

ASSEMBLY BILL

No. 1260

Introduced by Assembly Member Medina

February 22, 2013

An act to add Section 14633 to the Government Code, relating to businesses.

LEGISLATIVE COUNSEL'S DIGEST

AB 1260, as introduced, Medina. California family owned business.

Existing law creates the Department of General Services that provides centralized services, including, but not limited to, planning, acquisition, construction, and maintenance of state buildings and property; purchasing; printing; architectural services; administrative hearings; and accounting services.

This bill would define a California family owned business.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) The participation by all citizens in the affairs of the State of
- 3 California in every possible way serves a public purpose and
- 4 benefits the state.
- 5 (b) It is essential that opportunity be provided for full
- 6 participation in our free enterprise system by California family
- 7 owned business enterprises.
- 8 (c) California's 1.4 million family owned businesses employ
- 9 nearly 7 million people, invest more in their employees in terms

1 of training and benefits, promote more women to high-level
2 management positions, and are less likely to lay off employees or
3 downsize in tough economic times.

4 (d) California family owned businesses continually demonstrate
5 extraordinary commitment to the communities in which they
6 operate because they are headquartered in the state. California
7 family owned businesses have been shown to engage in high levels
8 of local, community-based philanthropic giving, and are strong
9 stewards of the environment by virtue of their long-term
10 perspective and sense of duty to past, present, and future
11 generations within the state.

12 SEC. 2. It is the intent of the Legislature to enact legislation
13 that would aid, counsel, assist, and protect, to the maximum extent
14 feasible, the interests of California family owned businesses in
15 order to preserve free competitive enterprise and support family
16 owned enterprises.

17 SEC. 3. Section 14633 is added to the Government Code, to
18 read:

19 14633. “California family owned business” means a business
20 that is independently owned and operated as a privately held
21 enterprise by members of a family or a partnership of families that
22 maintains its principal office in California, has been in business
23 for more than 10 years, and meets both of the following
24 requirements:

25 (a) Strategic influence is exercised by family members on the
26 management of the business, including, but not limited to, being
27 active in the management, continuing to shape the culture of the
28 business, or serving as board members or advisors.

29 (b) The business is able to demonstrate continuity across
30 generations or the intent for continuity across generations.