



|      |                  |                |              |                 |                  |              |
|------|------------------|----------------|--------------|-----------------|------------------|--------------|
| Home | Bill Information | California Law | Publications | Other Resources | My Subscriptions | My Favorites |
|------|------------------|----------------|--------------|-----------------|------------------|--------------|

**AB-82 State government.** (2019-2020)

SHARE THIS:  

Date Published: 06/30/2020 02:00 PM

**Assembly Bill No. 82**

**CHAPTER 14**

An act to amend Sections 25682 and 26015 of the Business and Professions Code, to amend Section 1798.99.82 of, and to add Section 1798.99.81 to, the Civil Code, to amend Section 6701 of the Government Code, to add and repeal Section 96.1 of the Labor Code, to amend Section 830.2 of the Penal Code, to amend Section 281 of the Public Utilities Code, to amend Section 6295 of the Revenue and Taxation Code, to add Article 6 (commencing with Section 14106) to Chapter 3 of Division 7 of the Unemployment Insurance Code, and to amend Sections 1653.5, 4456, 4750.6, and 11713 of the Vehicle Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[ Approved by Governor June 29, 2020. Filed with Secretary of State June 29, 2020. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 82, Committee on Budget. State government.

(1) The Alcoholic Beverage Control Act, administered by the Department of Alcoholic Beverage Control, regulates the granting of licenses for the manufacture, distribution, and sale of alcoholic beverages within the state. Existing law prohibits a person from performing duties that include the sale or service of alcoholic beverages for consumption on premises licensed by the Department of Alcoholic Beverage Control, and management of that person, without a valid alcohol server certification. Existing law requires a licensee to ensure that each alcohol server it employs has a valid alcohol server certification and to maintain records of certifications for inspection by the department. Existing law prohibits a licensee, beginning on July 1, 2021, from employing or continuing to employ an alcohol server without a valid alcohol server certification.

This bill would instead prohibit a licensee from employing or continuing to employ an alcohol server without a valid alcohol server certification beginning on July 1, 2022, and would make other conforming changes.

(2) The Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities.

MAUCRSA gives the Bureau of Cannabis Control in the Department of Consumer Affairs the power, duty, purpose, responsibility, and jurisdiction to regulate commercial cannabis activity in the state as provided by the act, but generally divides responsibility for the state licensure and regulation of commercial cannabis activity among the Bureau of Cannabis Control, the Department of Food and Agriculture, and the State Department of Public Health. MAUCRSA imposes duties on the Bureau of Cannabis Control with respect to the creation, issuance, denial, suspension, and revocation of licenses issued for microbusinesses, transportation, storage, distribution, testing, and sale of cannabis and cannabis products pursuant to MAUCRSA. MAUCRSA authorizes the

Director of Consumer Affairs to employ and appoint all employees necessary to properly administer the work of the bureau, in accordance with civil service laws and regulations. MAUCRSA requires the Director of Consumer Affairs to ensure that a sufficient number of employees are qualified peace officers for purposes of enforcing MAUCRSA and authorizes a licensing authority to make or cause to be made any investigation as it deems necessary to carry out its duties under MAUCRSA.

Existing law provides that certain persons are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty, as specified. Existing law classifies, among others, persons in the Department of Consumer Affairs who have been designated as peace officers with that authority as state peace officer/firefighter members under the Public Employees' Retirement System (PERS). Employees classified as safety members under PERS, including state peace officer/firefighter members, are generally entitled to higher benefits and subject to higher contribution rates than employees classified as miscellaneous or general members. Under existing law, member contributions to PERS are deposited in the Public Employees' Retirement Fund, a continuously appropriated fund.

Under this bill, the chief of enforcement, and all investigators, inspectors, and deputies of the bureau identified by the Director of Consumer Affairs would have the authority of peace officers extending to any place in the state while engaged in exercising their powers or performing their duties imposed upon them in investigating the laws administered by the department or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these laws. The bill would authorize the bureau to employ peace officers, as specified. Under the bill, those individuals identified by the director would be peace officers for purposes of the public employee retirement benefits described above if their primary duty is as set forth in this bill. The bill would make an appropriation by increasing the amount of employee contributions to the Public Employees' Retirement Fund.

The bill would also allow the bureau to employ individuals who are not peace officers to provide investigative services.

AUMA authorizes the Legislature to amend, by a majority vote, certain provisions of the act to implement specified substantive provisions, provided that the amendments are consistent with and further the purposes and intent of the act.

This bill would declare that its provisions implement specified substantive provisions of AUMA and are consistent with and further the purposes and intent of AUMA.

(3) Existing law requires the Attorney General to register data brokers, as defined, and requires the Attorney General to create a page on its internet website where the information provided by data brokers is accessible to the public. Existing law further requires data brokers to pay a registration fee not to exceed the reasonable costs of establishing and maintaining that internet website. A data broker that fails to register as required is subject to injunction and is liable for civil penalties, fees, and costs in an action brought in the name of the people of the State of California by the Attorney General. Existing law requires any penalties, fees, and expenses recovered in such an action to be deposited in the Consumer Privacy Fund established by the California Consumer Privacy Act of 2018. Under existing law, those revenues are intended to offset costs incurred by the state courts and the Attorney General in connection with the data broker registration provisions.

This bill would require data broker registration fees to be deposited in the Data Brokers' Registry Fund, which the bill would create in the State Treasury, to be available for expenditure by the Department of Justice, upon appropriation by the Legislature, to offset the internet website costs described above.

(4) Existing law recognizes various holidays, including March 31, known as Cesar Chavez Day. Existing law provides that if March 31 falls upon a Sunday, the Monday following is a holiday.

This bill would specify that, if March 31 falls on a Tuesday, Wednesday, or Thursday, the Legislature may observe the holiday on the preceding Friday, the preceding Monday, or the following Friday.

(5) Existing law establishes within the Department of Industrial Relations the Division of Labor Standards Enforcement, also known as the Labor Commissioner's Office and headed by the Labor Commissioner, for the purpose of enforcing labor laws. The Labor Commissioner is authorized to investigate employee complaints. Existing law authorizes the Labor Commissioner, after investigation and upon determination that wages or monetary benefits are due and unpaid to any worker in the State of California, to collect those wages or benefits on behalf of the worker.

This bill, until January 1, 2031, would require the division, by March 1, 2022, and by that date annually thereafter, to submit a report to the Department of Finance and the budget committees and relevant policy committees of the Legislature that includes prescribed information relating to wage claims for the prior calendar year.

(6) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law establishes the California Advanced Services Fund (CASF) in the State Treasury with the goal to approve funding by December 31, 2022, for infrastructure projects that will provide broadband access to no less than 98% of California households in each consortia region, as identified by the commission on or before January 1, 2017. Existing law authorizes the commission to impose a surcharge to collect \$330,000,000 for deposit into the CASF beginning January 1, 2018,

and continuing through the 2022 calendar year. Existing law establishes 4 accounts, the Broadband Infrastructure Grant Account, the Rural and Urban Regional Broadband Consortia Grant Account, the Broadband Public Housing Account, and the Broadband Adoption Account within the CASF and specifies the amount of moneys to be deposited into each account. Existing law requires that a grant from the Broadband Infrastructure Grant Account not include funding for costs of broadband infrastructure already funded by the federal Connect America Fund program or other similar federal public program that funds that infrastructure.

This bill would delete the requirement that a grant from the Broadband Infrastructure Grant Account not include funding for costs of broadband infrastructure already funded by the federal Connect America Fund program or other similar federal public program. The bill would revise the definition of an “unserved household” for purposes of the CASF.

(7) Existing law provides that the California Workforce Development Board (board) is responsible for assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system. Existing law sets forth the intent of the Legislature that California, among other services, deliver comprehensive workforce services to jobseekers, students, and employers through a system of one-stop career centers and that services and resources target high-wage industry sectors with career advancement opportunities.

This bill would establish the Social Entrepreneurs for Economic Development Initiative (SEED Initiative), to be administered by the board, to, among other things, assist economically disadvantaged groups who face significant barriers to employment, including, but not limited to, individuals with limited English proficiency. The bill would, through the SEED Initiative, authorize entrepreneurial training to individuals from the target populations and the award of microgrants to support them in launching or maintaining a small business in California. The bill would provide that information collected from individuals participating in the SEED Initiative would not constitute a record subject to disclosure under the California Public Records Act. The bill would require the board to provide a report to the Legislature by March 1, 2022, regarding the uses and outcomes of the funds provided in the 2020 Budget Act and to include prescribed information.

(8) Existing state sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state or on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state. AB 85 of the 2019–20 Regular Session, with respect to specified vehicles sold at retail on and after January 1, 2021, by any licensed dealer, except a new motor vehicle dealer, requires the dealer to pay the applicable sales tax to the Department of Motor Vehicles acting for and on behalf of the California Department of Tax and Fee Administration within 30 days from the date of the sale. AB 85 imposes specified penalties if the dealer makes an application to the Department of Motor Vehicles that is not timely and imposes penalties and interest if the dealer fails to do specified acts. AB 85 also requires, for retail sales of vehicles occurring on and after January 1, 2021, a dealer, other than a new motor vehicle dealer, to submit with a vehicle registration application the payment of the applicable sales tax to the Department of Motor Vehicles.

This bill would require the Department of Motor Vehicles, through the adoption of regulations, to establish any additional requirements for the implementation of AB 85 and would prohibit a dealer from participating in the sale of a used vehicle without complying with the provisions described above. This bill would make the operation of these provisions contingent on the enactment of AB 85 of the 2019–20 Regular Session.

Existing law generally requires the registration of vehicles by the Department of Motor Vehicles and requires that department to issue a certificate of ownership to the legal owner and a registration card to the owner, as specified, upon registering that vehicle. AB 85 requires the Department of Motor Vehicles to withhold the registration or the transfer of registration of any vehicle sold at retail on and after January 1, 2021, to any applicant by any licensed dealer, other than a new motor vehicle dealer, until the dealer pays to the Department of Motor Vehicles the sales tax and any penalties, except as specified.

This bill would eliminate the requirement that Department of Motor Vehicles withhold the registration or the transfer of registration of any vehicle sold at retail on and after January 1, 2021, to any applicant by any licensed dealer, other than a new motor vehicle dealer, until the dealer pays to the department the sales tax and any penalties. This bill would make the operation of this elimination contingent on the enactment of AB 85 of the 2019–20 Regular Session.

(9) Existing law requires specified forms filed with the Department of Motor Vehicles to contain a social security account number. Existing law provides that information provided on those forms regarding a driver’s license or identification card applicant’s social security account number or ineligibility for a social security account number is not a public record and is not subject to disclosure by the department, except for specified reasons.

This bill would expand those exceptions by permitting the Department of Motor Vehicles to disclose that information to the Employment Development Department for purposes relating to tax administration and to ensure compliance with specified requirements, including, among others, unemployment compensation benefit requirements.

(10) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

(11) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

---

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** Section 25682 of the Business and Professions Code is amended to read:

**25682.** (a) Beginning July 1, 2022, a licensee that is subject to this article shall not employ or continue to employ any alcohol server without a valid alcohol server certification.

(1) An alcohol server who was employed by the licensee prior to July 1, 2022, shall obtain an alcohol server certification by August 31, 2022.

(2) An alcohol server who is employed by the licensee on or after July 1, 2022, shall obtain an alcohol server certification within 60 calendar days of employment.

(b) (1) A licensee that is subject to this article shall ensure that each alcohol server it employs has a valid alcohol server certification. The licensee shall maintain records of certifications for inspection, upon request, by the department.

(2) Except for a violation of subdivision (c), it shall be a defense against any action for a violation of this article that the alcohol server was within 60 calendar days of initial employment or, with regard to employees employed prior to July 1, 2022, between July 1, 2022, and August 31, 2022, inclusive.

(c) A nonprofit organization that has obtained a temporary daily on-sale license or a temporary daily off-sale license from the department shall designate a person or persons to receive RBS training prior to the event, and that designated person or persons shall remain onsite for the duration of the event.

### **SEC. 2.** Section 26015 of the Business and Professions Code is amended to read:

**26015.** (a) A licensing authority may make or cause to be made such investigation as it deems necessary to carry out its duties under this division.

(b) The chief of enforcement and all investigators, inspectors, and deputies of the Bureau of Cannabis Control identified by the director have the authority of peace officers while engaged in exercising the powers granted or performing the duties imposed upon them in investigating the laws administered by the department or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these laws. All persons herein referred to shall be deemed to be acting within the scope of employment with respect to all acts and matters set forth in this section.

(c) The Bureau of Cannabis Control may employ individuals, who are not peace officers, to provide investigative services.

(d) Notwithstanding any other law, the Bureau of Cannabis Control may employ peace officers and shall be exempt from the requirements of Section 13540 of the Penal Code.

### **SEC. 3.** Section 1798.99.81 is added to the Civil Code, to read:

**1798.99.81.** A fund to be known as the "Data Brokers' Registry Fund" is hereby created within the State Treasury. All registration fees received pursuant to paragraph (1) of subdivision (b) of Section 1798.99.82 shall be deposited into the Data Brokers' Registry Fund, to be available for expenditure by the Department of Justice, upon appropriation by the Legislature, to offset costs of establishing and maintaining the informational internet website described in Section 1798.99.84.

### **SEC. 4.** Section 1798.99.82 of the Civil Code is amended to read:

**1798.99.82.** (a) On or before January 31 following each year in which a business meets the definition of data broker as provided in this title, the business shall register with the Attorney General pursuant to the requirements of this section.

(b) In registering with the Attorney General, as described in subdivision (a), a data broker shall do all of the following:

(1) Pay a registration fee in an amount determined by the Attorney General, not to exceed the reasonable costs of establishing and maintaining the informational internet website described in Section 1798.99.84. Registration fees shall be deposited in the Data Brokers' Registry Fund, created within the State Treasury pursuant to Section 1798.99.81, and used for the purposes outlined in this paragraph.

(2) Provide the following information:

(A) The name of the data broker and its primary physical, email, and internet website addresses.

(B) Any additional information or explanation the data broker chooses to provide concerning its data collection practices.

(c) A data broker that fails to register as required by this section is subject to injunction and is liable for civil penalties, fees, and costs in an action brought in the name of the people of the State of California by the Attorney General as follows:

(1) A civil penalty of one hundred dollars (\$100) for each day the data broker fails to register as required by this section.

(2) An amount equal to the fees that were due during the period it failed to register.

(3) Expenses incurred by the Attorney General in the investigation and prosecution of the action as the court deems appropriate.

(d) Any penalties, fees, and expenses recovered in an action prosecuted under subdivision (c) shall be deposited in the Consumer Privacy Fund, created within the General Fund pursuant to subdivision (a) of Section 1798.160, with the intent that they be used to fully offset costs incurred by the state courts and the Attorney General in connection with this title.

**SEC. 5.** Section 6701 of the Government Code is amended to read:

**6701.** (a) If January 1, February 12, March 31, July 4, September 9, November 11, or December 25 falls upon a Sunday, the Monday following is a holiday.

(b) If November 11 falls upon a Saturday, the preceding Friday is a holiday.

(c) If March 31 falls upon a Tuesday, Wednesday, or Thursday, the Legislature may observe the holiday on one of the following:

(1) The preceding Friday.

(2) The preceding Monday.

(3) The following Friday.

(d) If any holiday designated in Section 6700 falls on a Saturday, the board of supervisors of any county may by ordinance or resolution provide that an alternate day shall be a holiday for the employees of the county, except those employees of the county working as court attachés.

**SEC. 6.** Section 96.1 is added to the Labor Code, to read:

**96.1.** (a) By March 1, 2022, and by that date annually thereafter, the division shall submit a report to the Department of Finance and the budget committees and relevant policy committees of the Legislature that includes the following information pertaining to the prior calendar year:

(1) The number of wage claims submitted.

(2) The number and type of alleged labor law violations in those claims.

(3) The average estimated prehearing amounts of unpaid wages, penalties, and other demands for compensation, including, but not limited to, liquidated damages.

(4) The total of unpaid wages, penalties, and other compensation, including, but not limited to, liquidated damages, agreed to in settlements enforceable by the Labor Commissioner.

(5) The total of unpaid wages, penalties, and other compensation, including, but not limited to, liquidated damages, payable to aggrieved employees under orders, decisions, and awards issued during the reporting year pursuant to Section 98.

(6) The total amount of wages, penalties, and other compensation, including, but not limited to, liquidated damages, arising from orders, decisions, and awards issued during the reporting year that remain unpaid.

(b) The information provided in subdivision (a) shall also be broken down by industry sectors.

(c) The division shall also include in each annual report a discussion of the major challenges to adjudicating wage claims, ongoing efforts to address those challenges, and options to improve the state's wage claim process.

(d) A report to be submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

(e) This section shall remain in effect only until January 1, 2031, and as of that date is repealed.

**SEC. 7.** Section 830.2 of the Penal Code is amended to read:

**830.2.** The following persons are peace officers whose authority extends to any place in the state:

(a) Any member of the Department of the California Highway Patrol including those members designated under subdivision (a) of Section 2250.1 of the Vehicle Code, provided that the primary duty of the peace officer is the enforcement of any law relating to the use or operation of vehicles upon the highways, or laws pertaining to the provision of police services for the protection of state officers, state properties, and the occupants of state properties, or both, as set forth in the Vehicle Code and Government Code.

(b) A member of the University of California Police Department appointed pursuant to Section 92600 of the Education Code, provided that the primary duty of the peace officer shall be the enforcement of the law within the area specified in Section 92600 of the Education Code.

(c) A member of the California State University Police Departments appointed pursuant to Section 89560 of the Education Code, provided that the primary duty of the peace officer shall be the enforcement of the law within the area specified in Section 89560 of the Education Code.

(d) (1) Any member of the Office of Correctional Safety of the Department of Corrections and Rehabilitation, provided that the primary duties of the peace officer shall be the investigation or apprehension of inmates, wards, parolees, parole violators, or escapees from state institutions, the transportation of those persons, the investigation of any violation of criminal law discovered while performing the usual and authorized duties of employment, and the coordination of those activities with other criminal justice agencies.

(2) Any member of the Office of Internal Affairs of the Department of Corrections and Rehabilitation, provided that the primary duties shall be criminal investigations of Department of Corrections and Rehabilitation personnel and the coordination of those activities with other criminal justice agencies. For purposes of this subdivision, the member of the Office of Internal Affairs shall possess certification from the Commission on Peace Officer Standards and Training for investigators, or have completed training pursuant to Section 6126.1.

(e) Employees of the Department of Fish and Game designated by the director, provided that the primary duty of those peace officers shall be the enforcement of the law as set forth in Section 856 of the Fish and Game Code.

(f) Employees of the Department of Parks and Recreation designated by the director pursuant to Section 5008 of the Public Resources Code, provided that the primary duty of the peace officer shall be the enforcement of the law as set forth in Section 5008 of the Public Resources Code.

(g) The Director of Forestry and Fire Protection and employees or classes of employees of the Department of Forestry and Fire Protection designated by the director pursuant to Section 4156 of the Public Resources Code, provided that the primary duty of the peace officer shall be the enforcement of the law as that duty is set forth in Section 4156 of the Public Resources Code.

(h) Persons employed by the Department of Alcoholic Beverage Control for the enforcement of Division 9 (commencing with Section 23000) of the Business and Professions Code and designated by the Director of Alcoholic Beverage Control, provided that the primary duty of any of these peace officers shall be the enforcement of the laws relating to alcoholic beverages, as that duty is set forth in Section 25755 of the Business and Professions Code.

(i) Marshals and police appointed by the Board of Directors of the California Exposition and State Fair pursuant to Section 3332 of the Food and Agricultural Code, provided that the primary duty of the peace officers shall be the enforcement of the law as prescribed in that section.

(j) Persons employed by the Bureau of Cannabis Control for the enforcement of Division 10 (commencing with Section 26000) of the Business and Professions Code and designated by the Director of Consumer Affairs, provided that the primary duty of any of these peace officers shall be the enforcement of the laws as that duty is set forth in Section 26015 of the Business and Professions Code.

**SEC. 8.** Section 281 of the Public Utilities Code is amended to read:

**281.** (a) The commission shall develop, implement, and administer the California Advanced Services Fund program to encourage deployment of high-quality advanced communications services to all Californians that will promote economic growth, job creation, and the substantial social benefits of advanced information and communications technologies, consistent with this section and with the statements of intent in Section 2 of the Internet For All Now Act (Chapter 851 of the Statutes of 2017).

(b) (1) (A) The goal of the program is, no later than December 31, 2022, to approve funding for infrastructure projects that will provide broadband access to no less than 98 percent of California households in each consortia region, as identified by the commission on or before January 1, 2017. The commission shall be responsible for achieving the goals of the program.

(B) (i) Except as provided in clause (ii), for purposes of this section, "unserved household" means a household for which no facility-based broadband provider offers broadband service at speeds of at least 6 megabits per second (mbps) downstream and one mbps upstream.

(ii) For projects funded, in whole or in part, from moneys received from the federal Rural Digital Opportunity Fund, "unserved household" means a household for which no facility-based broadband provider offers broadband service at speeds consistent with the standards established by the Federal Communications Commission pursuant to In the Matter of Rural Digital Opportunity Fund, WC Docket No. 19-126, Report and Order, FCC 20-5 (adopted January 30, 2020, and released February 7, 2020), or as it may be later modified by the Federal Communications Commission.

(2) In approving infrastructure projects, the commission shall do both of the following:

(A) Approve projects that provide last-mile broadband access to households that are unserved by an existing facility-based broadband provider, and, upon accomplishment of the goal of the program specified in paragraph (1), also approve projects pursuant to paragraph (15) of subdivision (f).

(B) (i) Give preference to projects in areas where internet connectivity is available only through dial-up service that are not served by any form of wireline or wireless facility-based broadband service or areas with no internet connectivity.

(ii) This subparagraph does not prohibit the commission from approving funding for projects outside of the areas specified in clause (i).

(c) The commission shall establish the following accounts within the fund:

(1) The Broadband Infrastructure Grant Account.

(2) The Rural and Urban Regional Broadband Consortia Grant Account.

(3) The Broadband Public Housing Account.

(4) The Broadband Adoption Account.

(d) (1) The commission shall transfer the moneys received by the commission from the surcharge imposed to fund the accounts to the Controller for deposit in the California Advanced Services Fund. Moneys collected shall be deposited in the following amounts in the following accounts:

(A) Three hundred million dollars (\$300,000,000) into the Broadband Infrastructure Grant Account.

(B) Ten million dollars (\$10,000,000) into the Rural and Urban Regional Broadband Consortia Grant Account.

(C) Twenty million dollars (\$20,000,000) into the Broadband Adoption Account.

(2) All interest earned on moneys in the fund shall be deposited in the fund.

(3) The commission may collect a sum not to exceed three hundred thirty million dollars (\$330,000,000) for a sum total of moneys collected by imposing the surcharge described in paragraph (1). The commission may collect the sum beginning with the calendar year starting on January 1, 2018, and continuing through the 2022 calendar year, in an amount not to exceed sixty-six million dollars (\$66,000,000) per year, unless the commission determines that collecting a higher amount in any year will not result in an increase in the total amount of all surcharges collected from telephone customers that year.

(e) All moneys in the California Advanced Services Fund shall be available, upon appropriation by the Legislature, to the commission for the program administered by the commission pursuant to this section, including the costs incurred by the commission in developing, implementing, and administering the program and the fund.

(f) (1) The commission shall award grants from the Broadband Infrastructure Grant Account on a technology-neutral basis, including both wireline and wireless technology.

(2) The commission shall consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal through public workshops conducted at least annually no later than April 30 of each year through year 2022.

(3) The commission shall identify unserved rural and urban areas and delineate the areas in the annual report prepared pursuant to Section 914.7.

(4) (A) (i) The commission shall annually offer an existing facility-based broadband provider the opportunity to demonstrate that it will deploy broadband or upgrade existing facilities to a delineated unserved area within 180 days.

(ii) Except as provided in clause (iii), the commission shall not approve funding for a project to deploy broadband to a delineated unserved area if the existing facility-based broadband provider demonstrates to the commission, in response to the commission's annual offer, that it will deploy broadband or upgrade existing broadband service throughout the project area.

(iii) If the existing facility-based broadband provider is unable to complete the deployment of broadband within the delineated unserved area within 180 days, the provider shall provide the commission with information to demonstrate what progress has been made or challenges faced in completing the deployment. If the commission finds that the provider is making progress towards the completion of the deployment, the commission shall extend the time to complete the project beyond the 180 days. If the commission finds that the provider is not making progress towards completing the deployment, the delineated unserved area shall be eligible for funding pursuant to this subdivision.

(B) (i) Except for information specified in clause (ii), information submitted to the commission that includes the provider's plans for future broadband deployment shall not be publicly disclosed.

(ii) The commission may publicly disclose information regarding the area designated for a broadband deployment, the number of households or locations to be served, and the estimated date by which the deployment will be completed.

(C) An existing facility-based broadband provider may, but is not required to, apply for funding from the Broadband Infrastructure Grant Account to make an upgrade pursuant to this subdivision.

(5) Projects eligible for grant awards shall meet all of the following requirements:

(A) The project deploys infrastructure capable of providing broadband access at speeds of a minimum of 10 megabits per second (mbps) downstream and one mbps upstream to unserved households in census blocks where no provider offers access at speeds of at least 6 mbps downstream and one mbps upstream.

(B) All or a significant portion of the project deploys last-mile infrastructure to provide service to unserved households. Projects that only deploy middle-mile infrastructure are not eligible for grant funding. For a project that includes funding for middle-mile infrastructure, the commission shall verify that the proposed middle-mile infrastructure is indispensable for accessing the last-mile infrastructure.

(C) (i) Except as provided in clause (ii), until July 1, 2020, the project is not located in a census block where an existing facility-based broadband provider has accepted federal funds for broadband deployment from Phase II of the Connect America Fund, unless the existing facility-based broadband provider has notified the commission before July 1, 2020, that it has completed its Connect America Fund deployment in the census block.

(ii) An existing facility-based broadband provider is eligible for a grant pursuant to this subdivision to supplement a grant pursuant to Phase II of the Connect America Fund to expand broadband service within identified census blocks, as needed.

(6) (A) An individual household or property owner shall be eligible to apply for a grant to offset the costs of connecting the household or property to an existing or proposed facility-based broadband provider. Any infrastructure built to connect a household or property with funds provided under this paragraph shall become the property of, and part of, the network of the facility-based broadband provider to which it is connected.

(B) (i) In approving a project pursuant to this paragraph, the commission shall consider limiting funding to households based on income so that funds are provided only to households that would not otherwise be able to afford a line extension to the property, limiting the amount of grants on a per-household basis, and requiring a percentage of the project to be paid by the household or the owner of the property.

(ii) The aggregate amount of grants awarded pursuant to this paragraph shall not exceed five million dollars (\$5,000,000).

(7) An entity that is not a telephone corporation shall be eligible to apply to participate in the program administered by the commission pursuant to this section to provide access to broadband to an unserved household, if the entity otherwise meets the eligibility requirements and complies with program requirements established by the commission.

(8) The commission shall provide each applicant, and any party challenging an application, the opportunity to demonstrate actual levels of broadband service in the project area, which the commission shall consider in reviewing the application.

(9) A local governmental agency may be eligible for an infrastructure grant only if the infrastructure project is for an unserved household or business, the commission has conducted an open application process, and no other eligible entity applied.

(10) The commission shall establish a service list of interested parties to be notified of any California Advanced Services Fund applications. Any application and any amendment to an application for project funding shall be served to those on the service list and posted on the commission's internet website at least 30 days before publishing the corresponding draft resolution.

(11) A grant awarded pursuant to this subdivision may include funding for the following costs consistent with paragraph (5):

(A) Costs directly related to the deployment of infrastructure.

(B) Costs to lease access to property or for internet backhaul services for a period not to exceed five years.

(C) Cost incurred by an existing facility-based broadband provider to upgrade its existing facilities to provide for interconnection.

(12) The commission may award grants to fund all or a portion of the project. The commission shall determine, on a case-by-case basis, the level of funding to be provided for a project and shall consider factors that include, but are not limited to, the location and accessibility of the area, the existence of communication facilities that may be upgraded to deploy broadband, and whether the project makes a significant contribution to achievement of the program goal.

(13) The commission may require each infrastructure grant applicant to indicate steps taken to first obtain any available funding from the Connect America Fund program or similar federal public programs that fund broadband infrastructure. This paragraph does not authorize the commission to reject a grant application on the basis that an applicant failed to seek project funding from the Connect America Fund program or another similar federal public program.

(14) Upon the accomplishment of the goal of the program specified in paragraph (1) of subdivision (b), not more than thirty million dollars (\$30,000,000) of the moneys remaining in the Broadband Infrastructure Grant Account shall be available for infrastructure projects that provide last-mile broadband access to households to which no facility-based broadband provider offers broadband service at speeds of at least 10 mbps downstream and one mbps upstream.

(g) (1) Moneys in the Rural and Urban Regional Broadband Consortia Grant Account shall be available for grants to eligible consortia to facilitate deployment of broadband services by assisting infrastructure applicants in the project development or grant application process. An eligible consortium may include, as specified by the commission, representatives of organizations, including, but not limited to, local and regional government, public safety, elementary and secondary education, health care, libraries, postsecondary education, community-based organizations, tourism, parks and recreation, agricultural, business, workforce organizations, and air pollution control or air quality management districts, and is not required to have as its lead fiscal agent an entity with a certificate of public convenience and necessity.

(2) Each consortium shall conduct an annual audit of its expenditures for programs funded pursuant to this subdivision and shall submit to the commission an annual report that includes both of the following:

(A) A description of activities completed during the prior year, how each activity promotes the deployment of broadband services, and the cost associated with each activity.

(B) The number of project applications assisted.

(h) (1) All remaining moneys in the Broadband Infrastructure Revolving Loan Account that are unencumbered as of January 1, 2018, shall be transferred to the Broadband Infrastructure Grant Account.

(2) All repayments of loans funded by the former Broadband Infrastructure Revolving Loan Account shall be deposited into the Broadband Infrastructure Grant Account.

(i) (1) For purposes of this subdivision, the following terms have the following meanings:

(A) "Publicly subsidized" means either that the housing development receives financial assistance from the United States Department of Housing and Urban Development pursuant to an annual contribution contract or is financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or

grants and the rents of the occupants, who are lower income households, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(B) "Publicly supported community" means a publicly subsidized multifamily housing development that is wholly owned by either of the following:

(i) A public housing agency that has been chartered by the state, or by any city or county in the state, and has been determined to be an eligible public housing agency by the United States Department of Housing and Urban Development.

(ii) An incorporated nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Sec. 501(c)(3)) that is exempt from taxation under Section 501(a) of that code (26 U.S.C. Sec. 501(a)), and that has received public funding to subsidize the construction or maintenance of housing occupied by residents whose annual income qualifies as "low" or "very low" income according to federal poverty guidelines.

(2) Moneys in the Broadband Public Housing Account shall be available for the commission to award grants and loans pursuant to this subdivision to an eligible publicly supported community if that entity otherwise meets eligibility requirements and complies with program requirements established by the commission.

(3) (A) Not more than twenty million dollars (\$20,000,000) of the moneys deposited into the Broadband Public Housing Account on or before January 1, 2018, shall be available for grants and loans to a publicly supported community to finance a project to connect a broadband network to that publicly supported community. A publicly supported community may be an eligible applicant only if the publicly supported community can verify to the commission that the publicly supported community has not denied a right of access to any broadband provider that is willing to connect a broadband network to the facility for which the grant or loan is sought and the publicly supported community is unserved.

(B) (i) In its review of applications received pursuant to subparagraph (A), the commission shall award grants only to unserved housing developments, regardless of when the applicant filed its application.

(ii) For purposes of this subparagraph, a housing development is unserved when at least one housing unit within the housing development is not offered broadband internet service.

(C) Only after all funds available pursuant to this paragraph in the Broadband Public Housing Account have been awarded may a publicly supported community otherwise eligible to submit an application for funding from the Broadband Public Housing Account submit an application for funding for these purposes from the Broadband Infrastructure Grant Account.

(4) (A) Not more than five million dollars (\$5,000,000) of the moneys deposited into the Broadband Public Housing Account on or before January 1, 2018, shall be available for grants and loans to a publicly supported community to support programs designed to increase adoption rates for broadband services for residents of that publicly supported community. A publicly supported community may be eligible for funding for a broadband adoption program only if the residential units in the facility to be served have access to broadband services or will have access to broadband services at the time the funding for adoption is implemented.

(B) A publicly supported community may contract with other nonprofit or public agencies to assist in implementation of a broadband adoption program.

(C) Only after all funds available pursuant to this paragraph in the Broadband Public Housing Account have been awarded may a publicly supported community otherwise eligible to submit an application for funding from the Broadband Public Housing Account submit an application for funding for these purposes from the Broadband Adoption Grant Account pursuant to subdivision (j).

(5) To the extent feasible, the commission shall approve projects for funding from the Broadband Public Housing Account in a manner that reflects the statewide distribution of publicly supported communities.

(6) In reviewing a project application under this subdivision, the commission shall consider the availability of other funding sources for that project, any financial contribution from the broadband service provider to the project, the availability of any other public or private broadband adoption or deployment program, including tax credits and other incentives, and whether the applicant has sought funding from, or participated in, any reasonably available program. The commission may require an applicant to provide match funding, and shall not deny funding for a project solely because the applicant is receiving funding from another source.

(7) Any moneys in the Broadband Public Housing Account that have not been awarded pursuant to this subdivision by December 31, 2020, shall be transferred back to the Broadband Infrastructure Grant Account.

(j) (1) Moneys in the Broadband Adoption Account shall be available to the commission to award grants to increase publicly available or after school broadband access and digital inclusion, such as grants for digital literacy training programs and public education to communities with limited broadband adoption, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption.

(2) Eligible applicants are local governments, senior centers, schools, public libraries, nonprofit organizations, and community-based organizations with programs to increase publicly available or after school broadband access and digital inclusion, such as digital literacy training programs.

(3) Payment pursuant to a grant for digital inclusion shall be based on digital inclusion metrics established by the commission that may include the number of residents trained, the number of residents served, or the actual verification of broadband subscriptions resulting from the program funded by the grant.

(4) The commission shall, in a new or existing proceeding, develop, by June 30, 2018, criteria for awarding grants and a process and methodology for verifying outcomes. The commission shall be prepared to accept applications for grants from the Broadband Adoption Account no later than July 1, 2018.

(5) The commission shall give preference to programs in communities with demonstrated low broadband access, including low-income communities, senior communities, and communities facing socioeconomic barriers to broadband adoption. In the proceeding specified in paragraph (4), the commission shall determine how best to prioritize projects for funding pursuant to this paragraph.

(6) Moneys awarded pursuant to this subdivision shall not be used to subsidize the costs of providing broadband service to households.

(k) The commission shall post on the homepage of the California Advanced Service Fund on its internet website a list of all pending applications, application challenge deadlines, and notices of amendments to pending applications.

(l) The commission shall notify the appropriate policy committees of the Legislature on the date on which the goal specified in paragraph (1) of subdivision (b) is achieved.

**SEC. 9.** Section 6295 of the Revenue and Taxation Code, as proposed to be added by Assembly Bill 85 of the 2019–20 Regular Session, is amended to read:

**6295.** (a) When a vehicle required to be registered under the Vehicle Code is sold at retail by any dealer holding a license issued pursuant to Chapter 4 (commencing with Section 11700) of Division 5 of the Vehicle Code, the dealer shall pay the applicable sales tax to the Department of Motor Vehicles acting for and on behalf of the California Department of Tax and Fee Administration pursuant to Sections 4456 and 4750.6 of the Vehicle Code.

(b) If the dealer makes an application to the Department of Motor Vehicles that is not timely, and is subject to penalty because of delinquency in effecting registration or transfer of registration of the vehicle, the dealer shall also be liable for penalty as specified in Section 6591, but no interest shall accrue.

(c) Application to the Department of Motor Vehicles by the dealer shall not relieve the dealer of the obligation to file a return with the California Department of Tax and Fee Administration under Section 6452. The dealer shall file a return as specified in Section 6453.

(d) If the dealer fails to make an application to the Department of Motor Vehicles, fails to pay the amount of sales tax due, or fails to timely file a return with the California Department of Tax and Fee Administration under Section 6452, interest and penalties shall apply with respect to the unpaid amount as provided in Chapter 5 (commencing with Section 6451).

(e) For purposes of this section, “dealer” shall not include a new motor vehicle dealer as defined by Section 426, a manufacturer or remanufacturer holding a license issued pursuant to Chapter 4 (commencing with Section 11700) of Division 5, an automobile dismantler holding a license and certificate issued pursuant to Chapter 3 (commencing with Section 11500) of Division 5, or a lessor-retailer holding a license issued pursuant to Chapter 3.5 (commencing with Section 11600) of Division 5, and subject to the provisions of Section 11615.5.

(f) The Department of Motor Vehicles shall, through the adoption of regulations, establish any additional requirements for the implementation of this section.

(g) This section shall apply to sales of vehicles occurring on and after January 1, 2021.

**SEC. 10.** Article 6 (commencing with Section 14106) is added to Chapter 3 of Division 7 of the Unemployment Insurance Code, to read:

## **Article 6. Social Entrepreneurs for Economic Development Initiative**

**14106.** The Legislature finds and declares all of the following:

(a) Numerous studies have indicated the significant economic contributions of immigrants to this state and the nation as a whole. Businesses launched by immigrant entrepreneurs create millions of jobs, generate billions of dollars in revenue, and help revitalize communities.

(b) California has the highest concentration of immigrant business owners in the nation. From 2007 to 2011, immigrants founded 44 percent of new businesses in the state. In 2016, undocumented immigrant entrepreneurs generated over \$3 billion in business income in California.

(c) In 2017, individuals eligible for Deferred Action for Childhood Arrivals (DACA) earned over \$23 billion in income and paid almost \$1.8 billion in state and local taxes; more than 43,000 were entrepreneurs, providing jobs and supporting local economies. Individuals granted Temporary Protected Status (TPS) earned over \$7 billion in 2017, and paid more than \$890 million in federal taxes and over \$650 million in state and local taxes.

(d) Individuals who are not United States citizens or lawful permanent residents, or who are limited English proficient, face multiple impediments that may prevent them from securing and maintaining gainful employment. For example, due to actions at the federal level, DACA and TPS recipients, who are vital members of our communities and spark economic development, have been deprived of or are at risk of being denied certain federal protections, which will result in economic hardship for them and their families.

(e) It is in the best interest of the State of California to enable these individuals to continue contributing to the economic vibrancy of this state, by supporting entrepreneurial opportunities to start and grow small businesses that will open up paths to economic self-sufficiency.

**14106.5.** For purposes of this article, the following terms have the following meanings:

(a) "California Workforce Development Board" or "board" means the California Workforce Development Board established pursuant to Article 1 (commencing with Section 14010).

(b) "SEED Initiative" or "SEED" means the Social Entrepreneurs for Economic Development Initiative.

(c) "Target populations" means either of the following:

(1) Individuals with limited English proficiency, regardless of immigration or citizenship status.

(2) Individuals who are neither United States citizens nor lawful permanent residents, which includes, but is not limited to, individuals who have been granted Deferred Action for Childhood Arrivals (DACA) or Temporary Protected Status (TPS) under federal law.

**14107.** (a) This article establishes the Social Entrepreneurs for Economic Development Initiative, to be administered by the California Workforce Development Board.

(b) The SEED Initiative is aimed at economically disadvantaged groups who face significant barriers to employment, specifically individuals with limited English proficiency, or individuals who are neither United States citizens nor lawful permanent residents. While this includes individuals who have been granted DACA or TPS, the SEED Initiative is open to all individuals in the target populations, including but not limited to other immigrants, refugees and asylees, and United States citizens.

(c) The purpose of the SEED Initiative is to support burgeoning entrepreneurship of individuals in SEED target populations, which will also increase the economic diversity of the state and help spur business innovation. Efforts funded under SEED are intended to supplement and be aligned with the broader workforce and education system in California.

(d) It is the intent of the Legislature to allow persons who are not lawfully present in the United States, as members of the SEED target populations, to participate in and benefit from the SEED Initiative, and this section is therefore enacted pursuant to Section 1621(d) of Title 8 of the United States Code.

**14108.** (a) The SEED Initiative shall provide entrepreneurial training to individuals from the target populations and award microgrants to support them in launching or maintaining a small business in California.

(b) Eligible uses of SEED funds include, but are not limited to, the development and implementation of the following SEED program components for any target population: an immigrant entrepreneurship training curriculum; microgrants and technical

assistance to support small business development aimed at addressing a social problem or meeting a community need; community education and outreach about SEED; program evaluation; and program administration.

(c) The board shall administer the SEED Initiative through nonprofit community-based organizations that will develop and implement SEED program components.

**14109.** For purposes of implementing the SEED Initiative, no entity or person shall seek information that is unnecessary to determine eligibility, including whether the individual is unlawfully present in the United States. Information that may be collected from individuals participating in the SEED Initiative shall not constitute a record subject to disclosure under Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code.

**14110.** (a) The board shall provide a report to the Legislature by March 1, 2022, regarding the uses and outcomes of the funds provided in the 2020 Budget Act. The report shall include, at a minimum, the following information:

- (1) The amount of funding provided for each of the following: training curriculum, microgrants, community education and outreach, program evaluation, and program administration.
- (2) The number of microgrant applications, the number of awarded grants, and the average dollar amount of the grant.
- (3) The geographic distribution of grants and activities.
- (4) The number of people enrolled in the SEED entrepreneurial training.
- (5) The number of people who completed the SEED entrepreneurial training.
- (6) Evaluation of the effectiveness of the SEED entrepreneurial training, outreach, and materials developed.
- (7) The types of industries and business sectors in which the microgrants were made.

(b) (1) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(2) Pursuant to Section 10231.5 of the Government Code, this section is inoperative four years following the date upon which the bill adding this section, as enacted, becomes operative, and is repealed on January 1 of the following year.

**SEC. 11.** Section 1653.5 of the Vehicle Code, as amended by Section 2 of Chapter 452 of the Statutes of 2014, is amended to read:

**1653.5.** (a) Each form prescribed by the department for use by an applicant for the issuance or renewal by the department of a driver's license or identification card pursuant to Division 6 (commencing with Section 12500) shall contain a section for the applicant's social security account number.

(b) Each form prescribed by the department for use by an applicant for the issuance, renewal, or transfer of the registration or certificate of title to a vehicle shall contain a section for the applicant's driver's license or identification card number.

(c) Except as provided in Section 12801, a person who submits to the department a form that, pursuant to subdivision (a), contains a section for the applicant's social security account number, or pursuant to subdivision (b), the applicant's driver's license or identification card number, if any, shall furnish the appropriate number in the space provided.

(d) Except as provided in Section 12801, the department shall not complete an application that does not include the applicant's social security account number or driver's license or identification card number as required under subdivision (c).

(e) An applicant's social security account number shall not be included by the department on a driver's license, identification card, registration, certificate of title, or any other document issued by the department.

(f) Notwithstanding any other law, information regarding an applicant's social security account number, or ineligibility for a social security number, obtained by the department pursuant to this section, is not a public record and shall not be disclosed by the department except for any of the following purposes:

- (1) Responding to a request for information from an agency operating pursuant to, and carrying out the provisions of, Part A (Block Grants to States for Temporary Assistance for Needy Families), or Part D (Child Support and Establishment of Paternity), of Subchapter IV of Chapter 7 of Title 42 of the United States Code.
- (2) Implementation of Section 12419.10 of the Government Code.
- (3) Responding to information requests from the Franchise Tax Board for the purpose of tax administration.

(4) Responding to information requests from the Employment Development Department for purposes relating to tax administration and ensuring compliance with family temporary disability insurance, unemployment compensation disability, and unemployment compensation benefit requirements.

(g) This section shall become inoperative on the effective date of a final judicial determination made by any court of appellate jurisdiction that any provision of the act that added this section, or its application, either in whole or in part, is enjoined, found unconstitutional, or held invalid for any reason. The department shall post this information on its internet website.

**SEC. 12.** Section 4456 of the Vehicle Code, as proposed to be amended by Assembly Bill 85 of the 2019–20 Regular Session, is amended to read:

**4456.** (a) When selling a vehicle, dealers and lessor-retailers shall report the sale using the reporting system described in Section 4456.2. After providing information to the reporting system, the dealer or lessor-retailer shall do all of the following:

(1) The dealer or lessor-retailer shall attach for display a copy of the report-of-sale form provided by the reporting system on the vehicle before the vehicle is delivered to the purchaser.

(2) The dealer or lessor-retailer shall submit to the department an application accompanied by all fees and penalties due for registration or transfer of registration of the vehicle within 30 days from the date of sale, as provided in subdivision (c) of Section 9553, if the vehicle is a used vehicle, and within 20 days if the vehicle is a new vehicle. Penalties due for noncompliance with this paragraph shall be paid by the dealer or lessor-retailer. The dealer or lessor-retailer shall not charge the purchaser for the penalties.

(3) (A) Pursuant to the regulations adopted by the department under subdivision (f) of Section 6295 of the Revenue and Taxation Code, for retail sales of vehicles occurring on and after January 1, 2021, the dealer shall also submit with the application payment of the applicable sales tax measured by the gross receipts from the sale of the vehicle as required by the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code) to the department within 30 days from the date of sale.

(B) For purposes of this paragraph, "dealer" shall not include a new motor vehicle dealer as defined by Section 426, a manufacturer or remanufacturer holding a license issued pursuant to Chapter 4 (commencing with Section 11700) of Division 5, an automobile dismantler holding a license and certificate issued pursuant to Chapter 3 (commencing with Section 11500) of Division 5, or a lessor-retailer holding a license issued pursuant to Chapter 3.5 (commencing with Section 11600) of Division 5, and subject to the provisions of Section 11615.5.

(4) As part of an application to transfer registration of a used vehicle, the dealer or lessor-retailer shall include all of the following information on the certificate of title, application for a duplicate certificate of title, or form prescribed by the department:

(A) Date of sale and report-of-sale number.

(B) Purchaser's name and address.

(C) Dealer's name, address, number, and signature, or signature of authorized agent.

(D) Salesperson number.

(5) If the department returns an application and the application was first received by the department within 30 days of the date of sale of the vehicle if the vehicle is a used vehicle, and within 20 days if the vehicle is a new vehicle, the dealer or lessor-retailer shall submit a corrected application to the department within 50 days from the date of sale of the vehicle if the vehicle is a used vehicle, and within 40 days if the vehicle is a new vehicle, or within 30 days from the date that the application was first returned by the department if the vehicle is a used vehicle, and within 20 days if the vehicle is a new vehicle, whichever is later.

(6) If the department returns an application and the application was first received by the department more than 30 days from the date of sale of the vehicle if the vehicle is a used vehicle, and more than 20 days if the vehicle is a new vehicle, the dealer or lessor-retailer shall submit a corrected application to the department within 50 days from the date of sale of the vehicle if the vehicle is a used vehicle, and within 40 days if the vehicle is a new vehicle.

(7) An application first received by the department more than 50 days from the date of sale of the vehicle if the vehicle is a used vehicle, and more than 40 days if the vehicle is a new vehicle, is subject to the penalties specified in subdivisions (a) and (b) of Section 4456.1.

(8) The dealer or lessor-retailer shall report the sale pursuant to Section 5901.

(9) If the vehicle does not display license plates previously issued by the department, the dealer or lessor-retailer shall attach the temporary license plates issued by the reporting system.

(b) (1) A transfer that takes place through a dealer conducting a wholesale vehicle auction shall be reported to the department electronically in a manner approved by the department. The report shall contain, at a minimum, all of the following information:

(A) The name and address of the seller.

(B) The seller's dealer number, if applicable.

(C) The date of delivery to the dealer conducting the auction.

(D) The actual mileage of the vehicle as indicated by the vehicle's odometer at the time of delivery to the dealer conducting the auction.

(E) The name, address, and occupational license number of the dealer conducting the auction.

(F) The name, address, and occupational license number of the buyer.

(G) The signature of the dealer conducting the auction.

(2) Submission of the electronic report specified in paragraph (1) to the department shall fully satisfy the requirements of subdivision (a) and subdivision (a) of Section 5901 with respect to the dealer selling at auction and the dealer conducting the auction.

(3) The electronic report required by this subdivision does not relieve a dealer of any obligation or responsibility that is required by any other law.

(c) A vehicle displaying a report-of-sale form or temporary license plate issued pursuant to paragraph (8) of subdivision (a) may be operated without license plates until either of the following, whichever occurs first:

(1) The license plates and registration card are received by the purchaser.

(2) A 90-day period, commencing with the date of sale of the vehicle, has expired.

(d) Notwithstanding subdivision (c), a vehicle may continue to display a report-of-sale form or temporary license plates after 90 days if the owner provides proof that the owner has submitted an application to the department pursuant to Section 4457 and it has been no more than 14 days since the permanent license plates were issued to the owner. A violation of this paragraph is a correctable offense pursuant to Section 40303.5.

(e) This section shall become operative January 1, 2019.

**SEC. 13.** Section 4750.6 of the Vehicle Code, as proposed to be added by Assembly Bill 85 of the 2019–20 Regular Session, is amended to read:

**4750.6.** (a) The department shall transmit to the California Department of Tax and Fee Administration all collections of sales tax and penalty made under paragraph (3) of subdivision (a) of Section 4456 of this code and Section 6295 of the Revenue and Taxation Code. This transmittal shall be made within 30 days, accompanied by a schedule in such form as the department and California Department of Tax and Fee Administration may prescribe.

(b) The California Department of Tax and Fee Administration shall reimburse the department for its costs incurred in carrying out paragraph (3) of subdivision (a) of Section 4456 of this code and Section 6295 of the Revenue and Taxation Code. The reimbursement shall be effected under agreement between the agencies, approved by the Department of Finance.

(c) In computing any sales tax or penalty thereon under paragraph (3) of subdivision (a) of Section 4456 of this code and Section 6295 of the Revenue and Taxation Code, dollar fractions shall be disregarded in the manner specified in Section 9559 of this code. Payment of tax and penalty on this basis shall be deemed full compliance with the requirements of the Sales and Use Tax Law insofar as they are applicable to the use of vehicles to which paragraph (3) of subdivision (a) of Section 4456 of this code and Section 6295 of the Revenue and Taxation Code relates.

**SEC. 14.** Section 11713 of the Vehicle Code is amended to read:

**11713.** A holder of a license issued under this article shall not do any of the following:

(a) Make or disseminate, or cause to be made or disseminated, before the public in this state, in a newspaper or other publication, or an advertising device, or by public outcry or proclamation, or in any other manner or means whatever, a statement

that is untrue or misleading and that is known, or that by the exercise of reasonable care should be known, to be untrue or misleading; or to so make or disseminate, or cause to be so disseminated, a statement as part of a plan or scheme with the intent not to sell a vehicle or service so advertised at the price stated therein, or as so advertised.

(b) (1) (A) Advertise or offer for sale or exchange in any manner, a vehicle not actually for sale at the premises of the dealer or available to the dealer directly from the manufacturer or distributor of the vehicle at the time of the advertisement or offer. However, a dealer who has been issued an autobroker's endorsement to the dealer's license may advertise the dealer's service of arranging or negotiating the purchase of a new motor vehicle from a franchised new motor vehicle dealer and may specify the line-makes and models of those new vehicles. Autobrokering service advertisements may not advertise the price or payment terms of a vehicle and shall disclose that the advertiser is an autobroker or auto buying service, and shall clearly and conspicuously state the following: "All new cars arranged for sale are subject to price and availability from the selling franchised new car dealer."

(B) As to printed advertisements, the disclosure statement required by subparagraph (A) shall be printed in not less than 10-point bold type size and shall be textually segregated from the other portions of the printed advertisement.

(2) Notwithstanding subparagraph (A), classified advertisements for autobrokering services that measure two column inches or less are exempt from the disclosure statement in subparagraph (A) pertaining to price and availability.

(3) Radio advertisements of a duration of less than 11 seconds that do not reference specific line-makes or models of motor vehicles are exempt from the disclosure statement required in subparagraph (A).

(c) Fail, within 48 hours, to withdraw in writing an advertisement of a vehicle that has been sold or withdrawn from sale.

(d) Advertise or represent a vehicle as a new vehicle if the vehicle is a used vehicle.

(e) Engage in the business for which the licensee is licensed without having in force and effect a bond as required by this article.

(f) Engage in the business for which the dealer is licensed without at all times maintaining an established place of business as required by this code.

(g) Include, as an added cost to the selling price of a vehicle, an amount for licensing or transfer of title of the vehicle, which is not due to the state unless, prior to the sale, that amount has been paid by a dealer to the state in order to avoid penalties that would have accrued because of late payment of the fees. However, a dealer may collect from the second purchaser of a vehicle a prorated fee based upon the number of months remaining in the registration year for that vehicle, if the vehicle had been previously sold by the dealer and the sale was subsequently rescinded and all the fees that were paid, as required by this code and Chapter 2 (commencing with Section 10751) of Part 5 of Division 2 of the Revenue and Taxation Code, were returned to the first purchaser of the vehicle.

(h) Employ a person as a salesperson who has not been licensed pursuant to Article 2 (commencing with Section 11800), and whose license is not displayed on the premises of the dealer as required by Section 11812, or willfully fail to notify the department by mail within 10 days of the employment or termination of employment of a salesperson.

(i) Deliver, following the sale, a vehicle for operation on California highways, if the vehicle does not meet all of the equipment requirements of Division 12 (commencing with Section 24000). This subdivision does not apply to the sale of a leased vehicle to the lessee if the lessee is in possession of the vehicle immediately prior to the time of the sale and the vehicle is registered in this state.

(j) Use, or permit the use of, the special plates assigned to them for any purpose other than as permitted by Section 11715.

(k) Advertise or otherwise represent, or knowingly allow to be advertised or represented on behalf of, or at the place of business of, the licenseholder that no downpayment is required in connection with the sale of a vehicle when a downpayment is in fact required and the buyer is advised or induced to finance the downpayment by a loan in addition to any other loan financing the remainder of the purchase price of the vehicle. The terms "no downpayment," "zero down delivers," or similar terms shall not be advertised unless the vehicle will be sold to a qualified purchaser without a prior payment of any kind or trade-in.

(l) (1) Participate in the sale of a vehicle required to be reported to the Department of Motor Vehicles under Section 5900 or 5901 without making the return and payment of the full sales tax due and required by Section 6451 of the Revenue and Taxation Code.

(2) Participate in the sale of a used vehicle required to be reported to the Department of Motor Vehicles under Section 5900 or 5901 without making the payment of the full sales tax due as required by Section 6295 of the Revenue and Taxation Code.

(m) Permit the use of the dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the purchase or sale of vehicles required to be registered under this code, or permit the use of the dealer's license,

supplies, or books to operate a branch location to be used by any other person, whether or not the licensee has any financial or equitable interest or investment in the vehicles purchased or sold by, or the business of, or branch location used by, the other person.

(n) Violate any provision of Article 10 (commencing with Section 28050) of Chapter 5 of Division 12.

(o) Sell a previously unregistered vehicle without disclosing in writing to the purchaser the date on which a manufacturer's or distributor's warranty commenced.

(p) Accept a purchase deposit relative to the sale of a vehicle, unless the vehicle is present at the premises of the dealer or available to the dealer directly from the manufacturer or distributor of the vehicle at the time the dealer accepts the deposit. Purchase deposits accepted by an autobroker when brokering a retail sale shall be governed by Sections 11736 and 11737.

(q) Consign for sale to another dealer a new vehicle.

(r) Display a vehicle for sale at a location other than an established place of business authorized by the department for that dealer or display a new motor vehicle at the business premises of another dealer registered as an autobroker. This subdivision does not apply to the display of a vehicle pursuant to subdivision (b) of Section 11709 or the demonstration of the qualities of a motor vehicle by way of a test drive.

(s) Use a picture in connection with an advertisement of the price of a specific vehicle or class of vehicles, unless the picture is of the year, make, and model being offered for sale. The picture shall not depict a vehicle with optional equipment or a design not actually offered at the advertised price.

(t) Advertise for sale a vehicle that was used by the selling licensee in its business as a demonstrator, executive vehicle, service vehicle, rental, loaner, or lease vehicle, unless the advertisement clearly and conspicuously discloses the previous use made by that licensee of the vehicle. An advertisement shall not describe any of those vehicles as "new."

(u) Advertise the prior use or ownership history of a vehicle in an inaccurate manner.

**SEC. 15.** The Legislature finds and declares that Sections 2 and 7 of this act, which amend Section 26015 of the Business and Professions Code and Section 830.2 of the Penal Code, implement Section 6.1 of the Control, Regulate and Tax Adult Use of Marijuana Act and are consistent with, and further the purposes and intent of, that act as stated in Section 3 of that act.

**SEC. 16.** The amendments made to Section 6295 of the Revenue and Taxation Code, as amended by Section 9 of this act, and Sections 4456, 4750.6, and 11713 of the Vehicle Code, as those sections are amended by Sections 12, 13, and 14 of this act, shall become operative only if Assembly Bill 85 of the 2019–20 Regular Session is enacted and becomes effective.

**SEC. 17.** The Legislature finds and declares that Section 10 of this act, which adds Section 14109 to the Unemployment Insurance Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to encourage target populations to participate in the SEED Initiative and to protect their right to privacy, it is necessary to limit the public's access to these documents.

**SEC. 18.** This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.