

CALIFORNIA ASSOCIATION OF NONPROFITS
STATE LEGISLATION
STATUS REPORT
10/20/09

Governor Arnold Schwarzenegger has completed action on the 872 bills passed by the Legislature this year, the fewest in more than 40 years. Schwarzenegger set a record for signing the fewest bills in a single year, approving only 632 of the measures that reached his desk in the 2009 regular session (three special sessions are scheduled for this fall). Schwarzenegger vetoed 240 bills, 27.52 percent of those sent to him – a sharp drop from last year's record of 414 vetoes.

.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: Signed into law

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 has 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: Signed into law

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: Signed into law

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: Signed into law

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: Signed into law

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: Signed into law

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: NEUTRAL (BEFORE MOST RECENT AMENDMENTS, OPPOSE)

STATUS: Two-Year Bill

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: Vetoed

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: Vetoed

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: Two-year bill

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: Died

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: Signed into law

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: Signed into law

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: Vetoed

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: Signed into law

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: Signed into law

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: Signed into law

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 (PRIOR TO MOST RECENT AMENDMENTS, OPPOSE)

STATUS: Vetoed

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