



VIRTUAL
**REGULATORY COMPLIANCE
& CANNABIS FORUM**
OCTOBER 12 - 15, 2021



Legislative Update

Melanie Cuevas, VP of Government Relations

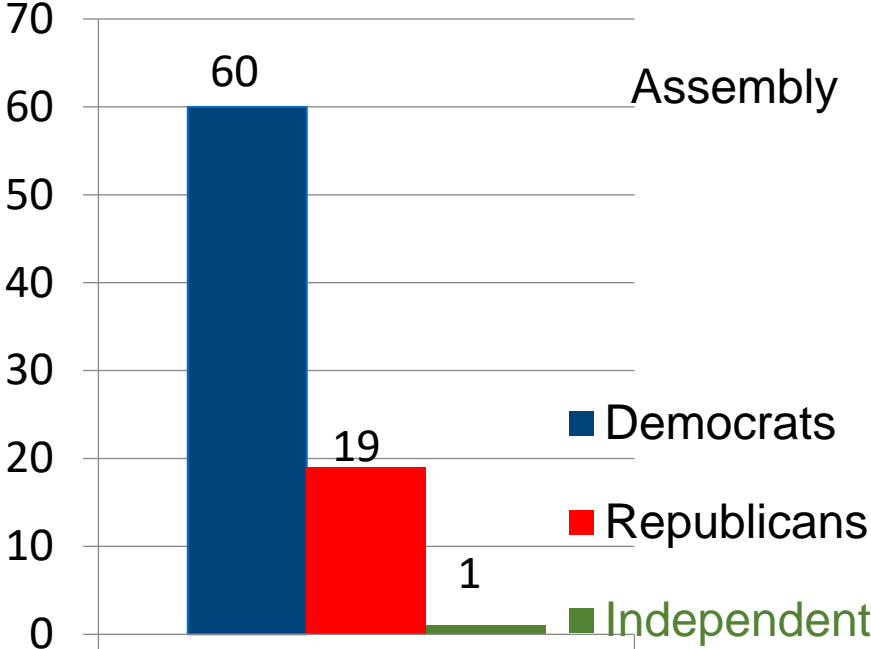
Jason Lane, VP & Deputy Director of Government Relations

Kevin Gould, SVP & Director of Government Relations

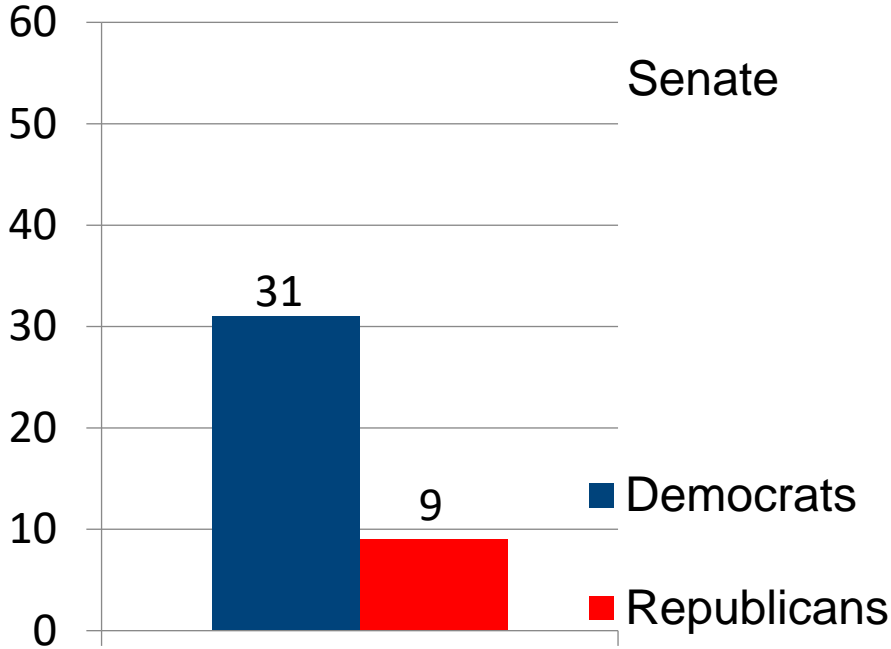
CALIFORNIA LEGISLATURE (2021 – 2022)

(All state-wide constitutional officers are Democrats)

Supermajorities In Both Houses

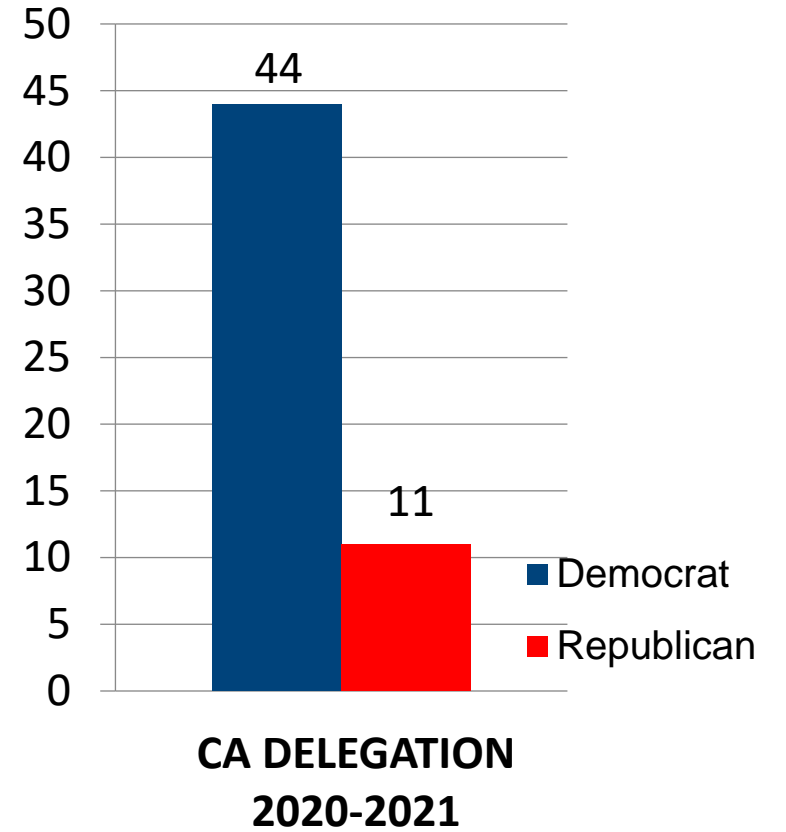
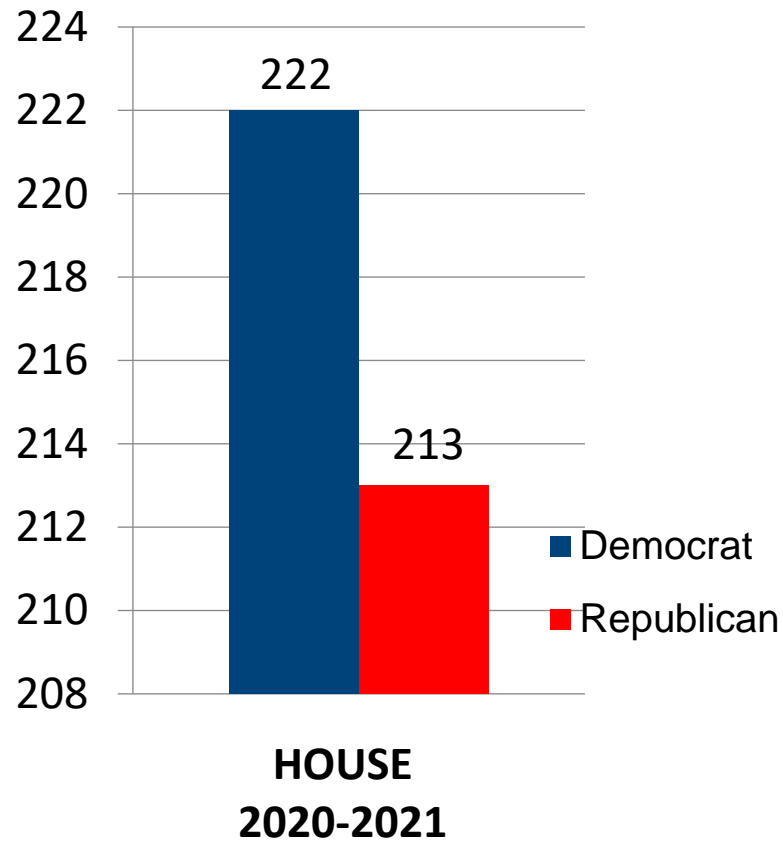
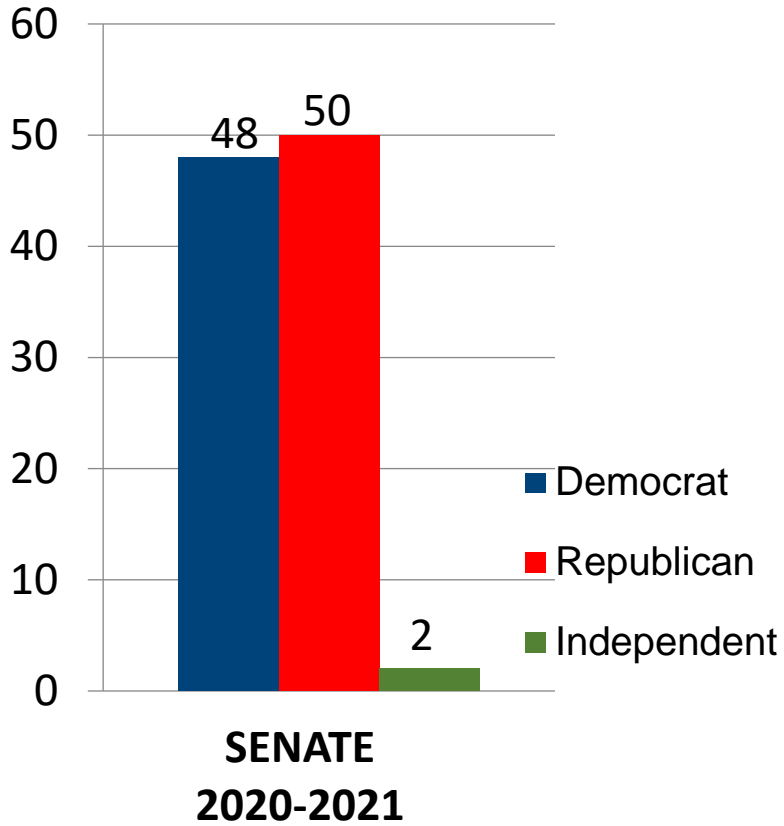


Number to supermajority = 54



Number to supermajority = 27

UNITED STATES CONGRESS



Legislative Session Status

- CA Legislature adjourned on 9.10.21
- Governor's signature/veto deadline 10.10.21
- Unless otherwise specified, statutes will become effective on 1.1.22
- CA Legislature reconvenes 1.3.22



Vaccine Mandates

- California lawmakers contemplated workplace COVID-19 vaccination mandates
- Biden Administration took action through the six-pronged “Path out of the Pandemic” COVID-19 Action Plan, which includes a vaccination strategy



Human Resources

SB 657 (Ochoa Bogh)

- Allows employers to distribute electronically information that is required to be posted at a physical worksite

SB 606 (Gonzalez)

- Establishes rebuttable presumption that an employer with multiple worksites has committed an enterprise-wide violation

CA Corporate Board Diversity Laws

- SB 826 (Jackson, 2018)
- AB 979 (Holden, 2020)

Climate Risk

SB 260 (Weiner)

- Required corporations doing business in California to report greenhouse gas emissions in three scopes

SB 449 (Stern)

- Mandated annual climate-related financial risk reports in accordance with the Final Report of Recommendations of the Task Force of Climate-Related Financial Disclosures

AB 766 (Gabriel)

- Modeled off of U.S. Senator Warren's unsuccessful Climate Risk Disclosure Act of 2019

Student Lending

AB 424 (Stone)

- Establishes documentation and evidentiary standards related to the collection of private education loans
- Contains a targeted exemption for specified depository institutions
- Illustrative of ongoing legislative attempts that make it more difficult for a lender to collect on a valid debt and to be made whole after lending

Automated Decision Systems

AB 13 (Chau)

- Automated Decision Systems (ADS) Accountability Act
- “Automated decision system” is a computational process, including one derived from machine learning, statistical modeling, data analytics, or artificial intelligence, that issues simplified output, including a score, classification, or recommendation, that is used to support or replace human decision-making and materially impacts natural persons
- Annual reports versus procurement approach

California Privacy Rights Act

California Privacy Protection Agency

- California Privacy Rights Act (CPRA) establishes the California Privacy Protection Agency
- CPRA requires promulgation of various regulations, including rules on automated decision-making systems
- Employee and business-to-business commercial transaction exemptions expire 1.1.23

Trustee Sales


AB 175 (Committee on Budget & Fiscal Review)

- Revises provisions relating to the post-auction bid process established by Senate Bill 1079
- Clarifies various timelines around post-auction bids
- Limits the information required to be provided by the trustee about the post-sale auction process to the sale date, sale result & trustee contact information



Property
Assessed
Clean
Energy

AB 790 (Quirk-Silva)

- Applies Consumer Legal Remedies Act to home solicitations of seniors where there is a pattern or practice of violations of existing PACE laws
 - Ongoing CBA effort to reform PACE lending
- 

Appraisals

AB 948 (Holden)

- Establishes protections in circumstances where there is discrimination in appraisals
- Requires real estate sales contracts include a notice that appraisals of property must be unbiased, objective and not influenced by improper or illegal considerations
- Requires that a licensed person, as defined in the measure, provide this notice when refinancing a first lien purchase money loan secured by residential real property containing no more than four dwelling units

Remote Online Notarization

AB 1093 (Jones-Sawyer)

- Allows a notary public to apply to the Secretary of State to register as a remote online notary
- Grants authority to the Secretary of State to adopt rules necessary to implement remote online notarization


Golden State Stimulus Payments

SB 88 (Committee on Budget & Fiscal Review)

- Authorizes one-time, direct Golden State Stimulus payments of \$600
- Eligible for those that claim the California Earned Income Tax Credit or that filed a tax return using a federal Individual Taxpayer Identification Number and have income less than \$75,000
- CalWORKS, CAPI and SSI/SSP recipients


Golden State Stimulus Payments

AB 88 (Committee on Budget)

- Exempts Golden State Stimulus payments from garnishment
 - In order for the exemption from garnishment to apply, payments should be readily identifiable
 - Provides a safe-harbor for financial institutions similar to federal provisions
- 

Golden State Stimulus Payments II

SB 139 (Committee on Budget & Fiscal Review)

- Authorizes a second round of Golden State Stimulus tax refund payments
 - Approximately 8.7 million in payments
 - Association continues to work closely with Franchise Tax Board on unique indicators in ACH payments and paper warrants
- 

Charitable Trusts

AB 900 (Reyes)

- Requires trustees managing a charitable trust to provide notice when all or “substantially all” of the trust assets are sold
- Mandates that the Attorney General promulgate regulations necessary to implement the statute
- Delays notice requirement until 7.1.22

Public Banking

AB 1177 (Santiago)

- Establishes the California Public Banking Option Act
- Creates a study of a state banking alternative to bring unbanked Californian's in to the financial mainstream
- Requires the legislature to the approve legislation to implement the program if it is deemed feasible


Local Government Advocacy

- COVID-19 Responses
- Rent Relief
- Municipal Banking



IRS Information Reporting

Financial Information Tax Reporting

- Requires financial institutions increase the level of information reported about deposit accountholders to “shed light on those taxpayers who misreport income”
 - Mandates the reporting of gross inflows and outflows on all business and personal accounts above \$600
- 

Federal Cannabis Related Businesses

H.R. 1996 (Perlmutter)

- Secure and Fair Enforcement Banking Act
- Enables banks to provide financial services to legitimate cannabis related businesses



Agricultural Lending

H.R. 1977 (Kind)

- Enhancing Credit Opportunities in Rural America Act
- Removes taxation on income from farm real estate loans made by FDIC insured institutions



Federal Bank Accounts

FedAccounts

- Proposal establishes government-backed digital wallets to all consumers
- FedAccounts are a no-fee bank account
- Available at a post office, small bank or credit union



Thank you!



Melanie Cuevas
mcuevas@calbankers.com
916.438.4411



Jason Lane
jlane@calbankers.com
916.438.4420



Kevin Gould
kgould@calbankers.com
916.438.4410

