

Governor Gavin Newsom finalized the 2022 legislative session deciding to veto some important bills while signing others. In all, the governor signed 997 bills into law, and vetoed 169 bills.

Governor Newsom's summary of bill actions can be found [here](#).

The following includes updates for 2022 statuses on legislation to watch and bills related to sales and use tax, medical and adult use cannabis taxation and regulation, property taxation and business licenses that HdL is currently tracking.



Legislation to Watch

CALIFORNIA TAX LIMITS AND VOTE REQUIREMENTS INITIATIVE (2022)

The California Tax Limits and Vote Requirements Initiative (No.21-0026) may appear on the ballot in California as an initiated constitutional amendment on November 8, 2022. The ballot initiative would define levies, charges, and extractions as taxes or exempt charges, with those classified as taxes requiring a two-thirds legislative vote and voter approval at an election.

Status: Not on the November 8, 2022 ballot.



Sales and Use Tax Legislation

AB 1951 (GRAYSON) MANUFACTURING SALES AND USE TAX EXEMPTIONS

Current sales tax law does not provide an exemption to an apportioning trade or business, as specified for electric power. Existing law provides that qualified tangible personal property does not include consumables with a useful life of less than one year. This bill would recast and restate these provisions to clarify the application of the exemption provided and update certain definitions to correspond to current federal guidelines. The latest version includes local jurisdiction's loss of the Bradley-Burns portion of sales taxes collected on the types of personal property noted above.

Status: Vetoed on September 15, 2022.

AB 2453 (BENNETT) TRANSACTIONS AND USE TAX FOR VENTURA COUNTY TRANSPORTATION COMMISSION

This bill would make a change to the existing Revenue and Taxation code. It would authorize the County of Ventura to impose a transactions and use tax for the support of countywide transportation programs at a rate of no more than 0.5% that would, in combination with other transactions and use taxes, exceed the above-described combined rate limit of 2%, if the ordinance proposing the tax is approved by the voters, subject to applicable voter approval requirements.

Status: Approved, Chaptered by Secretary of State - Chapter 286, Statutes of 2022.

AB 2887 (GARCIA) SALES AND USE TAX EXCLUSION

The California Alternative Energy and Advanced Transportation Financing Authority Act establishes the California Alternative Energy and Advanced Transportation Financing Authority. The act prohibits the sales and use tax exclusions from exceeding \$100,000,000 for each calendar year. This bill would increase the limit on sales and use tax exclusions to \$150,000,000 for each calendar year.

Status: Approved, Chaptered by Secretary of State - Chapter 248, Statutes of 2022.

SB 1312 (OCHOA BOGH) TAX AND FEE LIABILITY RELIEF FOR PASSENGER VEHICLES RENTAL COMPLIANCE

The Fee Collection Procedures Law provides for the administration and collection of various fee programs. This bill would also relieve a marketplace facilitator of liability for the taxes or fees on a retail sale if the marketplace facilitator demonstrates to the satisfaction of the department that the marketplace seller is an unrelated passenger vehicle rental company and is registered to remit sales and use tax to the department.

Status: Approved, Chaptered by Secretary of State - Chapter 228, Statutes of 2022.



Cannabis-Related Legislation

AB 1656 (AGUILAR-CURRY) INDUSTRIAL HEMP PRODUCTS

This bill would state that MAUCRSA does not prohibit a licensee from manufacturing, distributing, or selling products that contain industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp, if the product complies with all applicable state laws and regulations.

Status: Ordered to inactive file on August 31, 2022.

SB 1186 (WEINER) MEDICINAL CANNABIS PATIENTS' RIGHT OF ACCESS ACT

This bill would enact the Medicinal Cannabis Patients' Right of Access Act, which, on and after January 1, 2024, would prohibit a local jurisdiction from adopting or enforcing any regulation that prohibits the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers by medicinal cannabis businesses, as defined, or that has the effect of prohibiting the retail sale by delivery within the local jurisdiction of medicinal cannabis to medicinal cannabis patients or their primary caregivers in a timely and readily accessible manner and in types and quantities that are sufficient to meet demand from medicinal cannabis patients within the local jurisdiction, as specified.

Status: Approved, Chaptered by Secretary of State - Chapter 395, Statutes of 2022.



Property Tax Legislation

AB 1933 (FRIEDMAN) PROPERTY TAX WELFARE EXEMPTION FOR NONPROFIT CORPORATIONS BUILDING RESIDENTIAL HOUSING UNITS

Current property tax law states that property is within that welfare exemption if the property is owned and operated by a nonprofit corporation, otherwise qualifying for the welfare exemption, that is organized and operated for the specific and primary purpose of building and rehabilitating single or multifamily residences for sale at cost to low-income families. This bill would also provide that property is fully exempt from property taxation and is also within that welfare exemption if that property is owned and operated by a nonprofit corporation that is organized and operated for the specific and primary purpose of building and rehabilitating single or multifamily residential units and the units meet specified requirements.

Status: Approved, Chaptered by Secretary of State - Chapter 643, Statutes of 2022.



Business License Legislation

AB 2164 (LEE) ACCESS FOR DISABILITY FUNDING

The bill would expand the existing Americans with Disabilities Act of 1990 and the California Building Standards Code. Existing law, until December 31, 2023, requires any applicant for an original or renewal of a local business license or equivalent instrument or permit to pay an additional fee of \$4 for that license, instrument, or permit for specified purposes related to disability access, including the CASp program. Commencing January 1, 2024, that fee is reduced to \$1. Existing law requires a portion of those fees to be deposited in the Disability Access and Education Revolving Fund. This bill would repeal the provision reducing the fee to \$1 commencing January 1, 2024, thereby extending the operation of this fee at the amount of \$4 indefinitely. By expanding the increased fee deposited into the Disability Access and Education Revolving Fund, this bill would make an appropriation.

Status: *Approved, Chaptered by Secretary of State - Chapter 895, Statutes of 2022.*

SB 891 (HERTZBERG) BUSINESS LICENSE STORMWATER DISCHARGE COMPLIANCE

Current law requires a person who conducts a business operation that is a regulated industry to demonstrate enrollment with the NPDES permit program by providing specified information on the application, including, among other things, the Standard Industrial Classification Code for the business. Current law requires the State Water Resources Control Board, on or before April 1, 2020, to post on its internet website a list of applicable Standard Industrial Classification Codes for the purpose of the determinations made by cities or counties, and requires the state board to update that list, as specified. This bill would make non-substantive changes to these provisions.

Status: *Approved, Chaptered by Secretary of State - Chapter 678, Statutes of 2022.*