

**CALIFORNIA ASSOCIATION OF NONPROFITS  
PUBLIC POLICY ACTIVITY REPORT**

January 1 - July 17, 2009

*CAN watches and acts upon government actions that are likely to have an impact on the capacity of the organizations in state's nonprofit sector to fulfill their missions. CAN focuses on matters where its involvement is likely to make a difference and which impact most - if not all - nonprofits.*

**State Legislation**

**AB 83 (Feuer) "Good Samaritan" Liability**

Immunizes Good Samaritans from liability when they assist others at the scene of an emergency unless the person providing assistance acts in a reckless or grossly negligent manner.

POSITION: SUPPORT (Encourages participation in nonprofit emergency and disaster response activities)

STATUS: Governor's Desk

**AB 127 (Jeffries) California Volunteers**

Establishes the Office of California Volunteers within the office of the Governor, specifying the duties and responsibilities of the office, and setting out the appointment scheme for the office.

POSITION: WATCH

STATUS: Two-year bill. CAN have convened working group to consult with agency secretary on amendments.

**AB 178 (Skinner) Internet Sales Tax**

Would require out-of-state retailers to collect California sales tax if they compensate affiliates and publishers located in the state.

Position: Watch

STATUS: Two-year bill

**AB 285 (Tran) Electronic Communications**

Eliminates certain restrictions currently placed on nonprofit corporations in California regarding electronic communications with their members. Provides a workable standard in lieu of the federal E-Sign Act, while using it as a general guide.

POSITION: SUPPORT (Reduces administrative costs, creates efficiencies in nonprofit-member communication)

STATUS: Governor's Desk

**AB 400 (De Leon) Web Posting: State Spending**

Requires posting of state General Fund expenditures of \$5,000 or more on a public Web site.

POSITION: WATCH

STATUS: Senate Floor

**AB 401 (Ruskin) Charitable Program-Related Loans**

Permanently exempts a program-related investment by a private foundation, tax exempt organization and a loan, guaranty, or investment made by a public charity tax-exempt organization from the California Finance Lenders Law, which provides for the Department of Corporations to license, oversee and regulate businesses making consumer loans and/or commercial loans.

POSITION: SUPPORT (reduces administrative burdens for nonprofit lenders)

STATUS: Governor's Desk

**AB 404 (Eng) Group Exemptions**

Streamlines and strengthens oversight of subordinate organizations included in a federal group exemption letter,

POSITION: SUPPORT (Increases accountability of subordinate organizations)

STATUS: Senate Appropriations

**AB 486 (Chesbro) Local Emergency Declarations**

Standardizes requirements for a governing body to review the continuing need for a local emergency.  
POSITION: SUPPORT (Streamlines decision-making environment for nonprofit emergency services providers)  
STATUS: Enacted

AB 564 (Portantino) Substance Abuse Treatment Fund (Proposition 36): Executive Compensation  
Limits the amount of any grant that can be used for executive compensation to not more than one percent of the value of the grant multiplied by the percentage of total revenues received by the corporation for substance abuse treatment activities that come from public sources.  
POSITION: WATCH  
STATUS: Senate Appropriations

AB 611 (Fong) Emergency Services: Limited English Proficiency  
Requires the Secretary of California Emergency Management to recognize and be responsive to those with limited English proficiency in all aspects of emergency preparedness, response, and recovery.  
POSITION: SUPPORT (Helps responders to cope with the needs of everyone affected by disasters and emergencies)  
STATUS: Senate Appropriations

AB 796 (Carter) Excused Absences: Civic Engagement  
Authorizes excused absences to students for civic engagement activities offered by a nonprofit organization or a governmental entity  
POSITION: SUPPORT (Encourages civic participation by youth)  
STATUS: Senate Floor

AB 918 (Adams) Donation Boxes  
Provides for stricter oversight and greater transparency of clothing donation collection boxes.  
POSITION: SUPPORT (CAN has worked with local government and nonprofits for two years to reach resolution of accountability issues around public donation boxes)  
STATUS: Senate Local Government

AB 1036 (Niello) Charity Bingo  
Allows a maximum of 100 unaffiliated organizations to enter into an agreement to cosponsor a remote caller bingo game if the game does not have more than 100 locations.  
POSITION: OPPOSE (presents oversight and security issues; alters new law which has not yet been tested)  
STATUS: Two-year bill

AB 1233 (Silva) Nonprofit Oversight  
Cleans up statutory language around nonprofit and consumer cooperative corporations. Sponsored by Nonprofit Section, State Bar.  
POSITION: SUPPORT (Improves quality of nonprofit-related laws)  
STATUS: Senate Floor

AB 1364 (Evans) Bond Freeze  
Allows any state agency that has entered into a contract where the agency has or may be unable to comply with the terms of the contract due to a suspension of programs by the Pooled Money Investment Board (which manages cash flow and lends money for infrastructure such as nonprofit conservation and public facilities projects) may amend the terms of the contract to address contract deadlines and deliverables that may not be met due to the suspension.  
POSITION: SUPPORT  
STATUS: Two-year bill

SB 45 (Padilla) Public Works Contract Violations  
Establishes a permanent bar to contractors and subcontractors participating in public works contracts when found by the Labor Commissioner to have engaged in intent to defraud or to have been in willful violation of public works law.

POSITION: WATCH  
STATUS: Assembly Appropriations

SB 107 (Walters) Mandatory Gratuities: Sales Tax Exemption  
Exempts 501 (c) 3 and 501 (c) 4 nonprofit organizations from certain types of sales tax charges, such as mandatory gratuities, tips, or service fees that are charged to a nonprofit organization by hotels, caterers, restaurants, or similar establishments for meals, food, or beverages.  
POSITION: WATCH  
STATUS: Two-year bill

SB 126 (Cedillo) Charity Bingo  
Deletes the reference to school districts in the provisions specifying the organizations that may conduct bingo games and instead authorizes charitable organizations affiliated with a school district to conduct bingo games.  
POSITION: SUPPORT (Cleans up CAN-sponsored 2008 legislation)  
STATUS: Assembly Appropriations

SB 176 (Simitian) Electrical Power Donations  
Makes permanent a soon-to-be-expired law that authorizes a nonprofit charitable organization to acquire electric commodity service through a direct transaction with an electric service provider if electric commodity service is donated free of charge without compensation.  
POSITION: WATCH  
STATUS: Governor's Desk

SB 200 (Correa) Charity Raffles  
Permits nonprofits to advertise raffles over the Internet  
POSITION: SUPPORT (Updates CAN-sponsored laws that legalized raffles 10 years ago)  
STATUS: Senate Floor (for concurrence)

SB 218 (Yee) California Public Records Act: Nonprofits  
As originally introduced, redefined as a public agency for purposes of the California Public Records Act any entity, including, but not limited to, a nonprofit corporation that receives public funds or performs a governmental function on behalf of the California Community Colleges, the California State University, or the University of California. In response to CAN concerns, amended six times. Current version limited to organizations subject to control by public postsecondary institutions.  
POSITION: Neutral  
STATUS: Assembly Appropriations

SB 553 (Wiggins) Late Payment Penalty: Nonprofits  
Deletes the statutory language stating "no nonprofit public benefit corporation shall be eligible for a late payment penalty if a state agency fails to make timely payment because no Budget Act has been enacted."  
POSITION: SUPPORT (CAN has previously sponsored similar legislation to resolve this long-standing inequity)  
STATUS: Two-year bill

SB 616 (Harman) Commercial Fundraisers  
Cleans up existing law around "commercial fundraiser for charitable purposes"  
POSITION: SUPPORT (Improves quality of nonprofit law)  
STATUS: Two-year bill

SB 719 (Huff) Web Posting: State Spending  
Requires each state department and agency to develop and operate a searchable Internet Web site accessible by the public that includes specified information relating to expenditures of state funds, defined to include, among other things, contracts, grants, purchase orders, subcontracts, and tax refunds, rebates, and credits.  
POSITION: WATCH

STATUS: Two-year bill

**SB 777 (Wolk) Performance-Based Budgeting**

Requires that the budget submitted by the Governor to the Legislature for the 2011-12 fiscal year and each following year be developed pursuant to performance-based budgeting methods, for each state agency.

Requires the Department of Finance to utilize the annual report on the measurements of performance-based budgeting methods prepared by the Joint Legislative Budget Committee.

POSITION: SUPPORT (puts state budgeting on a sounder footing)

STATUS: Two-year bill

**Federal Legislation**

HR 1250 (CA Delegation co-sponsors: Filner, Heger, Honda,) IRA Rollover

Permits- on a permanent basis - tax-free distributions from individual retirement accounts (IRA) for charitable purposes and remove the current dollar limit on donations per year. As a result, IRA owners would have a flexible, planned giving option starting at age 59½.

POSITION: SUPPORT (incentivizes giving)

STATUS: House Ways and Means

S 243/ HR 524 (CA Delegation co-sponsors: Boxer, Nunes, Thompson) Give Act 2009

Increases deduction for volunteer mileage for charitable purposes

POSITION: SUPPORT (incentivizes giving)

STATUS: House Ways and Means

Estate Tax (Administration budget proposal)

Permanently freezes estate tax at 2009 levels

POSITION: SUPPORT (maintains federal levels, incentivizes charitable giving)

STATUS: Threatened by Senate-passed resolution to increase exemption and lower tax rate

Health Care Reform (multiple proposals and sponsors)

Five Congressional committees are working on components of comprehensive health care reform

POSITION (based on CAN's efforts around CA Health Care Reform debate 2007-08): all Americans should have access to affordable, high-quality, culturally-competent health care; nonprofit employees should have access to the same range of benefits options and prices as federal employees; alternatives to tax credits should be provided to nonprofit employers to enable them to provide health care coverage and to participate in wellness programs.

STATUS: Sponsors intend to pass bills on the Senate and House floors by August.