

Assembly
California Legislature



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Agenda

Thursday, June 28, 2018

9:30 AM – State Capitol, Room 4202

Informational Hearing

- SB 857: In Home Supportive Services (IHSS)
- AB 1838: Taxation: Groceries
- SB 872: Taxation: Groceries

2018 Budget Trailer Bill Analyses Packet

Bills anticipated for Thursday, June 28 and Monday, July 2, 2018.

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SENATE THIRD READING

SB 857 (Committee on Budget and Fiscal Review)

As Introduced January 10, 2018

SUMMARY: As part of the 2018 budget package, creates an employee orientation pilot for In Home Supportive Services providers in three counties. Specifically, this bill:

- 1) Applies existing employee orientation provisions for public employees to In Home Supportive Services providers in three counties: Los Angeles, Merced, and Orange;
- 2) Authorizes the limited reopening of collective bargaining memorandum of understanding between employee organization and the public authority to discuss employee orientation if either side requests a meet and confer;
- 3) Appropriates \$10,000 for the Department of Social Services for reimbursements authority to implement these provisions; and
- 4) Sunsets these provisions on July 1, 2021.

FISCAL EFFECT: This bill appropriates \$10,000 to implement the new requirement.

COMMENT: As part of the 2018-19 budget package, this bill extends current public employee orientation requirements on a limited basis to In Home Supportive Services providers in three counties. Since local public authority entities serve as the employee of record for In Home Supportive Services, these provisions did not previously apply to these workers.

Analysis Prepared by: Christian Griffith / BUDGET / (916) 319-2099

CONCURRENCE IN SENATE AMENDMENTS

AB 1838 (Committee on Budget)

As Amended June 25, 2018

Original Committee Reference: **BUDGET**

SUMMARY: As part of the 2018 budget package, limits the ability of local governments to impose taxes and/or fees on groceries. Specifically, this bill:

- 1) Prohibits the taxation of groceries by a local agency:
 - a. Defines groceries by providing examples of products that meet the definition, such a meat, poultry, grains, vegetables, dairy products, nonalcoholic beverages;
 - b. Explicitly excludes alcohol, cannabis products, cigarettes, and electronic cigarettes from the definition of groceries;
- 2) Provides that cities that have imposed such taxes prior to January 1, 2018 are exempted from the prohibition;
- 3) Excludes from the prohibition taxation that applies to a broad range of business activities or products or taxes associated with Bradley-Burns Uniform Local Sales and Use Tax;
- 4) Prohibits the Department of Taxation and Fees from administering Bradley Burns Uniform Local Sales and Use Taxes for a local agency that attempts to impose any taxes or fees on groceries prohibited by this bill;
- 5) Contains a severability clause in the event of legal challenge;
- 6) Stipulates that any civil action related to this provision shall be given preference over other actions by the court and the venue shall be in Sacramento County;
- 7) Appropriates \$12,000 to the Department of Taxation and Fees to implement the provisions of this bill; and
- 8) Contains a sunset provision of January 1, 2031.

FISCAL EFFECT: This bill includes \$12,000 for the Department of Taxation and Fees to implement this bill.

COMMENTS: This 2018 budget trailer bill limits local governments from imposing taxes on groceries. This prohibition applies to any fees adopted by a local government after January 1, 2018, so it would not apply to taxes that are already in place in several cities in California.

Analysis Prepared by: Christian Griffith / BUDGET / (916) 319-2099

SENATE THIRD READING
SB 872 (Committee on Budget and Fiscal Review)
As Introduced January 10, 2018

SUMMARY: As part of the 2018 budget package, clarifies the ability of local governments to impose taxes and/or fees on cannabis products. Specifically, this bill:

- 1) Defines groceries by providing examples of products that meet the definition, such as meat, poultry, grains, vegetables, dairy products, nonalcoholic beverages;
- 2) Explicitly excludes alcohol, cannabis products, cigarettes, and electronic cigarettes from the definition of groceries;
- 3) Appropriates \$12,000 to the Department of Taxation and Fees to implement the provisions of this bill; and
- 4) Contains a provision to make this bill only operational if AB 1838 of the 2018-19 Session is enacted.

FISCAL EFFECT: This bill includes \$12,000 for the Department of Taxation and Fees to implement this bill.

COMMENT: AB 1838 contains provisions which limit the ability of local governments to impose taxes on groceries. That bill explicitly excludes cannabis products from the limitation, but cites Health and Safety Code definition of cannabis, which mentions only the cannabis sativa L strain of cannabis.

This bill would instead use a definition of cannabis in the Business and Professions code, which is explicit that “cannabis” includes three different cannabis strains: cannabis sativa L, cannabis indica, or cannabis ruderalis. By adopting this more explicit definition, this bill helps insure that local government efforts to tax cannabis products from all three stains can still move forward if AB 1838 is enacted.

Analysis Prepared by: Christian Griffith / BUDGET / (916) 319-2099