloza): AB 262, the California Individual Assistance Act, would create a grant program offering financial aid to local agencies, community organizations, and individuals for certain disaster-related expenses. The California Disaster Assistance Act allows the Director of Emergency Services to provide financial help to local agencies for costs related to disaster response during a state of emergency as declared by the Governor. This funding is provided through the Disaster Assistance Fund. The enactment of this legislation would allow the Director to draw from the Disaster Assistance Fund to provide grant funding under specific conditions. The bill would take effect immediately as an urgency measure.

AB 265 (Caloza): AB 265 would create the Small Business Recovery Fund. If enacted, \$100,000,000 would be appropriated from the General Fund to the Small Business Recovery Fund which would be monitored and operated by the Office of Small Business Advocatem (OSBA) within the Governor's Office of Business and Economic Development. This bill would require

OSBA to allocate 90% of the money appropriated to the fund for a small business recovery grant program to provide competitive grants to small businesses and nonprofit organizations that are directly impacted by a state of emergency proclaimed by the Governor. The bill would authorize the funds to be used for support recovery and rebuilding efforts and would require the grantee to match the amount of the grant awarded.

ASSEMBLY BILL

No. 1

**Introduced by Assembly Member Connolly
(Coauthors: Assembly Members Calderon and Rivas)**

December 2, 2024

An act to add Article 5 (commencing with Section 2095) to Chapter 2 of Part 1 of Division 2 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1, as introduced, Connolly. Residential property insurance: wildfire risk.

Existing law generally regulates classes of insurance, including property and fire insurance. Existing law creates the Department of Insurance, headed by the Insurance Commissioner, and prescribes the department's powers and duties. Existing department regulations prohibit an insurer from using a rating plan that does not take into account and reflect specified wildfire risk mitigation, including property-level building hardening measures.

This bill would require the department, on or before January 1, 2030, and every 5 years thereafter, to consider whether or not to update its regulations to include additional building hardening measures for property-level mitigation efforts and communitywide wildfire mitigation programs. As part of this consideration, the bill would require the department to consult with specified agencies to identify additional building hardening measures to consider, as well as to develop and implement a public participation process during the evaluation.

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. Article 5 (commencing with Section 2095) is
2 added to Chapter 2 of Part 1 of Division 2 of the Insurance Code,
3 to read:

4

5

Article 5. Reduced Wildfire Risk

6

7 2095. The Legislature finds and declares all of the following:

8 (a) More than 2,000,000 California households, or approximately
9 one in four residential structures in California, are located within
10 or near “high” or “very high” fire hazard severity zones. These
11 households are particularly vulnerable to increasingly catastrophic
12 wildfires that pose urgent threats to lives, property, and resources
13 in California.

14 (b) The state has invested nearly three billion dollars
15 (\$3,000,000,000) since the Budget Act of 2019 into programs and
16 projects to improve forest health and resilience, create fuel breaks,
17 harden homes and communities, and build resilient lifeline
18 infrastructure to withstand wildfire disasters when they do occur.

19 (c) Chapter 391 of the Statutes of 2019, which created the
20 California Wildfire Mitigation Program jointly administered by
21 the Office of Emergency Services and the Department of Forestry
22 and Fire Protection, recognized that “California must develop
23 statewide options to encourage cost-effective structure hardening
24 to create fire-resistant homes, businesses, and public buildings
25 within wildfire hazard areas and with a focus on vulnerable
26 communities.”

27 (d) State support for home hardening incentive programs is
28 especially critical now. California residents are finding
29 homeowners’ insurance in very high risk fire areas to be
30 increasingly difficult and costly to obtain, if coverage is even
31 available. The Department of Insurance determined that the
32 majority of nonrenewals, refusals to insure, and increased
33 premiums resulted from insurers’ use of wildfire risk models that
34 do not account for wildfire risk reduction or home hardening
35 measures completed by the homeowner or community.

36 (e) On September 21, 2023, Governor Newsom issued Executive
37 Order No. N-13-23 asking the Insurance Commissioner to take
38 “prompt regulatory action to strengthen and stabilize California’s

1 marketplace for homeowners insurance and commercial property
2 insurance,” including maintaining “the long-term availability of
3 homeowners and commercial property insurance coverage.”

4 (f) Regular review of and updates to the Department of
5 Insurance’s Safer from Wildfires regulations will advance these
6 goals. The Safer from Wildfires regulations incentivize
7 homeowners to invest in specified wildfire risk reduction and home
8 hardening measures by requiring admitted insurers to reflect and
9 take into account these measures in their ratings plans. The
10 voluntary home hardening measures included in the Safer from
11 Wildfires regulations provide a higher level of fire protection than
12 what is otherwise required by state law and help contain the spread
13 of wildfires, reduce property damage, save lives, and encourage
14 insurance companies to remain committed to the California
15 insurance market.

16 (g) It is the intent of the Legislature to further incentivize
17 homeowners to invest in demonstrably effective home hardening
18 measures by requiring the Department of Insurance to periodically
19 review its Safer from Wildfires regulations and consider whether
20 or not to amend the regulations to include additional
21 communitywide mitigation programs and building hardening
22 measures, including use of specified noncombustible construction
23 materials that are included by the Office of the State Fire Marshal
24 on the Building Materials Listing. Noncombustible construction
25 materials, as defined by the California Building Standards Code
26 (Title 24 of the California Code of Regulations), provide the
27 highest level of fire safety among materials included on the
28 Building Materials Listing because these materials do not ignite,
29 even when exposed to high temperatures for extended periods of
30 time. Use of noncombustible construction materials is an effective
31 means of reducing fire-related property damage and the
32 contribution of structures to the spread of wildfires.

33 (h) The Building Materials Listing includes construction
34 materials that have been tested and analyzed by a laboratory
35 accredited by the Office of the State Fire Marshal to confirm the
36 materials meet established performance and reliability features.

37 2096. For purposes of this article:

38 (a) “Building Materials Listing” means the list of construction
39 materials and equipment biennially prepared by the Office of the
40 State Fire Marshal pursuant to Section 13144.1 of the Health and

1 Safety Code as part of the Office of the State Fire Marshal’s
2 Building Materials Listing Program.

3 (b) “Safer from Wildfires regulations” means the regulations
4 set forth in Section 2644.9 of Title 10 of California Code of
5 Regulations.

6 2097. (a) (1) On or before January 1, 2030, and every five
7 years thereafter, the department shall consider whether to update
8 the Safer from Wildfires regulations to include additional building
9 hardening measures for property-level mitigation efforts and
10 communitywide wildfire mitigation programs.

11 (2) If the department updates the Safer from Wildfires
12 regulations, it shall, as a part of its first consideration, consider
13 whether to update these regulations to include in the regulations
14 the installation of construction materials included by the Office of
15 the State Fire Marshal on the Building Materials Listing or in
16 compliance with the most recent provisions of Chapter 7A of the
17 California Building Standards Code.

18 (b) As part of its consideration pursuant to subdivision (a), the
19 department shall do both of the following:

20 (1) Consult with the Office of Emergency Services, the
21 Department of Forestry and Fire Protection, the Public Utilities
22 Commission, and the Office of Planning and Research to identify
23 additional building hardening measures for property-level
24 mitigation efforts and communitywide wildfire mitigation programs
25 to consider.

26 (2) Consult with relevant stakeholders to consider potential
27 revisions to the Safer from Wildfires regulations.

28 (3) Develop and implement a process that allows for meaningful
29 public participation that includes, at a minimum, all of the
30 following:

31 (A) Holding at least one public meeting to allow interested
32 persons to submit suggestions for additional building hardening
33 measures for property-level mitigation efforts and communitywide
34 wildfire mitigation programs for the department to consider.

35 (B) Making available for public review and comment, including
36 during at least one public meeting, a preliminary list of building
37 hardening measures for property-level mitigation efforts and
38 communitywide wildfire mitigation programs being considered
39 by the department for inclusion in the Safer from Wildfires
40 regulations.

1 (C) Making available to the public a final list of building
 2 hardening measures for property-level mitigation efforts and
 3 communitywide wildfire mitigation programs the department
 4 proposes to include in the list of building hardening measures
 5 identified in the Safer from Wildfires regulations before amending
 6 the regulations pursuant to the rulemaking provisions of the
 7 Administrative Procedure Act (Chapter 3.5 (commencing with
 8 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
 9 Code).

10 (c) If the department makes public a final list of building
 11 hardening measures for property-level mitigation efforts and
 12 communitywide wildfire mitigation programs to be included in
 13 the list of building hardening measures identified in the Safer from
 14 Wildfires regulations pursuant to subparagraph (C) of paragraph
 15 (3) of subdivision (b), the department shall initiate the
 16 Administrative Procedure Act rulemaking process to amend the
 17 Safer from Wildfires regulations within 30 days of publishing the
 18 final list.

19

20

21 **CORRECTIONS:**

22 **Heading—Line 2.**

23

O

ASSEMBLY BILL

No. 226

**Introduced by Assembly Members Calderon and Alvarez
(Principal coauthors: Assembly Members Harabedian, Irwin,
Schiavo, and Zbur)**

January 9, 2025

An act to add Section 63087.5 to, and to add Article 11 (commencing with Section 63049.75) to Chapter 2 of Division 1 of Title 6.7 of, the Government Code, and to add Section 10100.3 to the Insurance Code, relating to insurance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 226, as introduced, Calderon. California FAIR Plan Association. The California FAIR Plan Association is a joint reinsurance association in which all insurers licensed to write basic property insurance participate in administering a program for the equitable apportionment of basic property insurance for persons who are unable to obtain that coverage through normal channels. Existing law requires the association's plan of operation and any amendment to the plan to be approved by the Insurance Commissioner. Existing law establishes the California Infrastructure and Economic Development Bank and authorizes it to issue bonds to provide funds for the payment of costs of a project for a participating party or upon request by a state entity.

This bill would authorize the association, if granted prior approval from the commissioner, to request the California Infrastructure and Economic Development Bank to issue bonds, and would authorize the bank to issue those bonds to finance the costs of claims, to increase liquidity and claims-paying capacity of the association, and to refund

bonds previously issued for that purpose. The bill would specify that the association is a participating party and that financing all or any portion of the costs of claims or to increase liquidity and the claims-paying capacity of the association is a project for bond purposes. The bill would authorize the bank to loan the proceeds of issued bonds to the association, and would authorize the association to enter into a loan agreement with the bank and to enter into a line of credit agreement with an institutional lender or broker-dealer.

This bill would require the association, if the above-described bonds, loan agreements, or lines of credit received the prior approval of the commissioner, to assess members in the amounts and at the times necessary to timely pay in full all obligations of the association with respect to those bonds, loan agreements, or lines of credit and related agreements, as specified.

Existing law establishes the California Infrastructure and Economic Development Bank Fund, a continuously appropriated fund, for the purpose of implementing the objectives of the bank.

To the extent that the bill would result in additional revenues being deposited into the California Infrastructure and Economic Development Bank Fund, the bill would make an appropriation.

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

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Article 11 (commencing with Section 63049.75)
2 is added to Chapter 2 of Division 1 of Title 6.7 of the Government
3 Code, to read:

4
5 Article 11. California FAIR Plan Association Financing
6

7 63049.75. (a) Notwithstanding any other provision of this
8 division, pursuant to Section 10100.3 of the Insurance Code and
9 upon approval of the bank, a financing of the costs of paid claims
10 or to increase liquidity and claims-paying capacity upon the request
11 of the California FAIR Plan Association shall be deemed to be in
12 the public interest and eligible for financing by the bank. Article
13 3 (commencing with Section 63040), Article 4 (commencing with

1 Section 63042), Article 5 (commencing with Section 63043),
2 Article 5.5 (commencing with Section 63047.1), Article 6
3 (commencing with Section 63048), Article 6.3 (commencing with
4 Section 63048.55), Article 6.5 (commencing with Section 63048.6),
5 Article 6.7 (commencing with Section 63048.91), Article 7
6 (commencing with Section 63049), Article 8 (commencing with
7 Section 63049.6), Article 9 (commencing with Section 63049.67),
8 and Article 10 (commencing with Section 63049.70) shall not
9 apply to that financing provided by the bank.

10 (b) Notwithstanding any other provision of this division, the
11 bank shall not have authority over any matter that is subject to the
12 approval of, or otherwise regulated by, the Insurance Commissioner
13 under Part 1 (commencing with Section 1880) of Division 2 of the
14 Insurance Code. The bank shall have the right to enforce all
15 obligations of the California FAIR Plan Association under the
16 agreements relating to bonds issued under this section.

17 (c) The bank may issue taxable or tax-exempt bonds pursuant
18 to Chapter 5 (commencing with Section 63070) to finance the costs
19 of claims or to increase liquidity and claims-paying capacity of
20 the California FAIR Plan Association, and to refund bonds
21 previously issued for that purpose, and may loan the proceeds
22 thereof to the California FAIR Plan Association. Bond proceeds
23 may also be used to fund necessary reserves, capitalized interest,
24 credit or liquidity enhancement costs, and costs of issuance.

25 (d) Bonds issued under this section shall not be deemed to
26 constitute a debt or liability of the state or of any political
27 subdivision thereof, other than the bank, or a pledge of the faith
28 and credit of the state or of any political subdivision, but shall be
29 payable solely from the fund and other revenues and assets securing
30 the bonds. All bonds issued under this article shall contain on the
31 face of the bonds a statement to that effect.

32 SEC. 2. Section 63087.5 is added to the Government Code,
33 immediately following Section 63087, to read:

34 63087.5. For purposes of this chapter:

35 (a) "Participating party" includes the California FAIR Plan
36 Association.

37 (b) "Project" has the same meaning as defined in Section 63010,
38 and also includes financing all or any portion of the costs of claims
39 or to increase liquidity and the claims-paying capacity of the
40 California FAIR Plan Association in an amount, together with

1 necessary reserves, capitalized interest, credit or liquidity
2 enhancement costs, or costs of issuance, that may be determined
3 by the California FAIR Plan Association, with prior approval from
4 the Insurance Commissioner, in a request to the bank made
5 pursuant to Section 63049.75.

6 SEC. 3. Section 10100.3 is added to the Insurance Code, to
7 read:

8 10100.3. (a) If granted prior approval from the commissioner,
9 the association may do all of the following:

10 (1) Request the California Infrastructure and Economic
11 Development Bank to issue bonds from time to time to finance all
12 or any portion of the costs of claims or to increase liquidity and
13 claims-paying capacity, pursuant to Section 63049.75 of the
14 Government Code.

15 (2) Enter into loan agreements with the California Infrastructure
16 and Economic Development Bank, pursuant to Section 63049.75
17 of the Government Code.

18 (3) Enter into line of credit agreements with one or more
19 institutional lenders, as defined in Section 22600 of the Financial
20 Code, or one or more broker-dealers, as defined in Section 25004
21 of the Corporations Code, for the purpose of financing the costs
22 of claims or to increase liquidity and claims-paying capacity and
23 to refund lines of credit previously incurred for that purpose.

24 (4) Secure those loan agreements or line of credit agreements
25 by a pledge of, and the grant of a lien and security interest in,
26 collateral, including premiums, revenues, and receivables. That
27 pledge, lien, and security interest is subject to Division 9
28 (commencing with Section 9101) of the Commercial Code.

29 (5) Enter into any other agreement or take any other action
30 necessary or convenient to the execution and delivery of bonds,
31 loan agreements, or line of credit agreements.

32 (b) If the bonds, loan agreements, or lines of credit described
33 in subdivision (a) have received the prior approval of the
34 commissioner as provided in subdivision (a), the association shall
35 assess members in the amounts and at the times necessary to timely
36 pay in full all obligations of the association with respect to those
37 bonds, loan agreements, and lines of credit and all obligations of
38 the association under agreements entered into pursuant to paragraph
39 (5) of subdivision (a). Once approved by the commissioner, specific
40 repayment terms, including those relating to assessment, shall not

1 be altered by subsequent amendment to the plan of operation, and
2 amendments to the plan of operation shall not impair the timely
3 payment in full of any obligations of the association with respect
4 to those bonds, loan agreements, and lines of credit and all
5 obligations of the association under agreements entered into
6 pursuant to paragraph (5) of subdivision (a).

7 SEC. 4. This act is an urgency statute necessary for the
8 immediate preservation of the public peace, health, or safety within
9 the meaning of Article IV of the California Constitution and shall
10 go into immediate effect. The facts constituting the necessity are:

11 California is now experiencing a severe property insurance
12 availability crisis in the state. This crisis in availability within the
13 property insurance market normally provided by admitted insurers
14 and licensed surplus line brokers is having the result that needed
15 coverage is often unavailable in the normal insurance market,
16 forcing consumers to resort to the “nonadmitted” or “secondary
17 market,” which are insurance alternatives not overseen by the
18 Department of Insurance. Consumers are also having to purchase
19 much more insurance through the California FAIR Plan
20 Association, and the association has grown to such an extent that
21 its financial capacity to pay claims after a catastrophic fire is
22 unlikely.

23 The Legislature finds that access to basic property insurance
24 suitable for protection of all types of habitational risk, including
25 personal and commercial lines of insurance, has become
26 increasingly unavailable and that, as a result, all Californians may
27 suffer because of this unavailability. In order for insurance
28 consumers to obtain adequate policy coverage from the California
29 FAIR Plan, which is subject to regulation by the commissioner,
30 as soon as possible, it is necessary that this act take effect
31 immediately.

O

ASSEMBLY BILL

No. 232

Introduced by Assembly Members Calderon and Gipson

January 13, 2025

An act to add Division 21 (commencing with Section 60000) to the Financial Code, and to amend Section 17072 of, and to add Sections 17141.8 and 17207.15 to, the Revenue and Taxation Code, relating to natural disasters, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 232, as introduced, Calderon. Natural disasters: catastrophe savings accounts: personal income tax.

Existing law provides for the formation and regulation of state-organized banks and state-certified credit unions by the Department of Financial Protection and Innovation.

This bill, until January 1, 2030, would authorize a homeowner to establish one catastrophe savings account that, among other things, has the specified purpose of covering the amount of insurance deductibles and other uninsured portions of risks of loss from wildfire, flood, or earthquake. The bill would require distributions from a catastrophe savings account to be used to cover qualified catastrophe expenses, defined as expenses paid or incurred due to damage to or loss of a homeowner's primary residence caused by a wildfire, flood, or earthquake that has been declared by the Governor to be an emergency. The bill would impose penalties on homeowners who use a distribution to cover an expense other than a qualified catastrophe expense, unless specified exceptions apply. The bill would require the penalty to be determined and collected by the Commissioner of Financial Protection and Innovation, and deposited in the Financial Protection Fund.

The Personal Income Tax Law, in modified conformity with federal income tax laws, allows various deductions from gross income in calculating adjusted gross income.

This bill, for taxable years beginning on or after January 1, 2025, and before January 1, 2030, would allow a deduction from adjusted gross income for amounts contributed by an individual homeowner to a catastrophe savings account, in accordance with specified provisions.

The Personal Income Tax Law, in conformity with federal income tax law, generally defines “gross income” as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income.

This bill, for taxable years beginning on or after January 1, 2025, and before January 1, 2030, would provide an exclusion from gross income for interest income earned by a catastrophe savings account.

Existing law requires any bill authorizing a new tax expenditure, as defined, to include tax credits, deductions, exclusions, or exemptions, to contain, among other things, specific goals, purposes, and objectives that the tax credit will achieve, detailed performance indicators, and data collection requirements.

This bill would include findings and reporting requirements in compliance with this requirement.

This bill would take effect immediately as a tax levy.

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. Division 21 (commencing with Section 60000)
2 is added to the Financial Code, to read:

3
4 DIVISION 21. CATASTROPHE SAVINGS ACCOUNTS

5
6 60000. For purposes of this division, the following definitions
7 apply:

8 (a) “Catastrophe Savings Account” means a regular savings
9 account or money market account established by a residential
10 property insurance policyholder in this state to cover the deductible
11 for a policy that covers wildfire, flood, or earthquake for the
12 policyholder’s primary residence or by an individual to cover

1 uninsured losses for the homeowner’s primary residence from a
2 wildfire, flood, or earthquake.

3 (b) “Qualified catastrophe expenses” mean expenses paid or
4 incurred due to damage to or loss of a homeowner’s primary
5 residence caused by a wildfire, flood, or earthquake that has been
6 declared by the Governor to be an emergency.

7 60010. (a) A homeowner may establish no greater than one
8 catastrophe savings account. A catastrophe savings account shall
9 be labeled as a catastrophe savings account, and the specified
10 purpose of the account shall be to cover the amount of insurance
11 deductibles and other uninsured portions of risks of loss from
12 wildfire, flood, or earthquake.

13 (b) (1) A distribution from a catastrophe savings account shall
14 be used to cover qualified catastrophe expenses. If a homeowner
15 uses a distribution from a catastrophe savings account to cover an
16 expense other than a qualified catastrophe expense, the homeowner
17 shall be subject to a penalty to be determined and collected by the
18 Commissioner of Financial Protection and Innovation, and
19 deposited in the Financial Protection Fund.

20 (2) The penalty imposed by this subdivision shall not apply if
21 either of the following apply at the time the distribution is made:

22 (A) The homeowner no longer owns a primary residence.

23 (B) The homeowner is at least 70 years of age and did not obtain
24 insurance on their primary residence.

25 (c) A catastrophe savings account is not subject to attachment,
26 levy, garnishment, or legal process in this state.

27 60020. This division shall become inoperative on January 1,
28 2030.

29 SEC. 2. Section 17072 of the Revenue and Taxation Code is
30 amended to read:

31 17072. (a) Section 62 of the Internal Revenue Code, relating
32 to adjusted gross income defined, shall apply, except as otherwise
33 provided.

34 (b) Section 62(a)(2)(D) of the Internal Revenue Code, relating
35 to certain expenses of elementary and secondary school teachers,
36 shall not apply.

37 (c) Section 62(a)(21) of the Internal Revenue Code, relating to
38 attorneys fees relating to awards to whistleblowers, shall not apply.

39 (d) *For each taxable year beginning on or after January 1,*
40 *2025, and before January 1, 2030, Section 62(a) of the Internal*

1 *Revenue Code, relating to the general rule, is modified to provide*
2 *that the deduction under Section 17207.15 shall be allowed in*
3 *determining adjusted gross income.*

4 SEC. 3. Section 17141.8 is added to the Revenue and Taxation
5 Code, to read:

6 17141.8. (a) For each taxable year beginning on or after
7 January 1, 2025, and before January 1, 2030, gross income does
8 not include interest income earned by a catastrophe savings account
9 established pursuant to Division 21 (commencing with Section
10 60000) of the Financial Code.

11 (b) This section shall become inoperative on December 1, 2030.

12 SEC. 4. Section 17207.15 is added to the Revenue and Taxation
13 Code, to read:

14 17207.15. (a) For each taxable year beginning on or after
15 January 1, 2025, and before January 1, 2030, there shall be allowed
16 as a deduction the amount contributed by an individual homeowner
17 to a catastrophe savings account established pursuant to Division
18 21 (commencing with Section 60000) of the Financial Code, in
19 accordance with subdivision (b).

20 (b) (1) The total amount that may be contributed to a catastrophe
21 savings account shall not exceed the following:

22 (A) In the case of an individual whose qualified deductible is
23 not more than one thousand dollars (\$1,000), two thousand dollars
24 (\$2,000).

25 (B) In the case of an individual whose qualified deductible is
26 more than one thousand dollars (\$1,000), the amount equal to the
27 lesser of fifteen thousand dollars (\$15,000) or twice the amount
28 of the homeowner's qualified deductible.

29 (C) In the case of an individual who chooses not to obtain
30 insurance on their primary residence, two hundred fifty thousand
31 dollars (\$250,000), but in no event shall exceed the value of the
32 individual homeowner's primary residence.

33 (2) If a homeowner contributes in excess of the limits provided
34 in paragraph (1), the homeowner shall withdraw the amount of the
35 excess contributions and include that amount in income for
36 purposes of Section 17041 in the year of withdrawal.

37 (c) For purposes of this section, "qualified deductible" means
38 the deductible for the individual's homeowner's policy for a
39 homeowner's primary residence.

1 (d) (1) For purposes of complying with Section 41, as it applies
2 to the deduction allowed by this section, the Legislature finds and
3 declares as follows:

4 (A) California is not immune from natural disasters such as
5 wildfires, floods, and earthquakes.

6 (B) California must seek a multiprong approach to address
7 natural disasters which includes public- and private-market options
8 and personal responsibility.

9 (C) The promotion of financial resiliency benefits cities,
10 counties, consumers, and policyholders.

11 (D) Catastrophe savings accounts are intended to assist
12 consumers in paying for expenses incurred or related to a major
13 natural disaster.

14 (E) The catastrophe savings accounts would foster pre-event
15 mitigation and postevent recovery by accumulating funds that can
16 be used to supplement insurance coverage and offset the costs of
17 remediation and repair.

18 (2) The performance indicator for the Legislature to use in
19 determining if the deduction achieves its stated purpose is the
20 number of taxpayers allowed a deduction pursuant to this section.

21 (3) (A) By May 1, 2026, and annually thereafter, the Franchise
22 Tax Board shall submit a report to the Legislature, in accordance
23 with Section 9795 of the Government Code, detailing the number
24 of taxpayers allowed a deduction pursuant to this section.

25 (B) The disclosure provisions of this paragraph shall be treated
26 as an exception to Section 19542.

27 (e) This section shall become inoperative on December 1, 2030.

28 SEC. 5. This act provides for a tax levy within the meaning of
29 Article IV of the California Constitution and shall go into
30 immediate effect.

O

ASSEMBLY BILL

No. 238

**Introduced by Assembly Members Harabedian and Irwin
(Principal coauthors: Assembly Members Bryan, Caloza, Fong,
Mark González, Ransom, Celeste Rodriguez, Schiavo, Schultz,
and Zbur)**

January 13, 2025

An act to add Title 19.1 (commencing with Section 3273.20) to Part 4 of Division 3 of the Civil Code, relating to wildfire relief, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 238, as introduced, Harabedian. Mortgage forbearance: state of emergency: wildfire.

Existing law requires a mortgage servicer to comply with applicable federal guidance regarding borrower options following a forbearance relating to the COVID-19 emergency.

This bill would authorize a borrower who is experiencing financial hardship due to the wildfire disaster described in the proclamation of a state of emergency issued by Governor Gavin Newsom on January 7, 2025, to request forbearance on their mortgage loan. The bill would require the borrower to affirm that they are experiencing a financial hardship during the wildfire disaster. Because the bill would expand the crime of perjury, the bill would impose a state-mandated local program.

This bill would require a mortgage servicer to, with no additional documentation required other than the borrower's attestation to a financial hardship caused by the wildfire disaster and with no fees, penalties, or interest, provide the forbearance for up to 180 days, which

may be extended for an additional period of up to 180 days at the request of the borrower. The bill would also prohibit a mortgage servicer from initiating any foreclosure process, moving for a foreclosure judgment or order of sale, or executing a foreclosure-related eviction or foreclosure sale.

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 no reimbursement is required by this act for a specified reason.

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Title 19.1 (commencing with Section 3273.20)
2 is added to Part 4 of Division 3 of the Civil Code, to read:

3

4

TITLE 19.1. MORTGAGE DEFERMENT ACT

5

6 3273.20. This title is known, and may be cited, as the
7 “Mortgage Deferment Act.”

8 3273.21. For purposes of this title, the following terms have
9 the following meanings:

10 (a) “Borrower” means a natural person who is a mortgagor or
11 trustor or a confirmed successor in interest, or a person who holds
12 a power of attorney for a mortgagor or trustor or a confirmed
13 successor in interest.

14 (b) “Mortgage loan” means a loan that is secured by a mortgage
15 and is made for financing, including refinancing of existing
16 mortgage obligations, to create or preserve the long-term
17 affordability of a residential structure in the state, or a buy-down
18 mortgage loan secured by a mortgage, of an owner-occupied unit
19 in this state.

20 (c) “Mortgage servicer” means a person or entity who directly
21 services a loan or who is responsible for interacting with the
22 borrower, managing the loan account on a daily basis, including
23 collecting and crediting periodic loan payments, managing any

1 escrow account, or enforcing the note and security instrument,
2 either as the current owner of the promissory note or as the current
3 owner’s authorized agent.

4 (d) “Wildfire disaster” means the conditions described in the
5 proclamation of a state of emergency issued by Governor Gavin
6 Newsom on January 7, 2025.

7 3273.22. (a) A borrower who is experiencing financial hardship
8 due, directly or indirectly, to the wildfire disaster may request
9 forbearance on the mortgage loan by doing both of the following:

10 (1) Submitting a request to the borrower’s mortgage loan
11 servicer.

12 (2) Affirming that the borrower is experiencing a financial
13 hardship during the wildfire disaster.

14 (b) Upon a request by a borrower for forbearance under
15 subdivision (a), forbearance shall be granted by the mortgage
16 servicer for up to 180 days, and shall be extended once for an
17 additional period of up to 180 days at the request of the borrower,
18 unless, at the borrower’s request, either the initial or extended
19 period of forbearance is shortened.

20 (c) During the period of forbearance described in this section,
21 no fees, penalties, or interest beyond the amounts scheduled or
22 calculated as if the borrower made all contractual payments on
23 time and in full under the terms of the mortgage contract, shall
24 accrue on the borrower’s account.

25 3273.23. (a) Upon receiving a request for forbearance from a
26 borrower pursuant to Section 3273.22, a mortgage servicer shall,
27 with no additional documentation required other than the
28 borrower’s attestation to a financial hardship caused by the wildfire
29 disaster and with no fees, penalties, or interest, beyond the amounts
30 scheduled or calculated as if the borrower made all contractual
31 payments on time and in full under the terms of the mortgage
32 contract, charged to the borrower in connection with the
33 forbearance, grant the forbearance for up to 180 days, which may
34 be extended for an additional period of up to 180 days at the request
35 of the borrower.

36 (b) A mortgage servicer shall communicate with a borrower to
37 whom a forbearance has been granted to ensure that the borrower
38 understands that the missed mortgage payments are required to be
39 repaid, although they may be paid back over time.

1 3273.24. A mortgage servicer shall not initiate any judicial or
2 nonjudicial foreclosure process, move for a foreclosure judgment
3 or order of sale, or execute a foreclosure-related eviction or
4 foreclosure sale.

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

14 SEC. 3. This act is an urgency statute necessary for the
15 immediate preservation of the public peace, health, or safety within
16 the meaning of Article IV of the California Constitution and shall
17 go into immediate effect. The facts constituting the necessity are:

18 To avert economic and social harm by providing a structure for
19 temporary relief to financially distressed borrowers during
20 conditions of extreme peril to the safety of persons and property
21 that exist due to impacts of the Palisades Fire and windstorm, it is
22 necessary that this act take effect immediately.

O

ASSEMBLY BILL

No. 239

**Introduced by Assembly Members Harabedian and Irwin
(Principal coauthors: Assembly Members Bryan, Caloza, Fong,
Mark González, Ransom, Celeste Rodriguez, Schiavo, Schultz,
and Zbur)**

January 13, 2025

An act to add Chapter 11 (commencing with Section 50350) to Part 1 of Division 31 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 239, as introduced, Harabedian. State-led County of Los Angeles disaster housing task force.

Existing law establishes the Department of Housing and Community Development (HCD) and sets forth its powers and duties, including updating and revising the California Statewide Housing Plan, as provided. Existing law establishes the Office of Emergency Services (OES), which is responsible for the state's emergency and disaster response services for natural, technological, or human-induced disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters on people and property.

This bill would require HCD and OES to jointly convene a state-led County of Los Angeles disaster housing task force, as specified, for the purpose of coordinating and streamlining efforts between HCD, the Federal Emergency Management Agency, OES, and local governments to rebuild housing in communities impacted by the wildfires that began on January 7, 2025, in the County of Los Angeles. The bill would require

the task force to appoint a state disaster housing coordinator to accelerate the delivery of resources to communities impacted by the wildfires. The bill would require the task force to report to the Legislature on the status of rebuilding housing in communities impacted by the wildfires, on April 1, 2026, and every quarter thereafter, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Los Angeles and Ventura.

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

Vote: 2/3. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Chapter 11 (commencing with Section 50350)
2 is added to Part 1 of Division 31 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 11. STATE-LED COUNTY OF LOS ANGELES DISASTER
6 HOUSING TASK FORCE

7
8 50350. (a) The Department of Housing and Community
9 Development and the Office of Emergency Services shall jointly
10 convene a state-led County of Los Angeles disaster housing task
11 force for the purpose of coordinating and streamlining efforts
12 between the Department of Housing and Community Development,
13 Federal Emergency Management Agency (FEMA), Office of
14 Emergency Services, and local governments to rebuild housing in
15 communities impacted by the wildfire.

16 (b) The task force shall include representatives of all of the
17 following:

- 18 (1) The Department of Housing and Community Development.
- 19 (2) The Federal Emergency Management Agency (FEMA).
- 20 (3) The Office of Emergency Services.
- 21 (4) Local governments.

22 (c) The task force shall appoint a state disaster housing
23 coordinator to accelerate the delivery of resources, including, but
24 not limited to, funding and technical assistance, to communities
25 impacted by the wildfire.

1 (d) (1) On April 1, 2026, and every quarter thereafter, the task
2 force shall report to the Legislature on the status of rebuilding
3 housing in communities impacted by the wildfire.

4 (2) The requirement for submitting a report imposed under
5 paragraph (1) is inoperative on April 1, 2030, pursuant to Section
6 10231.5 of the Government Code.

7 (3) A report to be submitted pursuant to paragraph (1) shall be
8 submitted in compliance with Section 9795 of the Government
9 Code.

10 (e) For the purposes of this section, “wildfire” means the
11 wildfires that began on January 7, 2025, in the County of Los
12 Angeles.

13 SEC. 2. The Legislature finds and declares that a special statute
14 is necessary and that a general statute cannot be made applicable
15 within the meaning of Section 16 of Article IV of the California
16 Constitution because of the unique need to coordinate and
17 streamline efforts to rebuild housing in communities in the
18 Counties of Los Angeles and Ventura impacted by the wildfires
19 that began on January 7, 2025, in the County of Los Angeles.

20 SEC. 3. This act is an urgency statute necessary for the
21 immediate preservation of the public peace, health, or safety within
22 the meaning of Article IV of the California Constitution and shall
23 go into immediate effect. The facts constituting the necessity are:

24 The immediate need to coordinate and streamline efforts to
25 rebuild housing in communities in the Counties of Los Angeles
26 and Ventura impacted by the wildfires that began on January 7,
27 2025, in the County of Los Angeles.

O

ASSEMBLY BILL

No. 241

Introduced by Assembly Member Tangipa

January 14, 2025

An act to add and repeal Article 2 (commencing with Section 18710) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to voluntary contributions, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 241, as introduced, Tangipa. Wildfire and Vegetation Management Voluntary Tax Contribution Fund.

Existing law allows an individual taxpayer to contribute amounts in excess of their personal income tax liability for the support of specified funds and accounts, including, among others, to the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund.

This bill would also allow an individual to designate on their tax return that a specified amount in excess of their tax liability be transferred to the continuously appropriated Wildfire and Vegetation Management Voluntary Tax Contribution Fund, which would be created by this bill. The bill would require the Franchise Tax Board to revise the tax return form to include a space for the designation of contributions to the fund when another voluntary designation is removed from the form or there is space, whichever occurs first. By establishing a new continuously appropriated fund, this bill would make an appropriation.

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

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

1 SECTION 1. Article 2 (commencing with Section 18710) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4

5 Article 2. Wildfire and Vegetation Management Voluntary Tax
6 Contribution Fund

7

8 18710. (a) Any individual may designate on the tax return that
9 a contribution in excess of the tax liability, if any, be made to the
10 Wildfire and Vegetation Management Voluntary Tax Contribution
11 Fund, which is established by Section 18711. That designation is
12 to be used as a voluntary checkoff on the tax return.

13 (b) The contributions shall be in full dollar amounts and may
14 be made individually by each signatory on the joint return.

15 (c) A designation shall be made for any taxable year on the
16 initial return for that taxable year, and once made shall be
17 irrevocable. In the event that payments and credits reported on the
18 return, together with any other credits associated with the
19 taxpayer’s account, do not exceed the taxpayer’s liability, the return
20 shall be treated as though no designation has been made. In the
21 event that no designee is specified, the contribution shall be
22 transferred to the General Fund, after reimbursement of the direct
23 actual costs of the Franchise Tax Board for the collection and the
24 administration of funds under this article.

25 (d) In the event a taxpayer designates a contribution to more
26 than one account or fund listed on the tax return, and the amount
27 available for designation is insufficient to satisfy the total amount
28 designated, the contribution shall be allocated among the designees
29 on a pro rata basis.

30 (e) The Franchise Tax Board shall revise the forms of the return
31 to include a space labeled the “Wildfire and Vegetation
32 Management Voluntary Tax Contribution Fund” to allow for the
33 designation permitted. The forms shall also include in the
34 instructions information that the contribution may be in the amount
35 of one dollar (\$1) or more and that the contribution shall be used
36 to support efforts to prevent wildfires through vegetation
37 management in the state and to mitigate the damage done by
38 wildfires in the state.

1 (f) A deduction shall be allowed under Article 6 (commencing
2 with Section 17201) of Chapter 3 of Part 10 for any contribution
3 made pursuant to subdivision (a).

4 18711. There is in the State Treasury the Wildfire and
5 Vegetation Management Voluntary Tax Contribution Fund to
6 receive contributions made pursuant to Section 18710. The
7 Franchise Tax Board shall notify the Controller of both the amount
8 of money paid by taxpayers in excess of their tax liability and the
9 amount of refund money that taxpayers have designated pursuant
10 to Section 18710 to be transferred to the Wildfire and Vegetation
11 Management Voluntary Tax Contribution Fund. The Controller
12 shall transfer from the Personal Income Tax Fund to the Wildfire
13 and Vegetation Management Voluntary Tax Contribution Fund
14 an amount not in excess of the sum of the amounts designated by
15 individuals pursuant to Section 18710 for payment into that fund.

16 18712. Notwithstanding Section 13340 of the Government
17 Code, all money transferred to the Wildfire and Vegetation
18 Management Voluntary Tax Contribution Fund shall be
19 continuously appropriated and allocated as follows:

20 (a) To the Franchise Tax Board and the Controller for
21 reimbursement of all costs incurred by the Franchise Tax Board
22 and the Controller in connection with their duties under this article.

23 (b) To the Department of Conservation for distribution to
24 resource conservation districts, prioritizing those districts that are
25 located in areas identified by the State Fire Marshal as high or very
26 high fire hazard severity zones, pursuant to Section 51178 of the
27 Government Code.

28 18713. (a) Except as otherwise provided in subdivision (b),
29 this article shall remain operative only until January 1, 2032, and
30 as of December 1 of that year is repealed.

31 (b) (1) By September 1 of the second calendar year and each
32 subsequent calendar year that the Wildfire and Vegetation
33 Management Voluntary Tax Contribution Fund appears on the tax
34 return, the Franchise Tax Board shall determine whether the
35 amount of contributions estimated to be received during the
36 calendar year will equal or exceed the minimum contribution
37 amount for the calendar year pursuant to paragraph (3). The
38 Franchise Tax Board shall estimate the amount of contributions
39 to be received by using the actual amounts received and an estimate

1 of the contributions that will be received by the end of that calendar
2 year.

3 (2) If the Franchise Tax Board determines that the amount of
4 the contributions estimated to be received during a calendar year
5 will not at least equal the minimum contribution amount for the
6 calendar year, this article is inoperative with respect to taxable
7 years beginning on or after January 1 of that calendar year and is
8 repealed on December 1 of that calendar year.

9 (3) For purposes of this section, the minimum contribution
10 amount for a calendar year means two hundred fifty thousand
11 dollars (\$250,000).

12 (c) Notwithstanding the repeal of this article, any contribution
13 amounts designated pursuant to this article prior to its repeal shall
14 continue to be transferred and disbursed in accordance with this
15 article as in effect immediately prior to that repeal.

O

ASSEMBLY BILL

No. 245

Introduced by Assembly Member Gipson

January 14, 2025

An act relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 245, as introduced, Gipson. Property taxation: disaster victims.

The California Constitution provides that all property is taxable, and requires that it be assessed at the same percentage of fair market value, unless otherwise provided by the California Constitution or federal law.

This bill would state the intent of the Legislature to enact legislation that would provide meaningful and automatic property tax relief for disaster victims, including fire disasters, in areas of the state proclaimed to be in a state of emergency by the Governor.

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

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

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 subsequent legislation that would provide meaningful and
- 3 automatic property tax relief for disaster victims, including fire
- 4 disasters, in areas of the state proclaimed to be in a state of
- 5 emergency by the Governor.

O

ASSEMBLY BILL

No. 246

Introduced by Assembly Member Bryan

(Principal coauthor: Senator Pérez)

(Coauthors: Assembly Members Elhawary and Mark González)

(Coauthor: Senator Allen)

January 15, 2025

An act to add and repeal Section 1947.14 of the Civil Code, and to amend Section 396 of the Penal Code, relating to emergency services, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 246, as introduced, Bryan. State of emergency: residential rent increases: County of Los Angeles: price gouging: enforcement by district attorney.

(1) Existing law, the Costa-Hawkins Rental Housing Act, among other things, authorizes an owner of residential real property to establish initial and subsequent rental rates for a dwelling or unit that meets specified conditions, subject to certain exceptions. Existing law, until January 1, 2030, prohibits an owner of residential real property from, over the course of any 12-month period, increasing the gross rental rate, as specified, for a dwelling or a unit more than 5% plus the percentage change in the cost of living, or 10%, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months before the effective date of the increase, subject to specified conditions. Existing law, the California Emergency Services Act, authorizes the Governor to proclaim a state of emergency when specified conditions of disaster or extreme peril to the safety of persons and property exist, as specified.

This bill, notwithstanding any other law, would prohibit an owner of residential real property from increasing the rental rate for a dwelling or a unit located in the County of Los Angeles in excess of the rental rate for the dwelling or unit charged on January 7, 2025. The bill would authorize the district attorney to enforce these provisions and subject a violation of these provisions to a civil penalty of not more than \$10,000. The bill would remain in effect until 12 months after the state of emergency, proclaimed by the Governor on January 7, 2025, in the Counties of Los Angeles and Ventura due to the Palisades Fire and windstorm condition has been terminated, as specified, and would be repealed as of that date.

(2) Under existing law, upon the proclamation of a state of emergency by the President of the United States or the Governor, or upon the declaration of a local emergency by an official, board, or other governing body of any county, city, or city and county, it is a misdemeanor for a person, contractor, business, or other entity to increase the price of certain goods or services by greater than 10%, as specified, or evict tenants. Existing law makes the district attorney the public prosecutor, except as otherwise provided by law.

This bill would specify that the district attorney may prosecute violations of the above-described prohibition on price increases and evictions during a state of emergency or local emergency.

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for County of Los Angeles.

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

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

- 1 SECTION 1. Section 1947.14 is added to the Civil Code, to
- 2 read:
- 3 1947.14. (a) Notwithstanding any other law, an owner of
- 4 residential real property shall not increase the rental rate for a
- 5 dwelling or a unit located in the County of Los Angeles in excess
- 6 of the rental rate charged for the dwelling or unit on January 7,
- 7 2025.
- 8 (b) (1) A district attorney may enforce this section.

1 (2) In addition to any other penalty allowed by law, a violation
2 of this section shall result in a civil penalty of not more than ten
3 thousand dollars (\$10,000).

4 (c) This section shall remain in effect until 12 months after the
5 state of emergency, proclaimed by the Governor on January 7,
6 2025, in the Counties of Los Angeles and Ventura due to the
7 Palisades Fire and windstorm conditions has been terminated by
8 proclamation of the Governor or by concurrent resolution of the
9 Legislature declaring it at an end, pursuant to Section 8629 of the
10 Government Code, and as of that date is repealed.

11 SEC. 2. Section 396 of the Penal Code is amended to read:

12 396. (a) The Legislature hereby finds that during a state of
13 emergency or local emergency, including, but not limited to, an
14 earthquake, flood, fire, riot, storm, drought, plant or animal
15 infestation or disease, pandemic or epidemic disease outbreak, or
16 other natural or manmade disaster, some merchants have taken
17 unfair advantage of consumers by greatly increasing prices for
18 essential consumer goods and services. While the pricing of
19 consumer goods and services is generally best left to the
20 marketplace under ordinary conditions, when a declared state of
21 emergency or local emergency results in abnormal disruptions of
22 the market, the public interest requires that excessive and
23 unjustified increases in the prices of essential consumer goods and
24 services be prohibited. It is the intent of the Legislature in enacting
25 this act to protect citizens from excessive and unjustified increases
26 in the prices charged during or shortly after a declared state of
27 emergency or local emergency for goods and services that are vital
28 and necessary for the health, safety, and welfare of consumers,
29 whether those goods and services are offered or sold in person, in
30 stores, or online. Further, it is the intent of the Legislature that this
31 section be liberally construed so that its beneficial purposes may
32 be served.

33 (b) Upon the proclamation of a state of emergency declared by
34 the President of the United States or the Governor, or upon the
35 declaration of a local emergency by an official, board, or other
36 governing body vested with authority to make that declaration in
37 any county, city, or city and county, and for a period of 30 days
38 following that proclamation or declaration, it is unlawful for a
39 person, contractor, business, or other entity to sell or offer to sell
40 any consumer food items or goods, goods or services used for

1 emergency cleanup, emergency supplies, medical supplies, home
2 heating oil, building materials, housing, transportation, freight,
3 and storage services, or gasoline or other motor fuels for a price
4 of more than 10 percent greater than the price charged by that
5 person for those goods or services immediately prior to the
6 proclamation or declaration of emergency, or prior to a date set in
7 the proclamation or declaration. However, a greater price increase
8 is not unlawful if that person can prove that the increase in price
9 was directly attributable to additional costs imposed on it by the
10 supplier of the goods, or directly attributable to additional costs
11 for labor or materials used to provide the services, during the state
12 of emergency or local emergency, and the price is no more than
13 10 percent greater than the total of the cost to the seller plus the
14 markup customarily applied by that seller for that good or service
15 in the usual course of business immediately prior to the onset of
16 the state of emergency or local emergency. If the person, contractor,
17 business, or other entity did not charge a price for the goods or
18 services immediately prior to the proclamation or declaration of
19 emergency, it may not charge a price that is more than 50 percent
20 greater than the cost thereof to the vendor as “cost” is defined in
21 Section 17026 of the Business and Professions Code.

22 (c) Upon the proclamation of a state of emergency declared by
23 the President of the United States or the Governor, or upon the
24 declaration of a local emergency by an official, board, or other
25 governing body vested with authority to make that declaration in
26 any county, city, or city and county, and for a period of 180 days
27 following that proclamation or declaration, it is unlawful for a
28 contractor to sell or offer to sell any repair or reconstruction
29 services or any services used in emergency cleanup for a price of
30 more than 10 percent above the price charged by that person for
31 those services immediately prior to the proclamation or declaration
32 of emergency. However, a greater price increase is not unlawful
33 if that person can prove that the increase in price was directly
34 attributable to additional costs imposed on it by the supplier of the
35 goods, or directly attributable to additional costs for labor or
36 materials used to provide the services, during the state of
37 emergency or local emergency, and the price represents no more
38 than 10 percent greater than the total of the cost to the contractor
39 plus the markup customarily applied by the contractor for that

1 good or service in the usual course of business immediately prior
2 to the onset of the state of emergency or local emergency.

3 (d) Upon the proclamation of a state of emergency declared by
4 the President of the United States or the Governor, or upon the
5 declaration of a local emergency by an official, board, or other
6 governing body vested with authority to make that declaration in
7 any county, city, or city and county, and for a period of 30 days
8 following that proclamation or declaration, it is unlawful for an
9 owner or operator of a hotel or motel to increase the hotel or
10 motel's regular rates, as advertised immediately prior to the
11 proclamation or declaration of emergency, by more than 10 percent.
12 However, a greater price increase is not unlawful if the owner or
13 operator can prove that the increase in price is directly attributable
14 to additional costs imposed on it for goods or labor used in its
15 business, to seasonal adjustments in rates that are regularly
16 scheduled, or to previously contracted rates.

17 (e) Upon the proclamation of a state of emergency declared by
18 the President of the United States or the Governor, or upon the
19 declaration of a local emergency by an official, board, or other
20 governing body vested with authority to make that declaration in
21 any city, county, or city and county, and for a period of 30 days
22 following that proclamation or declaration, or any period the
23 proclamation or declaration is extended by the applicable authority,
24 it is unlawful for any person, business, or other entity, to increase
25 the rental price, as defined in paragraph (11) of subdivision (j),
26 advertised, offered, or charged for housing, to an existing or
27 prospective tenant, by more than 10 percent. However, a greater
28 rental price increase is not unlawful if that person can prove that
29 the increase is directly attributable to additional costs for repairs
30 or additions beyond normal maintenance that were amortized over
31 the rental term that caused the rent to be increased greater than 10
32 percent or that an increase was contractually agreed to by the tenant
33 prior to the proclamation or declaration. It shall not be a defense
34 to a prosecution under this subdivision that an increase in rental
35 price was based on the length of the rental term, the inclusion of
36 additional goods or services, except as provided in paragraph (11)
37 of subdivision (j) with respect to furniture, or that the rent was
38 offered by, or paid by, an insurance company, or other third party,
39 on behalf of a tenant. This subdivision does not authorize a landlord

1 to charge a price greater than the amount authorized by a local rent
 2 control ordinance.

3 (f) It is unlawful for a person, business, or other entity to evict
 4 any residential tenant of residential housing after the proclamation
 5 of a state of emergency declared by the President of the United
 6 States or the Governor, or upon the declaration of a local
 7 emergency by an official, board, or other governing body vested
 8 with authority to make that declaration in any city, county, or city
 9 and county, and for a period of 30 days following that proclamation
 10 or declaration, or any period that the proclamation or declaration
 11 is extended by the applicable authority and rent or offer to rent to
 12 another person at a rental price greater than the evicted tenant
 13 could be charged under this section. It shall not be a violation of
 14 this subdivision for a person, business, or other entity to continue
 15 an eviction process that was lawfully begun prior to the
 16 proclamation or declaration of emergency.

17 (g) The prohibitions of this section may be extended for
 18 additional periods, as needed, by a local legislative body, local
 19 official, the Governor, or the Legislature, if deemed necessary to
 20 protect the lives, property, or welfare of the citizens. Each extension
 21 by a local legislative body or local official shall not exceed 30
 22 days. An extension may also authorize specified price increases
 23 that exceed the amount that would be permissible under this section
 24 during the initial 30 or 180 days after a proclamation or declaration
 25 of emergency.

26 (h) (1) A violation of this section is a misdemeanor punishable
 27 by imprisonment in a county jail for a period not exceeding one
 28 year, by a fine of not more than ten thousand dollars (\$10,000), or
 29 by both that fine and imprisonment.

30 (2) *The district attorney may prosecute a violation of this*
 31 *section.*

32 (i) A violation of this section shall constitute an unlawful
 33 business practice and an act of unfair competition within the
 34 meaning of Section 17200 of the Business and Professions Code.
 35 The remedies and penalties provided by this section are cumulative
 36 to each other, the remedies under Section 17200 of the Business
 37 and Professions Code, and the remedies or penalties available
 38 under all other laws of this state.

39 (j) For the purposes of this section, the following terms have
 40 the following meanings:

1 (1) “State of emergency” means a natural or manmade
2 emergency resulting from an earthquake, flood, fire, riot, storm,
3 drought, plant or animal infestation or disease, pandemic or
4 epidemic disease outbreak, or other natural or manmade disaster
5 for which a state of emergency has been declared by the President
6 of the United States or the Governor.

7 (2) “Local emergency” means a natural or manmade emergency
8 resulting from an earthquake, flood, fire, riot, storm, drought, plant
9 or animal infestation or disease, pandemic or epidemic disease
10 outbreak, or other natural or manmade disaster for which a local
11 emergency has been declared by an official, board, or other
12 governing body vested with authority to make that declaration in
13 any county, city, or city and county in California.

14 (3) “Consumer food item” means any article that is used or
15 intended for use for food, drink, confection, or condiment by a
16 person or animal.

17 (4) “Repair or reconstruction services” means services
18 performed by any person who is required to be licensed under the
19 Contractors’ State License Law (Chapter 9 (commencing with
20 Section 7000) of Division 3 of the Business and Professions Code),
21 for repairs to residential or commercial property of any type that
22 is damaged as a result of a disaster.

23 (5) “Emergency supplies” includes, but is not limited to, water,
24 flashlights, radios, batteries, candles, blankets, soaps, diapers,
25 temporary shelters, tape, toiletries, plywood, nails, and hammers.

26 (6) “Medical supplies” includes, but is not limited to,
27 prescription and nonprescription medications, bandages, gauze,
28 isopropyl alcohol, and antibacterial products.

29 (7) “Building materials” means lumber, construction tools,
30 windows, and anything else used in the building or rebuilding of
31 property.

32 (8) “Gasoline” means any fuel used to power any motor vehicle
33 or power tool.

34 (9) “Transportation, freight, and storage services” means any
35 service that is performed by any company that contracts to move,
36 store, or transport personal or business property or that rents
37 equipment for those purposes, including towing services.

38 (10) “Housing” means any rental housing with an initial lease
39 term of no longer than one year, including, but not limited to, a
40 space rented in a mobilehome park or campground.

1 (11) “Rental price” for housing means any of the following:

2 (A) For housing rented within one year prior to the time of the
3 proclamation or declaration of emergency, the actual rental price
4 paid by the tenant. For housing not rented at the time of the
5 declaration or proclamation, but rented, or offered for rent, within
6 one year prior to the proclamation or declaration of emergency,
7 the most recent rental price offered before the proclamation or
8 declaration of emergency. For housing rented at the time of the
9 proclamation or declaration of emergency but which becomes
10 vacant while the proclamation or declaration of emergency remains
11 in effect and which is subject to any ordinance, rule, regulation,
12 or initiative measure adopted by any local governmental entity
13 that establishes a maximum amount that a landlord may charge a
14 tenant for rent, the actual rental price paid by the previous tenant
15 or the amount specified in subparagraph (B), whichever is greater.
16 This amount may be increased by 5 percent if the housing was
17 previously rented or offered for rent unfurnished, and it is now
18 being offered for rent fully furnished. This amount shall not be
19 adjusted for any other good or service, including, but not limited
20 to, gardening or utilities currently or formerly provided in
21 connection with the lease.

22 (B) For housing not rented and not offered for rent within one
23 year prior to the proclamation or declaration of emergency, 160
24 percent of the fair market rent established by the United States
25 Department of Housing and Urban Development. This amount
26 may be increased by 5 percent if the housing is offered for rent
27 fully furnished. This amount shall not be adjusted for any other
28 good or service, including, but not limited to, gardening or utilities
29 currently or formerly provided in connection with the lease.

30 (C) Housing advertised, offered, or charged, at a daily rate at
31 the time of the declaration or proclamation of emergency, shall be
32 subject to the rental price described in subparagraph (A), if the
33 housing continues to be advertised, offered, or charged, at a daily
34 rate. Housing advertised, offered, or charged, on a daily basis at
35 the time of the declaration or proclamation of emergency, shall be
36 subject to the rental price in subparagraph (B), if the housing is
37 advertised, offered, or charged, on a periodic lease agreement after
38 the declaration or proclamation of emergency.

39 (D) For mobilehome spaces rented to existing tenants at the
40 time of the proclamation or declaration of emergency and subject

1 to a local rent control ordinance, the amount authorized under the
 2 local rent control ordinance. For new tenants who enter into a
 3 rental agreement for a mobilehome space that is subject to rent
 4 control but not rented at the time of the proclamation or declaration
 5 of emergency, the amount of rent last charged for a space in the
 6 same mobilehome park. For mobilehome spaces not subject to a
 7 local rent control ordinance and not rented at the time of the
 8 proclamation or declaration of emergency, the amount of rent last
 9 charged for the space.

10 (12) “Goods” has the same meaning as defined in subdivision
 11 (c) of Section 1689.5 of the Civil Code.

12 (k) This section does not preempt any local ordinance
 13 prohibiting the same or similar conduct or imposing a more severe
 14 penalty for the same conduct prohibited by this section.

15 (l) A business offering an item for sale, or a service, at a reduced
 16 price immediately prior to the proclamation or declaration of the
 17 emergency may use the price it normally charges for the item or
 18 service to calculate the price pursuant to subdivision (b) or (c).

19 (m) This section does not prohibit an owner from evicting a
 20 tenant for any lawful reason, including pursuant to Section 1161
 21 of the Code of Civil Procedure.

22 SEC. 3. The Legislature finds and declares, with respect to
 23 Section 1 of this act, that a special statute is necessary and that a
 24 general statute cannot be made applicable within the meaning of
 25 Section 16 of Article IV of the California Constitution because of
 26 the immediate need to prevent price increases in the County of
 27 Los Angeles during the state of emergency in the Counties of Los
 28 Angeles and Ventura due to the Palisades Fire and windstorm
 29 conditions.

30 SEC. 4. This act is an urgency statute necessary for the
 31 immediate preservation of the public peace, health, or safety within
 32 the meaning of Article IV of the California Constitution and shall
 33 go into immediate effect. The facts constituting the necessity are:
 34 The immediate need to prevent price increases in the County of
 35 Los Angeles during the state of emergency in the Counties of Los
 36 Angeles and Ventura due to the Palisades Fire and windstorm
 37 conditions.

O

ASSEMBLY BILL

No. 262

Introduced by Assembly Member Caloza

January 16, 2025

An act to add Article 4.5 (commencing with Section 8688) to Chapter 7.5 of Division 1 of Title 2 of the Government Code, relating to disaster assistance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 262, as introduced, Caloza. California Individual Assistance Act.

Existing law, the California Disaster Assistance Act, requires the Director of Emergency Services to provide financial assistance to local agencies for their personnel costs, equipment costs, and the cost of supplies and materials used during disaster response activities, incurred as a result of a state of emergency proclaimed by the Governor, subject to specified criteria. The act continuously appropriates moneys in the Disaster Assistance Fund and its subsidiary account, the Earthquake Emergency Investigations Account, without regard to fiscal year, for purposes of the act.

This bill would enact the California Individual Assistance Act to establish a grant program to provide financial assistance to local agencies, community-based organizations, and individuals for specified costs related to a disaster, as prescribed. The bill would require the director to allocate from the fund, subject to specified conditions, funds to meet the cost of expenses for those purposes. By authorizing increased expenditure of moneys from a continuously appropriated fund for a new purpose, the bill would make an appropriation.

This bill would require the director to adopt regulations, as determined to be necessary, to govern the administration of the program.

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

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares the purpose
2 of this act is to establish in California a program within the Office
3 of Emergency Services to quickly provide assistance to California
4 residents following the declaration of a local or state emergency
5 that may not warrant federal disaster assistance for individuals.

6 SEC. 2. Article 4.5 (commencing with Section 8688) is added
7 to Chapter 7.5 of Division 1 of Title 2 of the Government Code,
8 to read:

9
10 Article 4.5. California Individual Assistance Act

11
12 8688. This article shall be known and may be cited as the
13 California Individual Assistance Act.

14 8688.1. It is the intent of the Legislature to provide local
15 agencies, community-based organizations, and individuals with
16 the assistance they need to quickly recover following a disaster.

17 8688.2. Unless the provision or context otherwise requires, the
18 definitions in this section govern the construction of this article:

19 (a) "Community-based organization" means a public or private
20 nonprofit organization of demonstrated effectiveness that represents
21 a community or significant segments of a community and provides
22 support and services to individuals in the community.

23 (b) "Disaster" means a fire, flood, storm, tidal wave or tsunami,
24 earthquake, act of terrorism, epidemic, extreme heat or cold event,
25 or other similar calamity that the Governor determines presents a
26 threat to public safety.

27 (c) "Housing assistance" means assistance available to
28 homeowners and renters to repair disaster-related damages not
29 covered by insurance or by other governmental financial assistance
30 programs, including, but not limited to, costs that are reasonable

1 and necessary to make the essential living areas of a primary
2 residence safe, sanitary, and functional.

3 (d) “Individual” means a person residing in California.

4 (e) “Individual and family grants” means housing assistance
5 and other needs assistance provided pursuant to this article.

6 (f) “Local emergency” means a condition of extreme peril to
7 persons or property proclaimed as such by the governing body of
8 the local agency affected, in accordance with Section 8630.

9 (g) “Other needs assistance” means assistance to offset expenses
10 and losses in income not covered by insurance or by other financial
11 assistance resources, including, but not limited to, any of the
12 following:

13 (1) Income losses.

14 (2) Costs to clean, repair, or replace essential personal property
15 items.

16 (3) Medical, dental, and funeral expenses resulting from the
17 local emergency.

18 (4) Other potentially eligible expenses authorized by the director.

19 (h) “Unusual circumstances” means unavoidable delays that
20 result from recurrence of a disaster, prolonged severe weather
21 within a one-year period, or other conditions beyond the control
22 of the applicant.

23 8688.3. (a) From the Disaster Assistance Fund, and subject to
24 the conditions specified in this article, the director shall allocate
25 funds to meet the cost of expenses for the purposes described in
26 subdivision (b).

27 (b) Moneys from the Disaster Assistance Fund may be used to
28 provide financial assistance to local agencies, community-based
29 organizations, and individuals for the following purposes:

30 (1) To fund local agency and community-based organization
31 personnel costs, equipment costs, translation services, and the cost
32 of supplies and materials used during disaster response activities,
33 incurred as a result of a state of emergency proclaimed by the
34 Governor, excluding the normal hourly wage costs of employees
35 engaged in emergency work activities.

36 (2) To reimburse local agencies or community-based
37 organizations that provide individual and family grants.

38 (3) To provide direct individual and family grants, including
39 housing assistance and other needs assistance, to individuals.

1 (4) To fund indirect administrative costs and any other assistance
2 deemed necessary by the director.

3 (5) To fund necessary and required site preparation costs for
4 evacuation and local assistance centers as deemed necessary by
5 the director.

6 8688.4. (a) When certified by the director, claims of
7 community-based organizations and local agencies shall be
8 presented to the Controller for payment out of funds made available
9 for that purpose.

10 (b) The director shall adopt regulations, as determined to be
11 necessary, to govern the administration of the program authorized
12 by this article in accordance with the Administrative Procedure
13 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
14 Division 3). These regulations shall include specific eligibility
15 requirements, a procedure for local agencies and community-based
16 organizations to request the implementation of this article, and a
17 method for evaluating these requests by the Office of Emergency
18 Services.

19 8688.5. An allocation may be made to a local agency,
20 community-based organization, or an individual, if, within 10 days
21 after the actual occurrence of a disaster, the local agency has
22 proclaimed a local emergency and that proclamation is acceptable
23 to the director, or upon the order of the Governor when a state of
24 emergency proclamation has been issued.

25 8688.6. A local agency, community-based organization, or an
26 individual shall make application to the director for state financial
27 assistance pursuant to this article within 60 days after the date of
28 the proclamation of a local emergency. The director may extend
29 the time for this filing only under unusual circumstances.

30 8688.7. The director shall develop procedures for a local agency
31 or community-based organization to receive an advance of funds
32 to expedite the delivery of individual and family grants following
33 a disaster.

34 SEC. 3. This act is an urgency statute necessary for the
35 immediate preservation of the public peace, health, or safety within
36 the meaning of Article IV of the California Constitution and shall
37 go into immediate effect. The facts constituting the necessity are:

1 In order to mitigate the extent and severe impact of recent
2 disasters on individuals and families, the Legislature finds and
3 declares it is necessary for this act to take effect immediately.

O

ASSEMBLY BILL

No. 265

Introduced by Assembly Member Caloza

January 17, 2025

An act to add and repeal Article 8 (commencing with Section 12100.80) of Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to economic recovery, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 265, as introduced, Caloza. Small Business Recovery Fund Act.

Existing law establishes the Office of Small Business Advocate (OSBA) within the Governor's Office of Business and Economic Development, also known as GO-Biz, to advocate for causes of small business and to provide small businesses with the information they need to survive in the marketplace.

This bill would establish the Small Business Recovery Fund Act and would appropriate (\$100,000,000) from the General Fund to the Small Business Recovery Fund, which would be created by the bill. The bill would require OSBA to administer the fund and would require OSBA to allocate 90% of the monies appropriated to the fund for purposes of a small business recovery grant program to provide competitive grants to small businesses and nonprofit organizations, as defined, that are directly impacted by a state of emergency proclaimed by the Governor. The bill would authorize the funds to be used for, among other things, support recovery and rebuilding efforts, and would require a grantee to match the amount of the grant awarded. The bill would authorize OSBA to award grants in amounts that range from \$2,500 to \$100,000, inclusive.

This bill would require OSBA to allocate 5% of the monies appropriated to the fund to the Small Business Technical Assistance Program administered by GO-Biz, for grants to small business technical assistance centers that provide direct service to disaster-affected areas, and 5% to the Capital Infusion Program administered by GO-Biz, to support increased demand for capital-related technical assistance in disaster areas.

This bill would require the Director of the Office of Small Business Advocate to prepare and submit a report to the Legislature on the results of grant funds awarded for each state of emergency proclaimed by the Governor, as provided.

This bill would repeal the Small Business Recovery Fund Act on January 1, 2032.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Article 8 (commencing with Section 12100.80)
2 is added to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the
3 Government Code, to read:

4
5 Article 8. Small Business Recovery Fund Act
6

7 12100.80. This article shall be known, and may be cited, as the
8 Small Business Recovery Fund Act.

9 12100.81. The Legislature finds and declares all of the
10 following:

11 (a) Severe weather-related and natural disaster events have
12 caused significant economic and operational disruptions to small
13 businesses and nonprofit organizations across California.

14 (b) Recovery, rebuilding, and investments in resilient
15 infrastructure are essential to ensuring businesses remain viable
16 and contribute to California’s economic stability.

17 (c) Establishing a recovery fund will provide essential support
18 to impacted entities and promote long-term resilience against future
19 disasters.

20 12100.82. The sum of one hundred million dollars
21 (\$100,000,000) is hereby appropriated from the General Fund to
22 the Small Business Recovery Fund, which is hereby created within

1 the State Treasury. The fund shall be administered by the Office
2 of Small Business Advocate for the purposes of this article.

3 12100.83. (a) The Office of Small Business Advocate shall
4 allocate 90 percent of the monies appropriated to the Small
5 Business Recovery Fund for purposes of a small business recovery
6 grant program to provide competitive grants to small businesses
7 and nonprofit organizations that are directly impacted by a state
8 of emergency proclaimed by the Governor.

9 (b) The grant program shall prioritize funding for eligible small
10 businesses and nonprofit organizations affected by the natural
11 disasters referenced in the Governor’s Proclamation of a State of
12 Emergency, issued January 7, 2025, and by any subsequent
13 disasters covered by a proclamation of a state of emergency issued
14 by the Governor while the fund is in existence.

15 12100.84. (a) Funds awarded pursuant to the small business
16 recovery grant program shall be used for the following purposes:

17 (1) To support recovery and rebuilding efforts for grantees.

18 (2) To promote investment in more resilient infrastructure,
19 including, but not limited to, all of the following:

20 (A) Infrastructure upgrades and improvements.

21 (B) Relocation of electrical or business equipment.

22 (C) Business relocation to more secure locations within the
23 state.

24 (D) Investment in additional insurance coverage.

25 (3) To ensure that grantees can reopen and remain viable.

26 (b) Grant funds may be used retroactively for work already
27 performed in response to the proclaimed disaster, provided
28 sufficient documentation is submitted to the Office of Small
29 Business Advocate.

30 12100.85. (a) Except as provided in subdivision (b), and in
31 accordance with Section 12100.86, the following entities are
32 eligible to apply for funds under the small business recovery grant
33 program:

34 (1) A small business, as defined in Section 14837.

35 (2) A nonprofit organization. For purposes of this section, a
36 “nonprofit organization” means a private, nonprofit organization
37 that qualifies for exempt status under Section 501(c)(3) of the
38 United States Internal Revenue Code of 1986

39 (b) Notwithstanding subdivision (a), funds shall not be awarded
40 to any of the following:

1 (1) Foundations and charitable trusts.

2 (2) Gambling establishments.

3 (3) Adult entertainment establishments.

4 (4) Hospitals or nursing facilities.

5 (5) Rental property businesses.

6 12100.86. An applicant for the small business recovery grant
7 program shall meet the following qualifications:

8 (a) The applicant shall be current with all state payroll taxes,
9 sales taxes, and income taxes, as applicable.

10 (b) The applicant was not the subject of an order for relief in
11 bankruptcy as of the date of the declared disaster.

12 (c) The applicant has not permanently ceased operations.

13 (d) The applicant is not barred from receiving federal or state
14 funds.

15 12100.87. (a) The Office of Small Business Advocate shall
16 award grants pursuant to the small business recovery grant program
17 through a competitive process.

18 (1) The rating criteria for the grant application may include, but
19 is not limited to, all of the following:

20 (A) The viability of the applicant’s recovery plan.

21 (B) The applicant’s ability to match grant funds.

22 (C) The efficacy and long-term impact of the applicant’s
23 proposed recovery efforts.

24 (2) Preference in awarding grants shall be given to applicants
25 who receive technical assistance through the Small Business
26 Technical Assistance Program administered by the Office of Small
27 Business Advocate.

28 (b) The office shall award grants in amounts that range from
29 two thousand five hundred dollars (\$2,500) to one hundred
30 thousand dollars (\$100,000), inclusive.

31 (c) A grantee shall match on a dollar-for-dollar basis, the amount
32 of the funds awarded pursuant to the small business recovery grant
33 program. The applicant may use funds received from insurance
34 claims, small business association recovery loans, or in-kind
35 contributions to satisfy the match requirement.

36 12100.88. (a) The Office of Small Business Advocate shall
37 allocate 10 percent of the funds appropriated to the Small Business
38 Recovery Fund for both of the following purposes:

39 (1) Five percent shall be allocated to the Small Business
40 Technical Assistance Program for grants to small business technical

1 assistance centers that provide direct service to disaster-affected
2 areas.

3 (2) Five percent shall be allocated to the Capitol Infusion
4 Program, administered by the Governor's Office of Business and
5 Economic Development, to support increased demand for
6 capital-related technical assistance in disaster areas.

7 (b) It is the intent of the Legislature that funds allocated pursuant
8 to this section be prioritized to provide outreach and assistance to
9 small businesses owned by ethnic minorities, women, and other
10 disenfranchised segments of the population.

11 12100.89. (a) It is the intent of the Legislature to evaluate the
12 effectiveness of the Small Business Recovery Fund periodically
13 and appropriate additional funds as necessary to address ongoing
14 and future disaster recovery needs.

15 (b) The Director of the Office of Small Business Advocate shall
16 prepare a report on the results of grant funds awarded pursuant to
17 this article for each state of emergency proclaimed by the Governor.
18 The director shall submit a report to the Legislature on or before
19 180 days after a state of emergency is proclaimed by the Governor.
20 The report shall be submitted in compliance with Section 9795 of
21 the Government Code.

22 12100.90. This article shall remain in effect only until January
23 1, 2032, and as of that date is repealed.

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Item No. 7

THIS AGENDA ITEM WILL BE PRESENTED AS AN
ORAL REPORT.