

AMENDED IN ASSEMBLY APRIL 30, 2013

AMENDED IN ASSEMBLY APRIL 4, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1260

Introduced by Assembly Member Medina
(Principal coauthor: Assembly Member V. Manuel Pérez)

February 22, 2013

An act to add Section 27 to the Government Code, relating to businesses.

LEGISLATIVE COUNSEL'S DIGEST

AB 1260, as amended, Medina. California ~~family-owned~~ *family owned* business.

Existing law provides various definitions for various purposes.

This bill would define a California ~~family-owned~~ *family owned* business for purposes of the Government Code.

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) In 2007, California was home to 1.4 million ~~family-owned~~
- 3 *family owned* businesses, which employed nearly 7 million people.
- 4 (b) ~~Family-owned business~~ *Both large and small family owned*
- 5 *businesses* have been recognized through numerous academic
- 6 studies as having unique characteristics. Those studies verify that
- 7 ~~family-owned~~ *family owned* businesses invest more in their

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

4 (c) 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~~ *family owned* businesses have been shown to engage
8 in high levels of local, community-based philanthropic giving, and
9 are strong 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~~ *family owned*
15 businesses in order to preserve free competitive enterprise and
16 support family owned enterprises.

17 SEC. 3. Section 27 is added to the Government Code, to read:

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

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

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