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AB-163 State government. (2021-2022)

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Assembly Bill No. 163

CHAPTER 251

An act to amend Sections 8030.2, 8030.6, 11546.45, and 19821.1 of the Business and Professions Code, to amend Sections 8260 and 9114.5 of, and to amend and renumber Section 7902.2 of, the Government Code, relating to state government, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 23, 2021. Filed with Secretary of State September 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 163, Committee on Budget. State government.

(1) Existing law provides for the licensure and regulation of shorthand reporters by the Court Reporters Board of California, which is within the Department of Consumer Affairs. Existing law, until January 1, 2024, requires certain fees and revenues collected by the board from licensees to be deposited into the Transcript Reimbursement Fund, which is established as a continuously appropriated fund, to be available to provide reimbursement for the cost of providing shorthand reporting services to low-income litigants in civil cases who are unable to otherwise afford those services. Existing law requires the Transcript Reimbursement Fund to be funded by a transfer of funds from the Court Reporters' Fund in the amount of \$300,000 annually and authorizes the board to transfer funds in increments of \$100,000.

This bill would specify that funding that is appropriated to the Transcript Reimbursement Fund from a source other than fees received by the board, as provided, are not subject to the \$300,000 annual transfer limit described above.

Existing law, until January 1, 2024, authorizes low-income persons appearing pro se to apply for funds from the Transcript Reimbursement Fund, subject to specified requirements and limitations, including that the maximum amount reimbursable for specified services rendered is prohibited from exceeding \$20,000 per case per year and total disbursements to cover the costs of providing transcripts are prohibited from exceeding \$75,000 annually and \$1,500 per case. Existing law requires the board, on or before July 1, 2022, to report certain information to the Joint Legislative Budget Committee and the appropriate policy committees of the Legislature to determine the feasibility of funding the Transcript Reimbursement Fund through a distinct assessment, as specified.

This bill would instead prohibit the maximum amount reimbursable for specified services rendered from exceeding \$30,000 per case per year and would prohibit the disbursements to cover the costs of providing transcripts from exceeding \$2,500 per case. By increasing that maximum amount reimbursable and increasing that disbursement limit from the Transcript Reimbursement Fund, the bill would make an appropriation. The bill would also eliminate the \$75,000 annual limit on total disbursements to cover the costs of providing transcripts. By removing a restriction limiting the expenditure of funds from the Transcript Reimbursement Fund, the bill would make an appropriation.

(2) Existing law, the Gambling Control Act, establishes the California Gambling Control Commission, which is responsible for licensing and regulating various gambling activities and establishments. Existing law requires the Department of Justice to

investigate any violations of, and to enforce, the act. Existing law requires a person who deals, operates, carries on, conducts, maintains, or exposes for play any controlled game in this state, or who receives any compensation or reward, or any percentage or share of the money or property played, for keeping, running, or carrying on any controlled game in this state, to apply for and obtain a valid state gambling license, key employee license, or work permit. Existing law also requires the licensure and regulation of any party or entity that provides proposition player services at gambling establishments, known as third-party providers of proposition players.

Existing law prohibits the department from collecting, and a licensee from being required to pay, any annual fees ordinarily due from a state gambling licensee between January 31, 2020, to July 31, 2021, inclusive, and requires the department to refund any annual fees already paid for a state gambling license that were due on or after January 31, 2020, and July 16, 2021.

This bill would require the department to refund any annual fees already paid for a state gambling license that were due between January 31, 2020, to July 16, 2021, inclusive.

Existing law also prohibits the department from collecting, and a licensee from being required to pay, any annual fees ordinarily due from a third-party provider of proposition player services between September 1, 2020, to August 31, 2022, inclusive, and requires the department to refund any annual license fees already paid by a third-party provider of proposition player services that were due between September 1, 2020, and July 16, 2021.

This bill would require the department to refund any annual fees already paid by a third-party provider of proposition player services that were due between September 1, 2020, to July 16, 2021, inclusive.

Existing law additionally prohibits the department from collecting, and a licensee or commission-issued work permittee from being required to pay, any renewal application fees or background deposits associated with a renewal application ordinarily due between March 1, 2020, to April 30, 2022, inclusive, and requires the department to refund any renewal application fees or deposits associated with a renewal application already paid by a licensee or commission-issued work permittee that were due between March 1, 2020, and July 16, 2021.

This bill would prohibit the department from collecting, and a licensee or commission-issued work permittee from being required to pay, those fees or deposits ordinarily due between March 1, 2020, to February 28, 2022, inclusive, and would require the department to refund those fees or deposits ordinarily due between March 1, 2020, to July 16, 2021, inclusive.

Existing law makes all of the above provisions relating to fee waivers and fee refunds inoperative on July 1, 2022.

This bill would extend that inoperative date to September 1, 2022.

This bill would make findings and declarations related to a gift of public funds.

(3) The California Constitution generally prohibits the total annual appropriations subject to limitation of the state and each local government from exceeding the appropriations limit of the entity of government for the prior fiscal year, adjusted for the change in the cost of living and the change in population, and prescribes procedures for making adjustments to the appropriations limit. Existing statutory provisions implementing these constitutional provisions establish the procedure for establishing the appropriations limit of the state and of each local jurisdiction for each fiscal year. Existing law, if the proceeds of taxes of a city, county, or city and county exceed its appropriations limit for any fiscal year, beginning with the 2020–21 fiscal year, requires the governing body of the city, county, or city and county to calculate specified amounts, and authorizes the governing body to increase its appropriations limit for the applicable fiscal year based on those calculations.

This bill would renumber that provision.

(4) Existing law requires the State Department of Social Services, in consultation with the Commission on Asian and Pacific Islander American Affairs, to administer a grant program that provides support and services to victims and survivors of hate crimes and their families and facilitates hate crime prevention measures, as provided. Existing law repeals these provisions on June 30, 2026.

This bill would additionally require the grant program to provide support and services to victims and survivors of hate incidents. The bill would require the grant program to prioritize victims, survivors, and vulnerable populations with high or increasing levels of hate incidents or hate crimes who have historically faced barriers to accessing appropriate care and services.

(5) Existing law, known as the State Capitol Building Annex Act of 2016, authorizes the Joint Rules Committee to pursue the construction of a state capitol building annex or the restoration, rehabilitation, renovation, or reconstruction of the existing State Capitol Building Annex, as provided. In accordance with specified provisions of the California Constitution, the act also expressly appropriates an amount up to \$20,000,000 from the State Project Infrastructure Fund to cover the costs of the design and construction of components of the project or projects authorized by the act that will modify portions of the west wing of the State Capitol in order to facilitate a fully functional State Capitol.

This bill would increase the amount appropriated from the State Project Infrastructure Fund for modifications to the west wing of the State Capitol, as described above, from \$20,000,000 to \$37,000,000. By increasing the amount of moneys continuously appropriated for these purposes, the bill would make an appropriation. The bill would also clarify that the amount appropriated for the costs of the design and construction of components of the project or projects that will modify portions of the west wing of the State Capitol are determined by an agreement required under the act, including any amendments to that agreement.

Existing law requires that the transfer of the funds appropriated under the State Capitol Building Annex Act of 2016 to occur at the same time that funds are transferred from the State Project Infrastructure Fund to the Operating Funds of the Assembly and Senate for specified capital outlay projects.

This bill would alternatively authorize the transfer of funds appropriated under the State Capitol Building Annex Act of 2016 to occur at a time determined by a specified agreement entered into between the Joint Rules Committee, the Department of Finance, and the Department of General Services.

(6) Existing law establishes, within the Government Operations Agency, the Department of Technology under the supervision of the Director of Technology, who also serves as the State Chief Information Officer. Under existing law, the Department of Technology is responsible for the approval and oversight of information technology projects, as specified. Existing law requires that a state agency service contract, which would otherwise not be reviewed by the Department of Technology, be subject to review, approval, and oversight by the department if the contract contains an information technology component that would be subject to oversight by the department if it were a separate information technology project.

Existing law requires the Department of Technology to identify, assess, and prioritize high-risk, critical information technology services and systems across state government, as determined by the Department of Technology, for modernization, stabilization, or remediation. Existing law requires state agencies and state entities to submit information relating to their information technology service contracts to the Department of Technology before February 1, 2022, and annually thereafter. Existing law requires the department to analyze and report this information to the Legislature, as specified. Existing law also requires the Department of Technology to implement a plan to establish centralized contracts for identified shared services, as defined.

This bill would require the Department of Technology to create a plan, and to coordinate with and assist state agencies and state entities in the implementation of a plan, to establish centralized contracts for identified shared services, as defined. The bill would authorize the plan to include a list of existing service contracts of state agencies and state entities that may be replaced with centralized service contracts managed by the department, as specified. The bill would require the Department of Technology to submit the plan to the Joint Legislative Budget Committee no later than February 1, 2023.

(7) 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 8030.2 of the Business and Professions Code is amended to read:

8030.2. (a) (1) To provide shorthand reporting services to low-income litigants in civil cases, who are unable to otherwise afford those services, funds generated by fees received by the board pursuant to subdivision (c) of Section 8031 in excess of funds needed to support the board's operating budget for the fiscal year in which a transfer described below is made shall be used by the board for the purpose of establishing and maintaining a Transcript Reimbursement Fund. The Transcript Reimbursement Fund shall be funded by a transfer of funds from the Court Reporters' Fund in the amount of three hundred thousand dollars (\$300,000) annually. The board is authorized to transfer funds in increments of one hundred thousand dollars (\$100,000) for a total of three hundred thousand dollars (\$300,000). Notwithstanding any other provision of this article, a transfer to the Transcript Reimbursement Fund in excess of the fund balance established at the beginning of each fiscal year shall not be made by the board if the transfer will result in the reduction of the balance of the Court Reporters' Fund to an amount less than six months' operating budget.

(2) If funds are appropriated to the Transcript Reimbursement Fund from a source other than fees received by the board pursuant to subdivision (c) of Section 8031, those funds shall not be subject to the annual transfer limit of three hundred thousand dollars (\$300,000) described in paragraph (1).

(b) Refunds and unexpended funds that are anticipated to remain in the Transcript Reimbursement Fund at the end of the fiscal year shall be considered by the board in establishing the fee assessment pursuant to Section 8031 so that the assessment shall maintain the level of funding for the Transcript Reimbursement Fund, as specified in subdivision (a), in the following fiscal year.

(c) The Transcript Reimbursement Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the Transcript Reimbursement Fund are continuously appropriated for the purposes of this chapter.

(d) (1) Applicants who have been reimbursed pursuant to this chapter for services provided to litigants and who are awarded court costs or attorney's fees by judgment or by settlement agreement shall refund the full amount of that reimbursement to the fund within 90 days of receipt of the award or settlement.

(2) An applicant appearing pro se who has been reimbursed for services provided to litigants under this chapter shall refund the full amount reimbursed if a court orders the applicant's fee waiver withdrawn or denied retroactively pursuant to Section 68636 of the Government Code, within 90 days of the court's order withdrawing or denying the fee waiver.

(e) Subject to the limitations of this chapter, the board shall maintain the fund at a level that is sufficient to pay all qualified claims. To accomplish this objective, the board shall utilize all refunds, unexpended funds, fees, and any other moneys received by the board.

(f) Notwithstanding Section 16346 of the Government Code, all unencumbered funds remaining in the Transcript Reimbursement Fund as of January 1, 2024, shall be transferred to the Court Reporters' Fund.

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

SEC. 2. Section 8030.6 of the Business and Professions Code is amended to read:

8030.6. (a) The board shall disburse funds from the Transcript Reimbursement Fund for the costs, exclusive of per diem charges by official reporters, of preparing either an original transcript and one copy thereof, or where appropriate, a copy of the transcript, of court or deposition proceedings, or both, incurred as a contractual obligation between the shorthand reporter and the applicant, for litigation conducted in California. If there is no deposition transcript, the board may reimburse the applicant or the certified shorthand reporter designated in the application for per diem costs. The rate of per diem for depositions shall not exceed seventy-five dollars (\$75) for one-half day, or one hundred twenty-five dollars (\$125) for a full day. If a transcript is ordered within one year of the date of the deposition, but subsequent to the per diem having been reimbursed by the Transcript Reimbursement Fund, the amount of the per diem shall be deducted from the regular customary charges for a transcript. Reimbursement may be obtained pursuant to the following provisions:

(1) The applicant or certified shorthand reporter shall promptly submit to the board the certified shorthand reporter's invoice for transcripts together with the appropriate documentation as is required by this chapter.

(2) Except as provided in paragraph (3), the board shall promptly determine if the applicant or the certified shorthand reporter is entitled to reimbursement under this chapter and shall make payment as follows:

(A) Regular customary charges for preparation of original deposition transcripts and one copy thereof, or a copy of the transcripts.

(B) Regular customary charges for expedited deposition transcripts up to a maximum of two thousand five hundred dollars (\$2,500) per case.

(C) Regular customary charges for the preparation of original transcripts and one copy thereof, or a copy of transcripts of court proceedings.

(D) Regular customary charges for expedited or daily charges for preparation of original transcripts and one copy thereof or a copy of transcripts of court proceedings.

(E) The charges shall not include notary or handling fees. The charges may include actual shipping costs and exhibits, except that the cost of exhibits may not exceed thirty-five cents (\$0.35) each or a total of thirty-five dollars (\$35) per transcript.

(3) The maximum amount reimbursable by the fund under paragraph (2) shall not exceed thirty thousand dollars (\$30,000) per case per year.

(4) A vexatious litigant shall be ineligible to receive funds from the Transcript Reimbursement Fund. However, a vexatious litigant may become eligible to receive funds if the vexatious litigant is no longer subject to the provisions of Title 3A of Part 2 of the Code of Civil Procedure pursuant to Section 391.8 of Code of Civil Procedure.

(5) Disbursements to cover the costs of providing transcripts to all applicants appearing pro se pursuant to this section shall not exceed two thousand five hundred dollars (\$2,500) per case.

(6) If entitled, and funds are available, the board shall disburse the appropriate sum to the applicant or the certified shorthand reporter when the documentation described in Section 8030.8 accompanies the application. A notice shall be sent to the recipient requiring the recipient to file a notice with the court in which the action is pending stating the sum of reimbursement paid pursuant to this section. The notice filed with the court shall also state that if the sum is subsequently included in any

award of costs made in the action, that the sum is to be ordered refunded by the applicant to the Transcript Reimbursement Fund whenever the sum is actually recovered as costs. The court shall not consider whether payment has been made from the Transcript Reimbursement Fund in determining the appropriateness of any award of costs to the parties. The board shall also notify the applicant that the reimbursed sum has been paid to the certified shorthand reporter and shall notify the applicant of the duty to refund any of the sum actually recovered as costs in the action.

(7) If not entitled, the board shall return a copy of the invoice to the applicant and the designated certified shorthand reporter together with a notice stating the grounds for denial.

(8) The board shall complete its actions under this section within 30 days of receipt of the invoice and all required documentation, including a completed application.

(9) Applications for reimbursements from the fund shall be filed on a first-come-first-served basis.

(10) Applications for reimbursement that cannot be paid from the fund due to insufficiency of the fund for that fiscal year shall be held over until the next fiscal year to be paid out of the renewed fund. Applications held over shall be given a priority standing in the next fiscal year.

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

SEC. 3. Section 19821.1 of the Business and Professions Code is amended to read:

19821.1. (a) (1) Notwithstanding Sections 19841, 19951, 19952, and 19954, and any accompanying regulations designating annual fees, the department shall not collect, and a licensee shall not be required to pay, any annual fees ordinarily due from a state gambling licensee between January 31, 2020, to July 31, 2021, inclusive. This fee waiver does not apply to extensions or installment agreement due dates that are otherwise due and payable during that time period.

(2) The department shall refund any annual fees already paid for a state gambling license that were due between January 31, 2020, to July 16, 2021, inclusive.

(b) (1) Notwithstanding Sections 19841 and 19984, and any accompanying regulations designating annual fees, the department shall not collect, and a licensee shall not be required to pay, any annual fees ordinarily due from a third-party provider of proposition player services between September 1, 2020, to August 31, 2022, inclusive. This fee waiver does not apply to extensions or installment agreement due dates that altered the original due date of an annual fee.

(2) The department shall refund any annual license fees already paid by a third-party provider of proposition player services that were due between September 1, 2020, to July 16, 2021, inclusive.

(c) (1) Notwithstanding Sections 19841, 19867, 19868, 19876, 19877, 19912, and 19984, and any accompanying regulations designating a renewal application fee or a deposit associated with a renewal application, the department shall not collect, and the licensee or commission-issued work permittee shall not be required to pay, any renewal application fees or background deposits associated with a renewal application ordinarily due between March 1, 2020, to February 28, 2022, inclusive. This fee and deposit waiver does not apply to extensions that are otherwise due and payable during that time period.

(2) The department shall refund any renewal application fees or deposits associated with a renewal application already paid by a licensee or commission-issued work permittee that were due between March 1, 2020, to July 16, 2021, inclusive.

(d) For the purposes of this section, in order to avoid delays in implementing the waiver of all annual fees, application fees, and deposits, the Legislature finds and declares that it is necessary to provide the commission with a limited exemption from the regular and emergency rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(e) This section shall become inoperative on September 1, 2022, and, as of January 1, 2023, is repealed.

SEC. 4. Section 7902.2 of the Government Code, as added by Section 8 of Chapter 77 of the Statutes of 2021, is amended and renumbered to read:

7902.2.2. (a) If, beginning with the 2020–21 fiscal year or any fiscal year thereafter, the proceeds of taxes of a city, county, or city and county exceed its appropriations limit determined pursuant to Section 7902 for that fiscal year, the governing body of the city, county, or city and county shall calculate the following amounts:

(1) The appropriations limit of the city, county, or city and county determined pursuant to Section 7902.

(2) The total amount of proceeds of taxes of the city, county, or city and county.

(3) The amount of proceeds of taxes of the city, county, or city and county attributable to funding received by the city, county, or city and county from the Local Revenue Fund, established pursuant to Section 17600 of the Welfare and Institutions Code, and the Local Revenue Fund 2011, established pursuant to Section 30025 of the Government Code.

(4) The total amount of proceeds of taxes of the city, county, or city and county calculated pursuant to paragraph (2), less the amount calculated pursuant to paragraph (3).

(5) The amount equal to the appropriations limit of the city, county, or city and county calculated pursuant to paragraph (1), less the amount calculated pursuant to paragraph (4).

(6) If the calculation in paragraph (5) results in a positive value, the amount calculated pursuant to paragraph (3) less the positive value calculated pursuant to paragraph (5).

(b) If the amount determined pursuant to paragraph (6) of subdivision (a) results in a positive value, the governing body of the city, county, or city and county may increase its appropriations limit for the applicable fiscal year by that amount.

(c) To the extent that the amount determined pursuant to paragraph (4) of subdivision (a) is equal to or exceeds the amount determined pursuant to paragraph (1) of subdivision (a), the governing body of the city, county, or city and county may increase its appropriations limit for the applicable fiscal year by the amount determined pursuant to paragraph (3) of subdivision (a).

(d) In the event that the governing body of a city, county, or city and county increases its appropriations limit pursuant to subdivision (b) or (c) of this section, it shall notify the Director of Finance of the change within 45 days.

(e) Commencing with the 2020–21 fiscal year, and each fiscal year thereafter, the appropriations limit of the state shall be reduced by the total amount reported pursuant to subdivision (d) by each city, county, or city and county in the fiscal year in which the change is made.

SEC. 5. Section 8260 of the Government Code is amended to read:

8260. (a) The State Department of Social Services, in consultation with the Commission on Asian and Pacific Islander American Affairs, shall administer a grant program that provides support and services to victims and survivors of hate incidents and hate crimes and their families and facilitates hate incident or hate crime prevention measures. The grant program shall prioritize victims, survivors, and vulnerable populations with high or increasing levels of hate incidents or hate crimes who have historically faced barriers to accessing appropriate care and services. In developing the grant program criteria, the department shall consult with the Commission on Asian Pacific Islander American Affairs and may consult with other state departments as necessary.

(b) The department, in consultation with the Commission on the Asian Pacific Islander American Affairs, shall develop a process to award grants to qualified grantees to be used to provide at least one of the following:

(1) Community-based supports and services to victims and survivors of hate incidents or hate crimes, and their families, which may include health care services, mental health services, and legal services.

(2) Hate incident and hate crime prevention measures, which may include community engagement and education, community conflict resolution, in-language outreach, services to escort community members in public, community healing, collaboration, cross-racial building, and community diversity training.

(c) (1) Qualified grantees shall include nonprofit entities that meet the requirements set forth in either paragraph (3) or paragraph (5) of subdivision (c) of Section 501 of the Internal Revenue Code. An entity may partner with another entity to meet the requirements of this paragraph.

(2) Qualified grantees shall have experience providing supports and services to victims and survivors of hate incidents and hate crimes and hate incident and hate crime prevention measures in a language competent and culturally competent manner or funding organizations that provide such services. A qualified grantee that is awarded funds pursuant to this section shall comply with tracking and reporting procedures to be determined by the department.

(d) The department may use up to five percent of the funds appropriated for department administrative costs. Any funds in excess of five percent may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor is provided to the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time after that notification the Chairperson of the Joint Legislative Budget Committee, or the Chairperson's designee, may in each instance determine.

(e) The department may enter into a contract with an independent evaluation and research agency to evaluate the impacts of the program.

(f) Notwithstanding any other law, contracts issued pursuant to this section shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5, and from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(g) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3), the State Department of Social Services may implement and administer this provision without adopting regulations.

(h) The Legislature finds and declares that this section is a state law that provides assistance and services for undocumented persons within the meaning of subdivision (d) of Section 1621 of Title 8 of the United States Code.

(i) Beginning on October 1, 2022, and annually thereafter until October 1, 2025, the department, in consultation with the Commission on Asian Pacific Islander American Affairs, shall submit a report for the prior fiscal year to the budget committees of both houses. The report shall include a list of the grant recipients and the amounts allocated to each grantee, the supports and services and hate incident and hate crime prevention measures provided by each grantee, and the geographic location of each grantee.

(j) This section shall remain in effect only until June 30, 2026, and as of that date is repealed.

SEC. 6. Section 9114.5 of the Government Code is amended to read:

9114.5. (a) There is hereby appropriated, without regard to fiscal years, from the State Project Infrastructure Fund to the Operating Funds of the Assembly and Senate an amount up to thirty-seven million dollars (\$37,000,000), as determined by the agreement entered into pursuant to paragraph (1) of subdivision (b) of Section 9112 and any amendments thereto, to cover the costs of the design and construction of those components of the project or projects authorized by Section 9112 that will modify portions of the west wing of the State Capitol in order to facilitate a fully functional State Capitol. Any transfer of the funds appropriated pursuant to this section shall occur at the same time as the transfer of funds pursuant to subparagraph (C) of paragraph (2) of subdivision (a) of Section 14692, or at a time as determined by the agreement entered into pursuant to paragraph (1) of subdivision (b) of Section 9112 or any amendments thereto.

(b) It is the intent of the Legislature that the appropriation in subdivision (a) constitute an express appropriation for the alteration or modification of the color, detail, design, structure, or fixtures of the historically restored areas of the first, second, and third floors and the exterior of the west wing of the State Capitol, as required by Section 28 of Article IV of the California Constitution.

SEC. 7. Section 11546.45 of the Government Code, as added by Section 10 of Chapter 77 of the Statutes of 2021, is amended to read:

11546.45. (a) (1) The Department of Technology shall identify, assess, and prioritize high-risk, critical information technology services and systems across state government, as determined by the Department of Technology, for modernization, stabilization or remediation.

(2) The Department of Technology shall submit an annual report to the Legislature that includes all of the following:

(A) An explanation of how the Department of Technology is prioritizing these efforts across state government.

(B) The impediments and risks that could, or issues that already have, led to changes in how the Department of Technology identifies, assesses, and prioritizes these efforts.

(3) In accordance with Section 6254.19, nothing in this section shall be construed to require the disclosure of information relating to high-risk, critical information technology services and systems by the Department of Technology, if, on the facts of the particular case, disclosure of that record would reveal vulnerabilities to, or otherwise increase the potential for an attack on, an information technology system of a public agency.

(b) (1) Notwithstanding any other law, all state agencies and state entities shall submit information relating to their information technology service contracts, as defined, to the Department of Technology before February 1, 2022, and annually thereafter, in a manner determined by the Department of Technology.

(2) The Department of Technology shall analyze the information submitted pursuant to subparagraph (1).

(3) After completing the analysis, the Department of Technology shall submit a report to the Legislature, as part of its annual information technology report submitted pursuant to subdivision (e) of Section 11545, that does all of the following:

(A) Identifies each service that the Department of Technology believes would be appropriately centralized as shared services contracts.

(B) Summarizes market research the department would conduct to estimate the one-time and ongoing costs to the state of each service.

(C) Calculates potential offsetting savings to the state from reduced overlap and redundancy of services.

(4) After submitting the report, the Department of Technology shall create a plan, coordinate with, and assist state agencies and state entities in, the implementation of a plan to establish centralized contracts for identified shared services, as defined. The plan may include, but is not limited to, a list of existing service contracts of state agencies and state entities that may be replaced with centralized service contracts managed by the Department of Technology and a proposed strategy and timeline for the transition from existing service contracts to centralized service contracts. The Department of Technology shall submit the plan to the Joint Legislative Budget Committee no later than February 1, 2023.

(c) For purposes of this section, the following definitions shall apply:

(1) "Information technology services and systems contracts" means contracts for services and systems, including, but not limited to, cloud services, including "Software as a Service," "Infrastructure as a Service," and "Platform as a Service," on-premises services and systems, information technology personal services, and information technology consulting services for not less than five hundred thousand dollars (\$500,000) annually, or such amounts determined by the Department of Technology pursuant to its policy.

(2) "Shared services" means information technology services commonly used across state agencies that may be consolidated under a single contract to achieve cost savings and process efficiencies.

SEC. 8. The Legislature finds and declares that the fees and deposits refunded pursuant to Section 3 of this act serve the public purpose of protecting the solvency of businesses that were forced to close their doors or limit business due to the coronavirus disease 2019 (COVID-19) pandemic and do not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

SEC. 9. 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.