

AMENDED IN SENATE FEBRUARY 27, 2018

AMENDED IN SENATE JUNE 12, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 110**

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**Introduced by Committee on Budget (Assembly Members Ting (Chair), Arambula, Bloom, Caballero, Chiu, Cooper, Cristina Garcia, Jones-Sawyer, Limón, McCarty, Medina, Mullin, Muratsuchi, O'Donnell, Rubio, Mark Stone, Weber, and Wood)**

January 10, 2017

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An act to amend Sections 26000, 26001, 26011, 26012, 26013, 26014, 26030, 26031, 26038, 26040, 26043, 26044, 26050, 26052, 26053, 26054, 26054.2, 26055, 26057, 26058, 26060, 26061, 26063, 26065, 26066, 26070, 26070.5, 26080, 26090, 26104, 26106, 26120, 26130, 26140, 26150, 26151, 26152, 26153, 26154, 26155, 26160, 26161, 26180, 26181, 26190, 26191, 26200, 26202, 26210, and 26211 of, to amend the heading of Chapter 10 (commencing with Section 26100) and the heading of Chapter 13 (commencing with Section 26130) of Division 10 of, to amend the heading of Division 10 (commencing with Section 26000) of, to amend and renumber Section 26101 of, to add Sections 26010.5, 26011.5, 26013.5, 26046, 26047, 26051.5, 26060.1, 26062.5, 26070.1, 26121, 26131, 26132, 26133, 26134, 26135, 26156, 26162, 26162.5, 26180.5, 26190.5, and 26210.5, to, to add Chapter 6.5 (commencing with Section 26067) and Chapter 22 (commencing with Section 26220) to Division 10 of, to add and repeal Section 26050.1 of, to repeal Sections 26054.1, 26056, 26056.5, 26064, 26067, 26100, and 26103 of, to repeal Chapter 3.5 (commencing with Section 19300) of Division 8 of, to repeal Chapter 17 (commencing with Section 26170) of Division 10 of, and to repeal and add Sections 26010, 26032, 26033, 26034, 26045, 26051, 26062, 26102, and 26110 of, the Business and

Professions Code, to amend Sections 1602 and 1617 of the Fish and Game Code, to amend Sections 37104, 54036, and 81010 of the Food and Agricultural Code, to amend Sections 11006.5, 11014.5, 11018, 11018.1, 11018.2, 11018.5, 11032, 11054, 11357, 11358, 11359, 11360, 11361, 11361.1, 11361.5, 11362.1, 11362.2, 11362.3, 11362.4, 11362.45, 11362.7, 11362.71, 11362.715, 11362.765, 11362.768, 11362.77, 11362.775, 11362.78, 11362.785, 11362.79, 11362.795, 11362.8, 11362.81, 11362.83, 11362.85, 11362.9, 11364.5, 11470, 11478, 11479, 11479.2, 11480, 11485, 11532, 11553, and 109925 of, to amend the heading of Article 2 (commencing with Section 11357) of Chapter 6 of Division 10 of, and to repeal Section 11362.777 of, the Health and Safety Code, to amend Sections 34010, 34011, 34012, 34013, 34014, 34015, 34016, 34018, 34019, and 34021.5 of, to amend the heading of Part 14.5 (commencing with Section 34010) of Division 2 of, and to add Section 34012.5 to, the Revenue and Taxation Code, to amend Section 23222 of, and to add Section 2429.7 to, the Vehicle Code, and to amend Sections 1831, 1847, and 13276 of the Water Code, relating to cannabis, and making an appropriation therefor, to take effect immediately, bill related to the budget. *An act to amend Sections 7284.6 and 27388.1 of the Government Code, and to amend Sections 12306.1 and 12306.16 of, and to add Section 11461.35 to, the Welfare and Institutions Code, relating to government services, and making an appropriation therefor, to take effect immediately, bill related to the budget.*

LEGISLATIVE COUNSEL'S DIGEST

AB 110, as amended, Committee on Budget. ~~Cannabis: medicinal and adult use. In-home supportive services provider wages: emergency caregiver payments for foster care: civil immigration detainees: recording fees.~~

(1) Existing law, the California Values Act, prohibits state and local law enforcement agencies from contracting with the federal government for use of their facilities to house individuals as federal detainees, except as specified.

This bill would specify that state and local law enforcement agencies are prohibited from contracting with the federal government for use of their facilities to house individuals as federal detainees for purposes of civil immigration custody, except as specified.

(2) Existing law imposes a fee, except as provided, of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225. Existing law exempts from this fee any real estate instrument, paper, or notice recorded in connection with a transfer subject to the imposition of a documentary transfer tax, as provided, or with a transfer of real property that is a residential dwelling to an owner-occupier.

This bill would additionally exempt from this fee any real estate instrument, paper, or notice executed or recorded by the federal government pursuant to the Uniform Federal Lien Registration Act, or by the state, or any county, municipality, or other political subdivision of the state. The bill would provide that these exemptions apply retroactively to any real estate instrument, paper, or notice executed or recorded by the federal government, or by the state, or any county, municipality, or other political subdivision of the state on or after January 1, 2018. The bill would also state that the exemption for real estate instruments, papers, or notices executed or recorded by the state, or any county, municipality, or other political subdivision of the state is declaratory of existing law.

By adding to the duties of county recorders in administering this recording fee, this bill would impose a state-mandated local program.

(3) Existing law establishes the county-administered In-Home Supportive Services (IHSS) program, under which qualified aged, blind, and disabled persons are provided with services in order to permit them to remain in their own homes and avoid institutionalization. Existing law prohibits an increase in provider wages or benefits that were locally negotiated, mediated, imposed, or adopted by ordinance from taking effect unless and until, prior to its implementation, certain conditions are met, including that the State Department of Social Services has obtained the approval of the State Department of Health Care Services, as specified.

This bill would prohibit the increase in wages or benefits from taking effect unless and until the increase is reviewed and determined to be in compliance with state law.

(4) Existing law requires the state and counties to share the annual cost of providing in-home supportive services and requires all counties to have a County IHSS Maintenance of Effort (MOE) commencing July 1, 2017, as prescribed. Existing law requires the County IHSS MOE to be adjusted for the annualized cost increases in provider wages or

*health benefits that are locally negotiated, mediated, or imposed on or after July 1, 2017. Existing law authorizes a county to negotiate a wage supplement and requires the county's County IHSS MOE to include a one-time adjustment by the amount of the increase, as specified, for the first time the wage supplement is applied. Existing law requires the wage supplement to subsequently be applied to the county individual provider wage when the increase takes effect at the same time as, and is the same amount as, the state minimum wage increases, and the minimum wage increase exceeds the county individual provider wage prior to applying the minimum wage increase.*

*This bill would instead require the wage supplement to subsequently be applied to the minimum wage when the minimum wage increase is equal to or exceeds the county wage paid without the inclusion of the wage supplement and the increase to the county wage paid takes effect at the same time as the minimum wage increase. The bill would require that the wage supplement be in addition to the highest wage rate paid in the county as of June 30, 2017. The bill would provide that these new requirements do not apply for any changes to provider wages or health benefits locally negotiated, mediated, or imposed by a county, public authority, or nonprofit consortium, for which a rate change request was submitted to the State Department of Social Services for review prior to January 1, 2018, and instead would require that in these cases, the wage supplement subsequently be applied to the minimum wage when the minimum wage is equal to or exceeds the county individual provider wage including the wage supplement. The bill would appropriate \$1,000,000 to the State Department of Social Services for the purposes of the provisions relating to cases in which a rate change request was submitted to the department for review prior to January 1, 2018.*

*(5) Existing law requires each county to provide cash assistance and other social services to needy families through the California Work Opportunity and Responsibility to Kids (CalWORKs) program using federal Temporary Assistance to Needy Families (TANF) block grant program, state, and county funds. Existing law specifies the amounts of cash aid to be paid each month to CalWORKs recipients.*

*Existing law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers on behalf of qualified children in foster care. Under existing law, a child who is placed in the approved home of a relative is eligible for AFDC-FC if he or she is eligible for*

*federal financial participation in the AFDC-FC payment, as specified. Existing law provides for benefits for a child who is placed in the approved home of a relative and who is ineligible for AFDC-FC pursuant to the CalWORKs program. Existing law establishes the Approved Relative Caregiver Funding Program (ARC) for the purpose of making the amount paid to relative caregivers for the in-home care of children placed with them who are ineligible for AFDC-FC payments equal to the amount paid on behalf of children who are eligible for AFDC-FC payments.*

*Existing law provides for the implementation of the resource family approval process, which replaces the multiple processes for licensing foster family homes, certifying foster homes by foster family agencies, approving relatives and nonrelative extended family members as foster care providers, and approving guardians and adoptive families. Existing law defines a resource family as an individual or family that has successfully met both home environment assessment standards and permanency assessment criteria, as specified, necessary for providing care for a child placed by a public or private child placement agency by court order, or voluntarily placed by a parent or legal guardian.*

*Existing law provides for the temporary or emergency placement of dependent children of the juvenile court and nonminor dependents with relative caregivers or nonrelative extended family members under specified circumstances. Under existing law, a relative caregiver or nonrelative extended family member is required to submit an application for approval as a resource family and initiate a home environment assessment within 5 business days after the placement.*

*This bill would require counties to provide an emergency assistance payment or ARC payment to an emergency caregiver, as defined, who meets specified requirements, and is caring for a child or nonminor dependent placed in the caregiver's home under specified circumstances, if the child or nonminor dependent resides in California, and is not otherwise eligible for AFDC-FC or ARC. The bill would require the payments to be made either through ARC or through the TANF block grant emergency assistance program for child welfare services, as specified. The bill would make these payments retroactive to January 1, 2018, if certain conditions are met. The bill would provide that counties would not be penalized for audit findings or disallowances, and overpayments to emergency caregivers would not be recouped, with respect to emergency assistance payments made under the bill from the TANF block grant emergency assistance program, as specified.*

*By expanding the duties of counties relating to foster care, the bill would impose a state-mandated local program.*

*(6) Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.*

*This bill would provide that the continuous appropriation would not be made for purposes of implementing the bill.*

*(7) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

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

~~(1) The California Uniform Controlled Substances Act makes various acts involving marijuana a crime except as authorized by law. Under the Compassionate Use Act of 1996 and existing law commonly referred to as the Medical Marijuana Program, these authorized exceptions include exemptions for the use of marijuana for personal medical purposes by patients pursuant to physician's recommendations and exemptions for acts by those patients and their primary caregivers related to that personal medical use. The Medical Marijuana Program also provides immunity from arrest to those exempt patients or designated primary caregivers who engage in certain acts involving marijuana, up to certain limits, and who have identification cards issued pursuant to the program unless there is reasonable cause to believe that the information contained in the card is false or fraudulent, the card has been obtained by means of fraud, or the person is otherwise in violation of the law. Under existing law, a person who steals, fraudulently uses, or commits other prohibited acts with respect to those identification cards is subject to criminal penalties. Under existing law, a person 18 years of age or older who plants, cultivates, harvests, dries, or processes more than 6 living cannabis plants, or any part thereof, may be charged with a felony if specified conditions exist, including when the offense resulted in a violation of endangered or threatened species laws.~~

~~The Control, Regulate and Tax Adult of Marijuana Act (AUMA), an initiative measure enacted by the approval of Proposition 64 at the November 8, 2016, statewide general election, commencing January 1, 2018, requires those patients to possess, and county health departments or their designees to ensure that those identification cards~~

are supported by, physician's recommendations that comply with certain requirements:

This bill would require probable cause to believe that the information on the card is false or fraudulent, the card was obtained by fraud, or the person is otherwise in violation of the law to overcome immunity from arrest to patients and primary caregivers in possession of an identification card. The bill would authorize a person 18 years of age or older who plants, cultivates, harvests, dries, or processes more than 6 living cannabis plants, or any part thereof, where that activity results in a violation of specified laws relating to the unlawful taking of fish and wildlife to be charged with a felony. By modifying the scope of a crime, this bill would impose a state-mandated local program.

(2) AUMA authorizes a person 21 years of age or older to possess and use up to 28.5 grams of marijuana and up to 8 grams of concentrated cannabis, and to possess up to 6 living marijuana plants and the marijuana produced by those plants, subject to certain restrictions, as specified. Under AUMA, these restrictions include a prohibition on manufacturing concentrated cannabis using a volatile solvent, defined as volatile organic compounds and dangerous poisons, toxins, or carcinogens, unless done in accordance with a state license. Under AUMA, a violation of this prohibition is a crime.

This bill would change the definition of volatile solvent for these purposes to include a solvent that is or produces a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

(3) The Medical Cannabis Regulation and Safety Act (MCRSA) authorizes a person who obtains both a state license under MCRSA and the relevant local license to engage in commercial medical cannabis activity pursuant to those licenses, as specified. AUMA authorizes a person who obtains a state license under AUMA to engage in commercial adult-use marijuana activity, which does not include commercial medical cannabis activity, pursuant to that license and applicable local ordinances. Both MCRSA and AUMA generally divide responsibility for state licensure and regulation between the Bureau of Marijuana Control (bureau) within the Department of Consumer Affairs, which serves as the lead state agency, the Department of Food and Agriculture, and the State Department of Public Health. AUMA requires the bureau to convene an advisory committee to advise the licensing authorities on the development of standards and regulations pursuant to the act, and requires the advisory committee members to include

~~specified subject matter experts. AUMA requires those licensing authorities to begin issuing licenses to engage in commercial adult-use marijuana activity by January 1, 2018.~~

~~This bill would repeal MCRSA and include certain provisions of MCRSA in the licensing provisions of AUMA. Under the bill, these consolidated provisions would be known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). The bill would rename the bureau the Bureau of Cannabis Control, would revise references to “marijuana” or “medical cannabis” in existing law to instead refer to “cannabis” or “medicinal cannabis,” respectively, and would apply a definition of “cannabis” similar to the definition used in MCRSA to MAUCRSA. The bill would generally impose the same requirements on both commercial medicinal and commercial adult-use cannabis activity, with specific exceptions. The bill would make applying for and being issued more than one license contingent upon the licensed premises being separate and distinct. The bill would allow a person to test both adult-use cannabis and medicinal cannabis under a single testing laboratory license. The bill would require the protection of the public to be the highest priority for a licensing authority in exercising its licensing, regulatory, and disciplinary functions under MAUCRSA, and would require the protection of the public to be paramount whenever the protection of the public is inconsistent with other interests sought to be promoted. The bill would require the advisory committee advising the licensing authorities on the development of standards and regulations to include persons who work directly with racially, ethnically, and economically diverse populations.~~

~~(4) Under existing law, most of the types of licenses to be issued for commercial adult-use cannabis activity under AUMA correspond to types of licenses to be issued for commercial medicinal cannabis activity under MCRSA. However, specialty cottage cultivation licenses, producing dispensary licenses, and transporter licenses are available under MCRSA but not AUMA, while microbusiness licenses and commencing January 1, 2023, large outdoor, indoor, and mixed-light cultivation licenses are available under AUMA but not MCRSA.~~

~~Under this bill, the types of licenses available for commercial adult-use cannabis activity and commercial medicinal cannabis activity would be the same. The types of licenses available under both MCRSA and AUMA would continue to be available for both kinds of activity, and specialty cottage cultivation licenses, microbusiness licenses, and commencing January 1, 2023, large outdoor, indoor, and mixed-light~~

cultivation licenses would also be available for both kinds of activity. Producing dispensary and transporter licenses would not be available.

This bill would impose certain requirements on the transportation and delivery of cannabis and cannabis products, and would provide the California Highway Patrol authority over the safety of operations of all vehicles transporting cannabis and cannabis products. The bill would require a retailer to notify the licensing authority and the appropriate law enforcement authorities within 24 hours after discovering specified breaches of security. The bill would prohibit cannabis or cannabis products purchased by a customer from leaving a licensed retail premises unless they are placed in an opaque package.

(5) Both MCRSA and AUMA require cannabis or cannabis products to undergo quality assurance, inspection, and testing, as specified, before the cannabis or cannabis products may be offered for retail sale. Licenses for the testing of cannabis are to be issued by the bureau under MCRSA and by the State Department of Public Health under AUMA.

This bill would revise and recast those requirements to instead require distributors to store cannabis batches on their premises during testing, require testing laboratory employees to obtain samples for testing and transport those samples to testing laboratories, and require distributors to conduct a quality assurance review to ensure compliance with labeling and packing requirements, among other things, as specified. The bill would create the quality assurance compliance monitor, an employee or contractor of the bureau. The bill, commencing January 1, 2018, would authorize a licensee to sell untested cannabis or cannabis products for a limited time, as determined by the bureau, if the cannabis or cannabis products are labeled as untested and comply with other requirements determined by the bureau. The bill would also require the bureau to issue testing laboratory licenses.

(6) Both MCRSA and AUMA prohibit testing laboratory licensees from obtaining licenses to engage in any other commercial cannabis activity. MCRSA, until January 1, 2026, places certain additional limits on the combinations of medicinal cannabis license types a person may hold. AUMA prohibits large cultivation licensees from obtaining distributor or microbusiness licenses, but otherwise provides that a person may apply for and be issued more than one license to engage in commercial adult-use cannabis activity.

The bill would apply the above-described provisions of AUMA to both adult-use cannabis licensees and medicinal cannabis licensees and would not apply MCRSA's additional limits.

~~(7) Both MCRSA and AUMA require applicants for state licenses to electronically submit fingerprint images and related information to the Department of Justice for the purpose of obtaining conviction and arrest information and to provide certain information and documentation in or with their applications under penalty of perjury. Although these requirements are generally similar, certain persons who are considered to be applicants subject to these requirements under MCRSA are not considered applicants under AUMA, and certain information or documentation must be provided by applicants for licenses under MCRSA or AUMA, but not both. Until January 1, 2019, AUMA authorizes licensing authorities to issue temporary licenses for a period of less than 12 months. Until December 31, 2019, AUMA prohibits licensing authorities from issuing licenses to persons who are not residents of California, as specified.~~

~~This bill would repeal that residency requirement. Under the bill, applicants for licenses under MAUCRSA would be subject to revised and recasted application requirements, and the persons subject to these requirements would also be revised. By modifying the scope of the crime of perjury, this bill would impose a state-mandated local program. The bill would also require local jurisdictions to provide information related to their regulation of commercial cannabis activity to the licensing authorities, as specified, and would require a licensing authority to take certain actions with regards to an application for license depending upon the response of the local jurisdiction. By requiring local governments to provide this information, this bill would impose a state-mandated local program. The bill, until July 1, 2019, would exempt from the California Environmental Quality Act the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity. The bill would also specify requirements and limitations for those temporary licenses. The bill would provide that MAUCRSA does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that certain requirements are met.~~

~~(8) MCRSA provides a city in which a state licensed facility is located with the full power and authority to enforce MCRSA and regulations promulgated by the bureau and licensing authorities under MCRSA, if delegated by the state. MCRSA requires a city with this delegated~~

authority to assume complete responsibility for any regulatory function relating to those licensees within the city limits that would otherwise be performed by the county or any county officer or employee.

This bill would expand these provisions to provide for the state delegation of the full power and authority to enforce MAUCRSA and regulations promulgated by the bureau and other licensing authorities under MAUCRSA to cities.

(9) AUMA requires a licensing authority to deny an application if either the applicant, or the premises for which a state license is applied, do not qualify for licensure. AUMA authorizes the denial of an application for licensure or renewal of a state license if any of specified conditions are met, including, among other things, the applicant has had a license revoked under AUMA, and the failure to comply with certain requirements imposed to protect natural resources. AUMA requires licensing authorities, in determining whether to grant, deny, or renew a license to engage in commercial adult-use cannabis activity, to consider factors reasonably related to the determination, including whether it is reasonably foreseeable that issuance, denial, or renewal of the license could allow unreasonable restraints on competition by creation or maintenance of unlawful monopoly power or could result in an excessive concentration of retail, microbusiness, or nonprofit licensees, among other factors. Beginning on March 1, 2020, and annually thereafter, AUMA requires, and beginning on March 1, 2023, and annually thereafter, MCRSA requires, each licensing authority to prepare and submit to the Legislature a report containing specified information on the authority's activities concerning commercial cannabis activities and to post the report on the authority's Internet Web site.

This bill would additionally authorize the denial of an application for licensure or renewal of a state license if the applicant has a license suspended under MAUCRSA or for inability to comply with certain requirements. The bill would remove the factors referenced above from consideration of a licensing authority in making a licensing decision, except that the bureau would continue to consider if an excessive concentration of licensees exists in determining whether to grant, deny, or renew a retail license, microbusiness license, or nonprofit license. The bill would require state licensing authorities to include in the first publication of their annual reports, which would be due on March 1, 2023, a joint report regarding the state of the cannabis market in California which identifies any statutory or regulatory changes necessary to ensure that the implementation of MAUCRSA does not result in

~~those factors occurring, as specified. The bill would require, no later than January 1, 2018, the Secretary of Business, Consumer Services, and Housing Agency or the secretary's designee to initiate work with the Legislature, the Department of Consumer Affairs, the Department of Food and Agriculture, the State Department of Public Health and any other related departments to ensure that there is a safe and viable way to collect cash payments for taxes and fees related to the regulation of cannabis activity throughout the state.~~

~~(10) AUMA establishes the Marijuana Control Appeals Panel and requires the panel to consist of 3 members appointed by the Governor and subject to confirmation by a majority vote of all of the members elected to the Senate. AUMA allows any person aggrieved by a state licensing authority decision ordering a penalty assessment or issuing, denying, transferring, conditioning, suspending, or revoking a license to engage in commercial adult-use cannabis activity to appeal that decision to the panel. AUMA limits the panel's review of those decisions to specific inquiries. AUMA also allows a licensing authority or any person aggrieved by an order of the panel to seek judicial review of the order, as specified.~~

~~This bill would rename the panel the Cannabis Control Appeals Panel, and would require the membership of the panel to include one member appointed by the Senate Committee on Rules and one member appointed by the Speaker of the Assembly in addition to the 3 members appointed by the Governor. The bill would revise the panel's jurisdiction to include the review of appeals of state licensing authority decisions with regard to both commercial medicinal and commercial adult-use cannabis activity, and would provide for the appeal of orders of the panel to the Supreme Court and the courts of appeal, as specified. The bill would limit the judicial review of panel orders to specific inquiries and would provide that the findings and conclusions of state licensing authorities on questions of fact are final and not subject to review.~~

~~(11) AUMA prescribes various restrictions and requirements on the advertising or marketing of adult-use cannabis and adult-use cannabis products. MCRSA sets forth prohibitions on to the adulteration or misbranding of medicinal cannabis products and authorizes the State Department of Public Health to take certain actions when it has evidence that a medicinal cannabis product is adulterated or misbranded. Existing law also authorizes the State Department of Public Health to issue citations and fines for violations of MCRSA or regulations adopted under MCRSA, as specified.~~

~~This bill additionally would prohibit a technology platform or an outdoor advertising company from displaying an advertisement from a licensee on an Internet Web page unless the advertisement displays the licensee's license number. The bill would generally apply those advertising and marketing restrictions, and those adulteration and misbranding prohibitions and enforcement provisions, to both medicinal and adult-use cannabis and cannabis products. The bill would also require edible cannabis products to be marked with a universal symbol, as specified. The bill would revise the State Department of Public Health's authority to issue citations and fines to include all violations of MAUCRSA and regulations adopted under MAUCRSA.~~

~~(12) Under existing law, licensing fees received by the state licensing authorities under both MCRSA and AUMA are deposited into the Marijuana Control Fund and fine and penalty moneys collected under MCRSA are generally deposited into the Medical Cannabis Fines and Penalties Account within the fund.~~

~~This bill would rename the Marijuana Control Fund the Cannabis Control Fund, would rename the Medical Cannabis Fines and Penalties Account the Cannabis Fines and Penalties Account, and would generally provide for the deposit of fine and penalty money collected under MAUCRSA into the Cannabis Fines and Penalties Account. The bill would appropriate \$3,000,000 from the Cannabis Control Fund to the Department of the California Highway Patrol to be used for training drug recognition experts, as specified. The bill would require the bureau, in coordination with the Department of General Services, by July 1, 2018, to establish an office to collect fees and taxes in the County of Humboldt, County of Trinity, or County of Mendocino in order to ensure the safe payment and collection of cash in those counties.~~

~~(13) AUMA, commencing January 1, 2018, imposes an excise tax on purchasers of cannabis or cannabis products measured by the gross receipts of retail sale and a separate cultivation tax on harvested cannabis that enters the commercial market, as specified. AUMA requires revenues from those taxes to be deposited into the California Marijuana Tax Fund, and continuously appropriates that tax fund for specified purposes pursuant to a specified schedule. Under AUMA, this schedule includes an annual allocation to state licensing authorities for reasonable costs incurred in regulating commercial cannabis activity, to the extent those costs are not reimbursed pursuant to MCRSA and a specified provision of AUMA, and a separate allocation to the California State Auditor for reasonable costs incurred in conducting a specified~~

performance audit that AUMA requires the California State Auditor's Office to conduct commencing January 1, 2019, and annually thereafter.

This bill would require the cannabis excise tax to be measured by the average market price, as defined, of the retail sale, instead of by the gross receipts of the retail sale. The bill would define "enters the commercial market" and other terms for the purposes of the cannabis cultivation and excise taxes and would require distributors and, in certain circumstances, manufacturers, to collect and remit the taxes, as specified. The bill would rename the tax fund the California Cannabis Tax Fund. The bill would also transfer the performance audit to the Office of State Audits and Evaluations within the Department of Finance, would require the audit to be performed triennially instead of annually, and would transfer the allocation from the tax fund for the reasonable costs incurred in conducting that audit to the Department of Finance. By modifying the purposes for which the tax fund is continuously appropriated, the bill would make an appropriation.

(14) AUMA authorizes the Department of Food and Agriculture to issue licenses for the cultivation of adult-use cannabis beginning January 1, 2018, and to adopt regulations governing the licensing of indoor, outdoor, and mixed-light cultivation sites.

This bill would revise the department's license types to, among other things, authorize the department to license and adopt regulations governing nursery and special cottage cultivation sites.

(15) Existing law requires the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water for cannabis cultivation in areas where cannabis cultivation may have the potential to substantially affect instream flows. Existing law authorizes the State Water Resources Control Board, the Department of Fish and Wildlife, and other agencies to establish fees to cover the costs of their cannabis regulatory programs.

This bill would require an application for a license for cultivation to identify the source of water supply. The bill would require a license for cultivation to include additional requirements for compliance with the above-described provisions and to include in every license for cultivation a condition that the license is prohibited from being effective until the licensee has complied with provisions relating to a streambed alteration agreement or has received written verification from the Department of Fish and Wildlife that a streambed alteration agreement is not required. The bill would prohibit the Department of Fish and Wildlife from issuing

~~new licenses or increasing the total number of plant identifiers within a watershed or area if the board or the Department of Food and Agriculture finds, based on substantial evidence, that cannabis cultivation is causing significant adverse impacts on the environment in a watershed or other geographic area. The bill would expand the authorization for the State Water Resources Control Board, the Department of Fish and Wildlife, and other agencies to establish fees to cover the costs of their cannabis programs, regardless of whether the programs are regulatory.~~

~~(16) AUMA requires each California regional water quality board and authorizes the State Water Resources Control Board to address discharges of waste resulting from medical cannabis cultivation and adult-use cannabis cultivation.~~

~~This bill would require the state board or the appropriate regional board to address the discharges of waste resulting from cannabis cultivation.~~

~~(17) Existing law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material where it may pass into any river, stream, or lake, without first notifying the Department of Fish and Wildlife of that activity, and entering into a lake or streambed alteration agreement if required by the department to protect fish and wildlife resources. Existing law exempts an entity from the requirement to enter into a lake or streambed alteration agreement with the department for activities authorized by a license or renewed license for cannabis cultivation issued by the Department of Food and Agriculture for the term of the license or renewed license if the entity submits to the department the written notification, a copy of the license or renewed license, and the fee required for a lake or streambed alteration agreement, and the department determines certain requirements are met. Existing law authorizes the department to adopt regulations establishing the requirements and procedure for the issuance of a general agreement in a geographic area for a category or categories of activities related to cannabis cultivation that would be in lieu of an individual lake or streambed alteration agreement.~~

~~This bill would instead authorize the department to adopt general agreements for the cultivation of cannabis and would require the adoption or amendment of a general agreement to be done by the department as an emergency regulation. The bill would require any~~

~~general agreement adopted by the department subsequent to adoption of regulations to be in lieu of an individual lake or streambed alteration agreement.~~

~~(18) AUMA requires standards developed by the Department of Pesticide Regulation, in consultation with the Department of Food and Agriculture, for the use of pesticides in cultivation, and maximum tolerances for pesticides and other foreign object residue in harvested cannabis to apply to licensed cultivators.~~

~~This bill would require the Department of Pesticide Regulation to develop guidelines for the use of pesticides in the cultivation of cannabis and residue in harvested cannabis. The bill would prohibit a cannabis cultivator from using any pesticide that has been banned for use in the state.~~

~~(19) Under existing law, the Department of Pesticide Regulation generally regulates pesticide use. A violation of those provisions and regulations adopted pursuant to those provisions is generally a misdemeanor. AUMA requires the Department of Pesticide Regulation, in consultation with the State Water Resources Control Board, to promulgate regulations that require the application of pesticides or other pest control in connection with cannabis cultivation to meet standards equivalent to certain provisions of existing law where the department generally regulates pesticide use.~~

~~This bill would instead require the Department of Pesticide Regulation to require that the application of pesticides or other pest control in connection with cannabis cultivation comply with the department's general regulation of pesticide use. Because the violation of those provisions and regulations adopted pursuant to those provisions is a crime, this bill would impose a state-mandated local program.~~

~~(20) AUMA requires the Department of Food and Agriculture, in conjunction with the bureau, to establish a certified organic designation and organic certification program for adult-use cannabis and cannabis products, as prescribed.~~

~~This bill would eliminate the role of the bureau in establishing the designation and program. The bill would require, not later than January 1, 2021, the department to establish a program for cannabis comparable to the federal National Organic Program and the California Organic Food and Farming Act. The bill would require the department to be the sole determiner of organic designation and certification, unless the federal National Organic Program authorizes organic designation and certification for cannabis, in which case the department's authority~~

would be repealed on the following January 1. The bill would prohibit a person from representing, selling, or offering any cannabis or cannabis products as organic or with the designation or certification established by the department, except as provided.

~~(21) AUMA requires the bureau to establish standards for recognition of a particular appellation of origin applicable to adult-use cannabis grown or cultivated in a certain geographical area in California.~~

~~This bill would transfer this responsibility to the Department of Food and Agriculture and require the department to begin establishing standards to designate a county of origin for cannabis no later than January 1, 2018. The bill would require the department, no later than January 1, 2021, to establish a process by which licensed cultivators may establish appellations of standards, practices, and varieties applicable to cannabis grown in a certain geographical area in California.~~

~~(22) Existing law requires each licensed cultivator of adult-use cannabis to ensure that the licensed premises do not pose an unreasonable risk of fire or combustion and requires each cultivator to ensure that certain property is carefully maintained to avoid unreasonable or dangerous risk to the property or others.~~

~~This bill would repeal and replace these provisions with a requirement that specific provisions concerning building standards relating to fire and panic safety and regulations of the State Fire Marshal, including a requirement that the chief of any city, county, or city and county fire department or district providing fire protection services, or a Designated Campus Fire Marshal, and their authorized representatives, enforce these standards and regulations in their respective areas, also apply to licensees under MAUCRSA. By increasing the duties of local agencies, this bill would impose a state-mandated local program.~~

~~(23) MCRSA requires the Department of Food and Agriculture, in consultation with the bureau, to establish a track and trace program for reporting the movement of medical cannabis items throughout the distribution chain that utilizes a unique identifier and secure packaging and is capable of providing certain information. AUMA requires the Department of Food and Agriculture, in consultation with the bureau and the State Board of Equalization, to expand the track and trace program provided for under MCRSA to include the reporting of the movement of adult-use cannabis and cannabis products throughout the distribution chain and to provide the amount of cultivation tax due.~~

~~This bill would instead require the establishment of a track and trace program to be the responsibility of the Department of Food and~~

~~Agriculture, in consultation with the bureau. The bill would authorize a city, county, or city and county to administer a unique identifier and associated identifying information but would prohibit this from supplanting the Department of Food and Agriculture's track and trace program.~~

~~(24) MCRSA requires the Department of Food and Agriculture, in consultation with the State Board of Equalization, to create an electronic database containing the electronic shipping manifests to facilitate the administration of the track and trace program. MCRSA requires the information received and contained in records kept by the Department of Food and Agriculture or licensing authorities for the purposes of administering the medical cannabis track and trace program to be confidential and generally prohibits information from being disclosed pursuant to the California Public Records Act.~~

~~This bill would expand this exemption to the California Public Records Act to also apply to information received in the track and trace program for reporting the movement of adult-use cannabis and cannabis products.~~

~~(25) AUMA and MCRSA require licensees to maintain records of commercial cannabis activity, as specified. Existing law requires the State Department of Public Health to establish and maintain a voluntary program for the issuance of identification cards to qualified patients who have a physician's recommendation for medical cannabis. Existing law requires the counties to process applications and maintain records for the identification card program.~~

~~Existing law, the Confidentiality of Medical Information Act, prohibits providers of health care, health care service plans, contractors, employers, and 3rd-party administrators, among others, from disclosing medical information, as defined, without the patient's written authorization, subject to certain exceptions, as specified. A violation of the act resulting in economic loss or personal injury to a patient is a misdemeanor and subjects the violating party to liability for specified damages and administrative fines and penalties.~~

~~Existing law deems information identifying the names of patients, their medical conditions, or the names of their primary caregivers, received and contained in records of the State Department of Public Health and by any county public health department to be "medical information" within the meaning of the Confidentiality of Medical Information Act, and prohibits the department or any county public health department from disclosing this information, except as specified.~~

~~Existing law requires information identifying the names of patients, their medical conditions, or the names of their primary caregivers, received and contained in records kept by the Bureau of Marijuana Control for the purposes of administering MCRSA to be maintained in accordance with state law relating to patient access to his or her health records, the Confidentiality of Medical Information Act, and other state and federal laws relating to confidential patient information.~~

~~This bill would deem information contained in a physician's recommendation to use cannabis for medical purposes to be "medical information" within the meaning of the Confidentiality of Medical Information Act, and would prohibit a licensee from disclosing this information, except as specified. By expanding the scope of a crime, this bill would create a state-mandated local program.~~

~~(26) AUMA authorizes the Department of Food and Agriculture to charge a fee to cover the reasonable costs of issuing the unique identifier and monitoring, tracking, and inspecting each adult-use cannabis plant.~~

~~This bill would authorize the Secretary of Food and Agriculture to enter into a cooperative agreement with a county agricultural commissioner or other state or local agency to assist the department in implementing certain responsibilities pertaining to the cultivation of cannabis and would require the secretary to provide notice of any cooperative agreement, as prescribed. The bill requires the Department of Food and Agriculture under a cooperative agreement to provide reimbursement from the fees collected to a county agricultural commissioner, state agency, or local agency. The bill prohibits the secretary from delegating authority to issue cultivation licenses to a county agricultural commissioner, a local agency, or another state agency.~~

~~(27) Existing law, the California Industrial Hemp Farming Act, provides for the regulation of the growing and cultivation of industrial hemp under the Department of Food and Agriculture. AUMA provided that the bureau has authority to regulate and control plants and products that fit within the definition of industrial hemp but that are produced, processed, manufactured, tested, delivered, or otherwise handled under a license issued under the provisions of AUMA.~~

~~This bill would eliminate the authority of the bureau to regulate and control industrial hemp.~~

~~(28) Existing law, the Milk and Milk Products Act of 1947, regulates the production of milk and milk products in this state. The act specifies standards for butter. The act requires a license from the Secretary of~~

~~Food and Agriculture for each separate milk products plant or place of business dealing in, receiving, manufacturing, freezing, or processing milk, or any milk product, or manufacturing, freezing, or processing imitation ice cream or imitation ice milk. Existing law exempts from the act butter purchased from a licensed milk products plant or retail location that is subsequently infused or mixed with medical cannabis at the premises or location that is not required to be licensed as a milk products plant.~~

~~This bill would also exempt butter that is subsequently infused or mixed with adult-use cannabis.~~

~~(29) Existing law permits 3 or more natural persons, a majority of whom are residents of this state, who are engaged in the production of certain products, including agricultural and farm products, to form a nonprofit cooperative association for specified purposes. Existing law imposes various requirements on the formation, reorganization, operation, and dissolution on the associations.~~

~~This bill would authorize 3 or more natural persons, who are engaged in the cultivation of any cannabis product, to form an association, defined as a cannabis cooperative for specified purposes. The bill would impose similar requirements on the formation, reorganization, operation, and dissolution on these associations.~~

~~(30) Existing law specifies the duties and powers of the Commissioner of the California Highway Patrol.~~

~~This bill would require the commissioner to appoint, and serve as the chairperson of, an impaired driving task force, with specified membership, to develop recommendations for best practices, protocols, proposed legislation, and other policies that will address the issue of impaired driving, as specified. The bill would require the task force, by January 1, 2021, to report to the Legislature its policy recommendations and the steps that state agencies are taking regarding impaired driving.~~

~~(31) Existing law makes it an infraction punishable by a fine not exceeding \$100 for a person to possess not more than one ounce of cannabis while driving a motor vehicle, as specified, unless otherwise authorized by law.~~

~~This bill would repeal that provision and instead make it an infraction punishable by a fine not exceeding \$100 for a person to possess a receptacle containing cannabis or cannabis product that has been opened, or a seal broken, or to possess loose cannabis flower not in a container, while driving a motor vehicle, as specified, unless the receptacle is in the trunk of the vehicle or the person is a qualified patient carrying a~~

~~current identification card or a physician’s recommendation and the cannabis or cannabis product is contained in a container or receptacle that is either sealed, resealed, or closed. By creating a new crime, this bill would impose a state-mandated local program.~~

~~(32) This bill would make a variety of conforming and related changes.~~

~~(33) This bill would provide that its provisions are severable.~~

~~(34) 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.~~

~~(35) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

~~(36) AUMA authorizes the Legislature to amend its provisions by a  $\frac{2}{3}$  vote of each house if the amendment furthers its purposes and intent.~~

~~This bill would state that the bill furthers the purposes and intent of AUMA for specified reasons.~~

~~(37) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.~~

~~Vote:  $\frac{2}{3}$ -majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.~~

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

1 *SECTION 1. Section 7284.6 of the Government Code is*  
2 *amended to read:*

3 7284.6. (a) California law enforcement agencies shall not:

4 (1) Use agency or department moneys or personnel to  
5 investigate, interrogate, detain, detect, or arrest persons for  
6 immigration enforcement purposes, including any of the following:

7 (A) Inquiring into an individual’s immigration status.

- 1 (B) Detaining an individual on the basis of a hold request.
- 2 (C) Providing information regarding a person’s release date or
- 3 responding to requests for notification by providing release dates
- 4 or other information unless that information is available to the
- 5 public, or is in response to a notification request from immigration
- 6 authorities in accordance with Section 7282.5. Responses are never
- 7 required, but are permitted under this subdivision, provided that
- 8 they do not violate any local law or policy.
- 9 (D) Providing personal information, as defined in Section 1798.3
- 10 of the Civil Code, about an individual, including, but not limited
- 11 to, the individual’s home address or work address unless that
- 12 information is available to the public.
- 13 (E) Making or intentionally participating in arrests based on
- 14 civil immigration warrants.
- 15 (F) Assisting immigration authorities in the activities described
- 16 in Section 1357(a)(3) of Title 8 of the United States Code.
- 17 (G) Performing the functions of an immigration officer, whether
- 18 pursuant to Section 1357(g) of Title 8 of the United States Code
- 19 or any other law, regulation, or policy, whether formal or informal.
- 20 (2) Place peace officers under the supervision of federal agencies
- 21 or employ peace officers deputized as special federal officers or
- 22 special federal deputies for purposes of immigration enforcement.
- 23 All peace officers remain subject to California law governing
- 24 conduct of peace officers and the policies of the employing agency.
- 25 (3) Use immigration authorities as interpreters for law
- 26 enforcement matters relating to individuals in agency or department
- 27 custody.
- 28 (4) Transfer an individual to immigration authorities unless
- 29 authorized by a judicial warrant or judicial probable cause
- 30 determination, or in accordance with Section 7282.5.
- 31 (5) Provide office space exclusively dedicated for immigration
- 32 authorities for use within a city or county law enforcement facility.
- 33 (6) Contract with the federal government for use of California
- 34 law enforcement agency facilities to house individuals as federal
- 35 ~~detainees~~; *detainees for purposes of civil immigration custody*,
- 36 except pursuant to Chapter 17.8 (commencing with Section 7310).
- 37 (b) Notwithstanding the limitations in subdivision (a), this
- 38 section does not prevent any California law enforcement agency
- 39 from doing any of the following that does not violate any policy

1 of the law enforcement agency or any local law or policy of the  
2 jurisdiction in which the agency is operating:

3 (1) Investigating, enforcing, or detaining upon reasonable  
4 suspicion of, or arresting for a violation of, Section 1326(a) of  
5 Title 8 of the United States Code that may be subject to the  
6 enhancement specified in Section 1326(b)(2) of Title 8 of the  
7 United States Code and that is detected during an unrelated law  
8 enforcement activity. Transfers to immigration authorities are  
9 permitted under this subsection only in accordance with paragraph  
10 (4) of subdivision (a).

11 (2) Responding to a request from immigration authorities for  
12 information about a specific person's criminal history, including  
13 previous criminal arrests, convictions, or similar criminal history  
14 information accessed through the California Law Enforcement  
15 Telecommunications System (CLETS), where otherwise permitted  
16 by state law.

17 (3) Conducting enforcement or investigative duties associated  
18 with a joint law enforcement task force, including the sharing of  
19 confidential information with other law enforcement agencies for  
20 purposes of task force investigations, so long as the following  
21 conditions are met:

22 (A) The primary purpose of the joint law enforcement task force  
23 is not immigration enforcement, as defined in subdivision (f) of  
24 Section 7284.4.

25 (B) The enforcement or investigative duties are primarily related  
26 to a violation of state or federal law unrelated to immigration  
27 enforcement.

28 (C) Participation in the task force by a California law  
29 enforcement agency does not violate any local law or policy to  
30 which it is otherwise subject.

31 (4) Making inquiries into information necessary to certify an  
32 individual who has been identified as a potential crime or  
33 trafficking victim for a T or U Visa pursuant to Section  
34 1101(a)(15)(T) or 1101(a)(15)(U) of Title 8 of the United States  
35 Code or to comply with Section 922(d)(5) of Title 18 of the United  
36 States Code.

37 (5) Giving immigration authorities access to interview an  
38 individual in agency or department custody. All interview access  
39 shall comply with requirements of the TRUTH Act (Chapter 17.2  
40 commencing with Section 7283)).

1 (c) (1) If a California law enforcement agency chooses to  
2 participate in a joint law enforcement task force, for which a  
3 California law enforcement agency has agreed to dedicate  
4 personnel or resources on an ongoing basis, it shall submit a report  
5 annually to the Department of Justice, as specified by the Attorney  
6 General. The law enforcement agency shall report the following  
7 information, if known, for each task force of which it is a member:

8 (A) The purpose of the task force.

9 (B) The federal, state, and local law enforcement agencies  
10 involved.

11 (C) The total number of arrests made during the reporting period.

12 (D) The number of people arrested for immigration enforcement  
13 purposes.

14 (2) All law enforcement agencies shall report annually to the  
15 Department of Justice, in a manner specified by the Attorney  
16 General, the number of transfers pursuant to paragraph (4) of  
17 subdivision (a), and the offense that allowed for the ~~transfer~~,  
18 *transfer* pursuant to paragraph (4) of subdivision (a).

19 (3) All records described in this subdivision shall be public  
20 records for purposes of the California Public Records Act (Chapter  
21 3.5 (commencing with Section 6250)), including the exemptions  
22 provided by that act and, as permitted under that act, personal  
23 identifying information may be redacted prior to public disclosure.  
24 To the extent that disclosure of a particular item of information  
25 would endanger the safety of a person involved in an investigation,  
26 or would endanger the successful completion of the investigation  
27 or a related investigation, that information shall not be disclosed.

28 (4) If more than one California law enforcement agency is  
29 participating in a joint task force that meets the reporting  
30 requirement pursuant to this section, the joint task force shall  
31 designate a local or state agency responsible for completing the  
32 reporting requirement.

33 (d) The Attorney General, by March 1, 2019, and annually  
34 thereafter, shall report on the total number of arrests made by joint  
35 law enforcement task forces, and the total number of arrests made  
36 for the purpose of immigration enforcement by all task force  
37 participants, including federal law enforcement agencies. To the  
38 extent that disclosure of a particular item of information would  
39 endanger the safety of a person involved in an investigation, or  
40 would endanger the successful completion of the investigation or

1 a related investigation, that information shall not be included in  
2 the Attorney General’s report. The Attorney General shall post the  
3 reports required by this subdivision on the Attorney General’s  
4 Internet Web site.

5 (e) This section does not prohibit or restrict any government  
6 entity or official from sending to, or receiving from, federal  
7 immigration authorities, information regarding the citizenship or  
8 immigration status, lawful or unlawful, of an individual, or from  
9 requesting from federal immigration authorities immigration status  
10 information, lawful or unlawful, of any individual, or maintaining  
11 or exchanging that information with any other federal, state, or  
12 local government entity, pursuant to Sections 1373 and 1644 of  
13 Title 8 of the United States Code.

14 (f) Nothing in this section shall prohibit a California law  
15 enforcement agency from asserting its own jurisdiction over  
16 criminal law enforcement matters.

17 *SEC. 2. Section 27388.1 of the Government Code is amended*  
18 *to read:*

19 27388.1. (a) (1) Commencing January 1, 2018, and except as  
20 provided in paragraph (2), in addition to any other recording fees  
21 specified in this code, a fee of seventy-five dollars (\$75) shall be  
22 paid at the time of recording of every real estate instrument, paper,  
23 or notice required or permitted by law to be recorded, except those  
24 expressly exempted from payment of recording fees, per each  
25 single transaction per parcel of real property. The fee imposed by  
26 this section shall not exceed two hundred twenty-five dollars  
27 (\$225). “Real estate instrument, paper, or notice” means a  
28 document relating to real property, including, but not limited to,  
29 the following: deed, grant deed, trustee’s deed, deed of trust,  
30 reconveyance, quit claim deed, fictitious deed of trust, assignment  
31 of deed of trust, request for notice of default, abstract of judgment,  
32 subordination agreement, declaration of homestead, abandonment  
33 of homestead, notice of default, release or discharge, easement,  
34 notice of trustee sale, notice of completion, UCC financing  
35 statement, mechanic’s lien, maps, and covenants, conditions, and  
36 restrictions.

37 (2) The fee described in paragraph (1) shall not be imposed on  
38 any ~~real~~ *of the following documents:*

39 (A) *Any real estate instrument, paper, or notice recorded in*  
40 *connection with a transfer subject to the imposition of a*

1 documentary transfer tax as defined in Section 11911 of the  
2 Revenue and Taxation Code or on any Code.

3 (B) Any real estate instrument, paper, or notice recorded in  
4 connection with a transfer of real property that is a residential  
5 dwelling to an owner-occupier.

6 (C) Any real estate instrument, paper, or notice executed or  
7 recorded by the federal government in accordance with the  
8 Uniform Federal Lien Registration Act (Title 7 (commencing with  
9 Section 2100) of Part 4 of the Code of Civil Procedure).

10 (D) Any real estate instrument, paper, or notice executed or  
11 recorded by the state or any county, municipality, or other political  
12 subdivision of the state.

13 (3) This section shall not be construed to affect the fee described  
14 in Section 27361.3.

15 (b) The county recorder shall remit quarterly, on or before the  
16 last day of the month next succeeding each calendar quarterly  
17 period, the fees, after deduction of any actual and necessary  
18 administrative costs incurred by the county recorder in carrying  
19 out this section, to the Controller for deposit in the Building Homes  
20 and Jobs Trust Fund established by Section 50470 of the Health  
21 and Safety Code, to be expended for the purposes set forth in that  
22 section. In addition, the county shall pay to the Controller interest,  
23 at the legal rate, on any funds not paid to the Controller before the  
24 last day of the month next succeeding each quarterly period.

25 (c) If the Department of Housing and Community Development  
26 determines that any moneys derived from fees collected are being  
27 allocated by the state for a purpose not authorized by Section 50470  
28 of the Health and Safety Code, the county recorder shall, upon  
29 notice of the determination, immediately cease collection of the  
30 fees, and shall resume collection of those fees only upon notice  
31 that the moneys derived from the fees collected are being allocated  
32 by the state only for a purpose authorized by Section 50470 of the  
33 Health and Safety Code.

34 (d) (1) Subparagraph (C) of paragraph (2) of subdivision (a),  
35 as added by the act adding this subdivision, shall apply to any real  
36 estate instrument, paper, or notice executed or recorded by the  
37 federal government on or after January 1, 2018, and the fee  
38 imposed by this section shall not be imposed or billed for any real  
39 estate instrument, paper, or notice executed or recorded by the  
40 federal government in accordance with the Uniform Federal Lien

1 *Registration Act (Title 7 (commencing with Section 2100) of Part*  
2 *4 of the Code of Civil Procedure) on or after that date.*

3 *(2) The Legislature finds and declares that subparagraph (D)*  
4 *of paragraph (2) of subdivision (a), as added by the act adding*  
5 *this subdivision, reflects the original intent of the Legislature in*  
6 *enacting this section and is therefore not a change in, but is*  
7 *declaratory of, existing law. Subparagraph (D) of paragraph (2)*  
8 *of subdivision (a), as added by the act adding this subdivision,*  
9 *shall apply to any real estate instrument, paper, or notice executed*  
10 *or recorded by the state or any county, municipality, or other*  
11 *political subdivision of the state on or after January 1, 2018, and*  
12 *the fee imposed by this section shall not be imposed or billed for*  
13 *any real estate instrument, paper, or notice executed or recorded*  
14 *by the state or any county, municipality, or other political*  
15 *subdivision of the state on or after that date.*

16 *SEC. 3. Section 11461.35 is added to the Welfare and*  
17 *Institutions Code, to read:*

18 *11461.35. (a) Commencing on the effective date of the act that*  
19 *added this section, each county shall provide a payment equivalent*  
20 *to the basic rate of the home-based family care rate structure, as*  
21 *provided in subdivision (c), to an emergency caregiver who is*  
22 *caring for a child or nonminor dependent placed in the caregiver's*  
23 *home through an emergency placement pursuant to subdivision*  
24 *(d) of Section 309 or Section 361.45, or based on a compelling*  
25 *reason pursuant to subdivision (e) of Section 16519.5, effective*  
26 *on the date of the placement of the child or nonminor dependent,*  
27 *if the child or nonminor dependent meets both of the following*  
28 *criteria:*

29 *(1) The child or nonminor dependent is not otherwise eligible*  
30 *for AFDC-FC or the Approved Relative Caregiver Funding*  
31 *Program pursuant to Section 11461.3 while placed in the home*  
32 *of the emergency caregiver.*

33 *(2) The child or nonminor dependent resides in California.*

34 *(b) For purposes of this section, an "emergency caregiver"*  
35 *means an individual who has a pending resource family application*  
36 *filed with an appropriate agency on or after the effective date of*  
37 *this section, and who has been assessed pursuant to Section 361.4.*

38 *(c) (1) Notwithstanding Section 11461.3, an emergency*  
39 *caregiver who is eligible for payment pursuant to this section*  
40 *because the emergency caregiver is caring for a child or nonminor*

1 dependent who has been determined to be ineligible for federal  
2 financial participation in an AFDC-FC payment is eligible for the  
3 Approved Relative Caregiver Funding Program under Section  
4 11461.3 for the purposes of making the payment authorized by  
5 this section.

6 (2) Notwithstanding any law or other administrative directives,  
7 an emergency caregiver who does not meet the requirements of  
8 paragraph (1) shall be provided payment as specified in this section  
9 through the emergency assistance program that is included in the  
10 state's Temporary Assistance for Needy Families block grant.

11 (d) A payment authorized by this section shall be made  
12 retroactive to January 1, 2018, for emergency caregivers, as  
13 defined in subdivision (b), for the period during which the  
14 emergency caregiver had a child or nonminor dependent placed  
15 in the caregiver's home pursuant to subdivision (d) of Section 309  
16 or Section 361.45, or based on a compelling reason pursuant to  
17 subdivision (e) of Section 16519.5, effective on the date of the  
18 placement of the child or nonminor dependent, and the child or  
19 nonminor dependent meets the criteria in subdivision (a). This  
20 subdivision shall be implemented only if a feasible statewide  
21 process and timeline for the retroactive payments is mutually  
22 established by the department and the County Welfare Directors  
23 Association.

24 (e) (1) Counties shall not be penalized for any audit findings  
25 or disallowances related to the payment of emergency assistance  
26 payments made pursuant to paragraph (2) of subdivision (c).

27 (2) Overpayments shall not be recouped from emergency  
28 providers or resource families who have been paid an emergency  
29 assistance payment pursuant to paragraph (2) of subdivision (c).

30 SEC. 4. Section 12306.1 of the Welfare and Institutions Code  
31 is amended to read:

32 12306.1. (a) When any increase in provider wages or benefits  
33 is locally negotiated, mediated, or imposed by a county, public  
34 authority, or nonprofit consortium, or any increase in provider  
35 wages or benefits is adopted by ordinance pursuant to Article 1  
36 (commencing with Section 9100) of Chapter 2 of Division 9 of  
37 the Elections Code, then the county shall use county-only funds  
38 to fund both the county share and the state share, including  
39 employment taxes, of any increase in the cost of the program,  
40 unless otherwise provided for in the annual Budget Act or

1 appropriated by statute. No increase in wages or benefits locally  
2 negotiated, mediated, imposed, or adopted by ordinance pursuant  
3 to this section shall take effect unless and until, prior to its  
4 implementation, the *increase is reviewed and determined to be in*  
5 *compliance with state law and the* department has obtained the  
6 approval of the State Department of Health Care Services for the  
7 increase pursuant to a determination that it is consistent with federal  
8 law and to ensure federal financial participation for the services  
9 under Title XIX of the federal Social Security Act, and unless and  
10 until all of the following conditions have been met:

11 (1) Each county has provided the department with  
12 documentation of the approval of the county board of supervisors  
13 of the proposed public authority or nonprofit consortium rate,  
14 including wages and related expenditures. The documentation shall  
15 be received by the department before the department and the State  
16 Department of Health Care Services may approve the increase.

17 (2) Each county has met department guidelines and regulatory  
18 requirements as a condition of receiving state participation in the  
19 rate.

20 (b) Any rate approved pursuant to subdivision (a) shall take  
21 effect commencing on the first day of the month subsequent to the  
22 month in which final approval is received from the department.  
23 The department may grant approval on a conditional basis, subject  
24 to the availability of funding.

25 (c) The state shall pay 65 percent, and each county shall pay 35  
26 percent, of the nonfederal share of wage and benefit increases  
27 pursuant to subdivision (a) and associated employment taxes, only  
28 in accordance with subdivision (d).

29 (d) (1) The state shall participate in a total of wages and  
30 individual health benefits up to twelve dollars and ten cents  
31 (\$12.10) per hour until the amount specified in paragraph (1) of  
32 subdivision (b) of Section 1182.12 of the Labor Code reaches  
33 twelve dollars (\$12.00) per hour at which point the state shall  
34 participate as provided in paragraph (2).

35 (2) For any increase in wages or individual health benefits  
36 locally negotiated, mediated, or imposed by a county, public  
37 authority, or nonprofit consortium, and approved by the  
38 department, or any increase in provider wages or benefits adopted  
39 by ordinance pursuant to Article 1 (commencing with Section  
40 9100) of Chapter 2 of Division 9 of the Elections Code, the state

1 shall participate as provided in subdivision (c) in a total of wages  
 2 and individual health benefits up to one dollar and ten cents (\$1.10)  
 3 per hour above the amount per hour specified for the corresponding  
 4 year in paragraph (1) of subdivision (b) of, subdivision (c) of, and  
 5 subdivision (d) of, Section 1182.12 of the Labor Code.

6 (3) (A) For a county that is at or above twelve dollars and ten  
 7 cents (\$12.10) per hour in combined wages and individual health  
 8 benefits, the state shall participate as provided in subdivision (c)  
 9 in a cumulative total of up to 10 percent within a three-year period  
 10 in the sum of the combined total of changes in wages or individual  
 11 health benefits, or both.

12 (B) The state shall participate as provided in subparagraph (A)  
 13 for no more than two three-year periods, after which point the  
 14 county shall pay the entire nonfederal share of any future increases  
 15 in wages and individual health benefits that exceed the amount  
 16 specified in paragraphs (1) and (2).

17 (C) A three-year period is defined as three consecutive years.  
 18 A new three-year period can only begin after the last year of the  
 19 previous three-year period.

20 (D) To be eligible for state participation, a 10-percent increase  
 21 described in this paragraph is required to be commenced prior to  
 22 the date that the minimum wage reaches the amount specified in  
 23 subparagraph (F) of paragraph (1) of subdivision (b) of Section  
 24 1182.12 of the Labor Code.

25 (4) Paragraphs (2) and (3) do not apply to contracts executed,  
 26 or to increases in wages or individual health benefits, locally  
 27 negotiated, mediated, imposed, or adopted by ordinance, prior to  
 28 July 1, 2017.

29 *SEC. 5. Section 12306.16 of the Welfare and Institutions Code*  
 30 *is amended to read:*

31 12306.16. (a) Commencing July 1, 2017, all counties shall  
 32 have a County IHSS Maintenance of Effort (MOE).

33 (b) (1) (A) The statewide total County IHSS MOE base for  
 34 the 2017–18 fiscal year shall be established at one billion seven  
 35 hundred sixty-nine million four hundred forty-three thousand  
 36 dollars (\$1,769,443,000). This amount reflects the estimated county  
 37 share of IHSS program base costs calculated pursuant to Sections  
 38 10101.1 and 12306, as those sections read on June 1, 2017, and  
 39 reflected in the department’s 2017 May Revision local assistance  
 40 subvention table for the 2017–18 fiscal year.

1 (B) If actual IHSS program base costs, as determined by the  
2 Department of Finance on or before May 14, 2018, attributable to  
3 the 2017–18 fiscal year are lower than the costs assumed in the  
4 2017 May Revision local assistance subvention table, the statewide  
5 total County IHSS MOE base for the 2017–18 fiscal year shall be  
6 adjusted accordingly pursuant to Sections 10101.1 and 12306, as  
7 those sections read on June 1, 2017.

8 (2) The Department of Finance shall consult with the California  
9 State Association of Counties to determine each county’s share of  
10 the statewide total County IHSS MOE base amount. The County  
11 IHSS MOE base shall be unique to each individual county.

12 (3) (A) Administration expenditures are included in the County  
13 IHSS MOE and shall include both county administration, including  
14 costs associated with the IHSS case management, information,  
15 and payrolling system, and public authority administration.

16 (B) The amount of General Fund moneys available for county  
17 administration and public authority administration is limited to  
18 the amount of General Fund moneys appropriated for those specific  
19 purposes in the annual Budget Act, and increases to this amount  
20 do not impact the County IHSS MOE.

21 (C) To be eligible to receive its share of General Fund moneys  
22 appropriated in a fiscal year for county administration and public  
23 authority administration costs, the county is only required to expend  
24 the full amount of its County IHSS MOE that is attributable to  
25 county and public authority administration for that fiscal year and  
26 no additional county share of cost shall be required. The department  
27 shall consult with the California State Association of Counties to  
28 determine the county-by-county distribution of the amount of  
29 General Fund moneys appropriated in the annual Budget Act for  
30 county administration and public authority administration.

31 (D) Amounts expended by a county or public authority on  
32 administration in excess of the amount described in subparagraphs  
33 (A) and (B) shall not be attributed towards the county meeting its  
34 County IHSS MOE requirement.

35 (E) As part of the preparation of the 2018–19 Governor’s  
36 Budget, the department shall work with the California State  
37 Association of Counties, County Welfare Directors Association  
38 of California, and the Department of Finance to examine the  
39 workload and budget assumptions related to administration of the  
40 IHSS program for the 2017–18 and 2018–19 fiscal years.

1 (c) (1) On July 1, 2018, the County IHSS MOE base as  
2 specified in subdivision (b) shall be adjusted by an inflation factor  
3 of 5 percent.

4 (2) Beginning on July 1, 2019, and annually thereafter, the  
5 County IHSS MOE from the previous year shall be adjusted by  
6 an inflation factor of 7 percent.

7 (3) (A) Notwithstanding paragraphs (1) and (2), in fiscal years  
8 ~~when~~ *in which* the total of 1991 realignment revenues received  
9 pursuant to Sections 6051.2 and 6201.2 of the Revenue and  
10 Taxation ~~Code~~, *Code* for the prior fiscal year is less than the total  
11 received for the next prior fiscal year, the inflation factor shall be  
12 zero.

13 (B) Notwithstanding paragraphs (1) and (2), in fiscal years ~~when~~  
14 *in which* the total of 1991 realignment revenues received pursuant  
15 to Sections 6051.2 and 6201.2 of the Revenue and Taxation ~~Code~~,  
16 *Code* for the prior fiscal year is equal to or up to 2 percent greater  
17 than the total received for the next prior fiscal year, the inflation  
18 factor shall be one-half of the amount specified in either paragraph  
19 (1) or (2).

20 (C) The Department of Finance shall provide notification to the  
21 appropriate fiscal committees of the Legislature and the California  
22 State Association of Counties by May 14 of each year of the  
23 inflation factor that will apply for the following fiscal year, based  
24 on the calculation in subparagraph (A) and (B).

25 (d) In addition to the adjustment in subdivision (c), the County  
26 IHSS MOE shall be adjusted for the annualized cost of increases  
27 in provider wages or health benefits that are locally negotiated,  
28 mediated, or imposed, on or after July 1, 2017, including any  
29 increases in provider wages or health benefits adopted by ordinance  
30 pursuant to Article 1 (commencing with Section 9100) of Chapter  
31 2 of Division 9 of the Elections Code.

32 (1) (A) If the department approves an increase in provider  
33 wages or health benefits that are locally negotiated, mediated,  
34 imposed, or adopted by ordinance pursuant to Section 12306.1,  
35 the state shall pay 65 percent, and the affected county shall pay  
36 35 percent, of the nonfederal share of the cost increase in  
37 accordance with subparagraph (B).

38 (B) With respect to any increase in provider wages or health  
39 benefits approved on or after July 1, 2017, pursuant to  
40 subparagraph (A), the state shall participate in that increase as

1 provided in subparagraph (A) up to the amount specified in  
2 paragraphs (1), (2), and (3) of subdivision (d) of Section 12306.1.  
3 The county shall pay the entire nonfederal share of any cost  
4 increase exceeding the amount specified in paragraphs (1), (2),  
5 and (3) of subdivision (d) of Section 12306.1.

6 (C) With respect to an increase in benefits, other than individual  
7 health benefits, locally negotiated, mediated, or imposed by a  
8 county, public authority, or nonprofit consortium, or adopted by  
9 ordinance, the county's County IHSS MOE shall include a one-time  
10 adjustment equal to 35 percent of the nonfederal share of the  
11 increased benefit costs.

12 (D) The county share of increased expenditures pursuant to  
13 subparagraphs (A) to (C), inclusive, shall be included in the County  
14 IHSS MOE, in addition to the amount established under  
15 subdivisions (b) and (c). For any increase in provider wages or  
16 health benefits, or increase in other benefits pursuant to  
17 subparagraph (C), that becomes effective on a date other than July  
18 1, the Department of Finance shall adjust the county's County  
19 IHSS MOE to reflect the annualized cost of the county's share of  
20 the nonfederal cost of the wage or health benefit increase. This  
21 adjustment shall be calculated based on the county's 2017–18 paid  
22 IHSS hours and the appropriate cost-sharing ratio as grown by the  
23 applicable number of inflation factors pursuant to subdivision (c)  
24 that have occurred up to and including the fiscal year in which the  
25 increase becomes effective.

26 (2) (A) If the department does not approve the increase in  
27 provider wages or health benefits, or increase in other benefits  
28 pursuant to subparagraph (C) of paragraph (1), that are locally  
29 negotiated, mediated, imposed, or adopted by ordinance pursuant  
30 to Section 12306.1 or paragraph (3), the county shall pay the entire  
31 nonfederal share of the cost increases.

32 (B) The county share of increased expenditures pursuant to  
33 subparagraph (A) shall be included in the County IHSS MOE, in  
34 addition to the amount established under subdivisions (b) and (c).  
35 For any increase in provider wages or health benefits that becomes  
36 effective on a date other than July 1, the Department of Finance  
37 shall adjust the county's County IHSS MOE to reflect the  
38 annualized cost of the county's share of the nonfederal cost of the  
39 wage or health benefit increase. This adjustment shall be calculated  
40 based on the county's 2017–18 paid IHSS hours and the appropriate

1 county sharing ratio as grown by the appropriate number of  
2 applicable inflation factors pursuant to subdivision (c) that have  
3 occurred up to and including the fiscal year in which the increase  
4 becomes effective.

5 (3) In addition to the rate approval requirements specified in  
6 subdivisions (a) to (c), inclusive, of Section 12306.1, it shall be  
7 presumed by the department that rates and other economic terms  
8 that are locally negotiated, mediated, imposed, or adopted by  
9 ordinance are approved.

10 (4) (A) With respect to any rate increases to existing contracts  
11 that a county has already entered into pursuant to Section 12302,  
12 the state shall pay 65 percent, and the affected county shall pay  
13 35 percent, of the nonfederal share of the amount of the rate  
14 increase up to the maximum amounts established pursuant to  
15 Sections 12302.1 and 12303. The county shall pay the entire  
16 nonfederal share of any portion of the rate increase exceeding the  
17 maximum amount established pursuant to Sections 12302.1 and  
18 12303. This adjustment shall be calculated based on the county's  
19 2017–18 paid IHSS contract hours, or the paid contract hours in  
20 the fiscal year in which the contract becomes effective if the  
21 contract becomes effective on or after July 1, 2017, using the  
22 appropriate cost-sharing ratio as grown by the applicable number  
23 of inflation factors pursuant to subdivision (c) that have occurred  
24 up to and including the fiscal year in which the increase becomes  
25 effective.

26 (B) With respect to rates for new contracts entered into by a  
27 county pursuant to Section 12302 on or after July 1, 2017, the state  
28 shall pay 65 percent, and the affected county shall pay 35 percent,  
29 of the nonfederal share of the difference between the locally  
30 negotiated, mediated, imposed, or adopted by ordinance, provider  
31 wage and the contract rate for all of the hours of service to IHSS  
32 recipients to be provided under the contract up to the maximum  
33 amounts established pursuant to Sections 12302.1 and 12303. The  
34 county shall pay the entire nonfederal share of any portion of the  
35 contract rate exceeding the maximum amount established pursuant  
36 to Sections 12302.1 and 12303. This adjustment shall be calculated  
37 based on the county's paid contract hours in the fiscal year in which  
38 the contract becomes effective using the appropriate cost-sharing  
39 ratio.

1 (C) The county share of these expenditures shall be included in  
2 the County IHSS MOE, in addition to the amounts established  
3 under subdivisions (b) and (c). For any rate increases for existing  
4 contracts or rates for new contracts, entered into by a county  
5 pursuant to Section 12302 on or after July 1, 2017, that become  
6 effective on a date other than July 1, the Department of Finance  
7 shall adjust the county's County IHSS MOE to reflect the  
8 annualized cost of the county's share of the nonfederal cost of the  
9 increase or rate for new contracts. This adjustment shall be  
10 calculated as follows:

11 (i) For a contract described in subparagraph (A), the first-year  
12 cost of the amount of the rate increase calculated using the pro  
13 rata share of the number of hours of service provided in the contract  
14 for the fiscal year in which the increase became effective.

15 (ii) For a contract described in subparagraph (B), the first-year  
16 cost of the difference between the locally negotiated, mediated,  
17 imposed, or adopted by ordinance, provider wage and the contract  
18 rate for all of the hours of service to IHSS recipients calculated  
19 using the pro rata share of the number of hours of service provided  
20 in the contract for the fiscal year in which the contract became  
21 effective.

22 (5) In the event the state ceases to receive enhanced federal  
23 financial participation for the provision of services pursuant to  
24 Section 1915(k) of the federal Social Security Act (42 U.S.C. Sec.  
25 1396n(k)), the County IHSS MOE shall be adjusted one time to  
26 reflect a 35-percent share of the enhanced federal financial  
27 participation that would have been received pursuant to Section  
28 1915(k) of the federal Social Security Act (42 U.S.C. Sec.  
29 1396n(k)) for the fiscal year in which the state ceases to receive  
30 the enhanced federal financial participation.

31 (6) The County IHSS MOE shall not be adjusted for increases  
32 in individual provider wages that are locally negotiated pursuant  
33 to subdivision (a) of, and paragraphs (1) and (2) of subdivision (d)  
34 of, Section 12306.1 when the increase has been specifically  
35 negotiated to take effect at the same time as, and to be the same  
36 amount as, state minimum wage increases.

37 (7) (A) A county may negotiate a wage supplement. ~~The~~

38 (i) *The wage supplement shall be in addition to the highest wage*  
39 *rate paid in the county since June 30, 2017.*

1     (ii) *The first time the wage supplement is applied, the county's*  
2 *County IHSS MOE shall include a one-time adjustment by the*  
3 *amount of the—increase, increased cost resulting from the*  
4 *supplement, as specified in subparagraphs (A), (B), and (C) of*  
5 *paragraph (1).*

6     (B) *A wage supplement negotiated pursuant to subparagraph*  
7 *(A) shall subsequently be applied to the county individual provider*  
8 *minimum wage when the county individual provider wage meets*  
9 *all of the following criteria: minimum wage increase is equal to*  
10 *or exceeds the county wage paid without inclusion of the wage*  
11 *supplement and the increase to the county wage paid takes effect*  
12 *at the same time as the minimum wage increase.*

13     (i) ~~The increase to the county individual provider wage takes~~  
14 ~~effect at the same time as the state minimum wage increase.~~

15     (ii) ~~The increase to the county individual provider wage is the~~  
16 ~~same amount as the state minimum wage increase.~~

17     (iii) ~~The minimum wage increase exceeds the county individual~~  
18 ~~provider wage prior to applying the minimum wage increase.~~

19     (C) *For any changes to provider wages or health benefits locally*  
20 *negotiated, mediated, or imposed by a county, public authority,*  
21 *or nonprofit consortium, for which a rate change request was*  
22 *submitted to the department prior to January 1, 2018, for review,*  
23 *clause (i) of subparagraph (A) and subparagraph (B) shall not*  
24 *apply. A wage supplement subject to this subparagraph shall*  
25 *subsequently be applied to the minimum wage when the minimum*  
26 *wage is equal to or exceeds the county individual provider wage*  
27 *including the wage supplement.*

28     (8) *The Department of Finance shall consult with the California*  
29 *State Association of Counties to develop the computations for the*  
30 *annualized amounts pursuant to this subdivision.*

31     (e) *The County IHSS MOE shall only be adjusted pursuant to*  
32 *subdivisions (c) and (d).*

33     (f) *A county's County IHSS MOE costs paid to the state shall*  
34 *be reduced by the amount of any General Fund offset provided to*  
35 *the county pursuant to Section 12306.17.*

36     SEC. 6. *No appropriation pursuant to Section 15200 of the*  
37 *Welfare and Institutions Code shall be made for purposes of*  
38 *implementing Section 11461.35 of the Welfare and Institutions*  
39 *Code, which is added by this act.*

1     *SEC. 7. Notwithstanding the rulemaking provisions of the*  
2 *Administrative Procedure Act (Chapter 3.5 (commencing with*  
3 *Section 11340) of Part 1 of Division 3 of Title 2 of the Government*  
4 *Code), the State Department of Social Services may implement*  
5 *and administer Section 11461.35 of the Welfare and Institutions*  
6 *Code, which is added by this act, through an all-county letter or*  
7 *similar instruction. The all-county letter or similar instruction*  
8 *shall be finalized and published no later than 21 days following*  
9 *the enactment of this act.*

10     *SEC. 8. No reimbursement is required by this act pursuant to*  
11 *Section 6 of Article XIII B of the California Constitution because*  
12 *a local agency or school district has the authority to levy service*  
13 *charges, fees, or assessments sufficient to pay for the program or*  
14 *level of service mandated by this act, within the meaning of Section*  
15 *17556 of the Government Code.*

16     *However, to the extent that this act has an overall effect of*  
17 *increasing the costs already borne by a local agency for programs*  
18 *or levels of service mandated by the 2011 Realignment Legislation*  
19 *within the meaning of Section 36 of Article XIII of the California*  
20 *Constitution, it shall apply to local agencies only to the extent that*  
21 *the state provides annual funding for the cost increase. Any new*  
22 *program or higher level of service provided by a local agency*  
23 *pursuant to this act above the level for which funding has been*  
24 *provided shall not require a subvention of funds by the state or*  
25 *otherwise be subject to Section 6 of Article XIII B of the California*  
26 *Constitution.*

27     *SEC. 9. The sum of one million dollars (\$1,000,000) in*  
28 *reimbursements is hereby appropriated to the State Department*  
29 *of Social Services in the 2017–18 fiscal year for the purposes*  
30 *specified in subparagraph (C) of paragraph (7) of subdivision (d)*  
31 *of Section 12306.16 of the Welfare and Institutions Code.*

32     *SEC. 10. This act is a bill providing for appropriations related*  
33 *to the Budget Bill within the meaning of subdivision (e) of Section*  
34 *12 of Article IV of the California Constitution, has been identified*  
35 *as related to the budget in the Budget Bill, and shall take effect*  
36 *immediately.*

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**All matter omitted in this version of the bill appears in the bill as amended in the Senate, June 12, 2017. (JR11)**

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