

ASSEMBLY BILL

No. 1602

Introduced by Assembly Member Patterson

February 5, 2014

An act to amend Section 220.5 of the Streets and Highway Code, and to amend Section 19629 of the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1602, as introduced, Patterson. Public social services: business enterprises for the blind.

Existing law establishes the Business Enterprises Program for the Blind for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting. To further these purposes, existing law requires that blind persons be given priority in operating vending facilities, and in the assignment of vending machine income, on state property. Existing law requires that, if any funds are set aside, or caused to be set aside, by the Department of Rehabilitation from the net proceeds of the operation of the vending facilities, the set aside only be to the extent necessary, but not to exceed 6% of gross sales, to pay for specified costs, including maintenance and replacement of equipment and the purchase of new equipment.

This bill would specify that the maximum 6% set aside may be used to pay for power supplies, which is a component of maintenance.

Existing law requires the Department of Transportation to authorize the placement of vending machines in safety roadside rests, except as specified, and requires the department to give preference in the

placement of vending machines to vendors operating under the Business Enterprises Program for the Blind. Existing law requires the department to determine the costs for specified activities, including any maintenance and operation, related to the vending machines and requires that the department be reimbursed for those costs from the revenues derived from the operation of the machines.

This bill would prohibit the department from seeking reimbursement from vendors operating under the Business Enterprises Program for the Blind for power-supply costs not included in a reimbursement to the department from that set aside.

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

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

- 1 SECTION 1. Section 220.5 of the Streets and Highways Code
- 2 is amended to read:
- 3 220.5. (a) The department shall authorize the placement of
- 4 vending machines in safety roadside rests, unless prohibited by
- 5 federal laws, rules, or regulations.
- 6 (b) The department, pursuant to provisions contained in
- 7 paragraph (5) of subsection (a) of Section 2 of the Act of June 20,
- 8 1936, commonly known as the Randolph-Sheppard Act, as
- 9 amended (20 U.S.C. Sec. 107a(a)(5)), shall give preference for the
- 10 placement of vending machines in safety roadside rest areas along
- 11 state highways to vendors operating under the Business Enterprises
- 12 Program for the Blind in accordance with Article 5 (commencing
- 13 with Section 19625) of Chapter 6 of Part 2 of Division 10 of the
- 14 Welfare and Institutions Code.
- 15 (c) The department may determine which safety roadside rest
- 16 areas are suitable for inclusion in the vending machine program
- 17 and the appropriate location within each roadside rest area for the
- 18 placement of the machines, and the department shall approve the
- 19 design and construction of any shelter or structure that may be
- 20 required for the machines.
- 21 (d) (1) The department shall determine the costs for any
- 22 maintenance, operations, design review, or other activities related
- 23 to the vending machines and shall be reimbursed for those costs
- 24 from the revenues derived from the operation of the machines.

1 (2) *If a set aside has been authorized pursuant to Section 19629*
2 *of the Welfare and Institutions Code, the department shall not seek*
3 *reimbursement from vendors operating under the Business*
4 *Enterprises Program for the Blind for power-supply costs not*
5 *included in any reimbursement provided to the department from*
6 *that set aside.*

7 (e) Any money received by the department for authorizing the
8 placement of, or from the income from, the vending machines shall
9 be transferred to the State Highway Account.

10 SEC. 2. Section 19629 of the Welfare and Institutions Code is
11 amended to read:

12 19629. (a) The department shall provide that, if any funds are
13 set aside, or caused to be set aside, from the net proceeds of the
14 operation of the vending facilities those funds shall be set aside,
15 only to the extent necessary, but not to exceed the amount equal
16 to 6 percent of gross sales, and may be used only for the following
17 purposes:

18 (1) ~~Maintenance~~ *Maintenance, which includes power supplies,*
19 *and replacement of equipment.*

20 (2) The purchase of new equipment.

21 (3) The construction of new vending facilities.

22 (4) Funding the functions of the committee of blind vendors
23 established by Section 19638.

24 (5) Retirement or pension funds, health insurance contributions
25 or premiums, life insurance contributions or premiums to the extent
26 approved by the federal Rehabilitation Services Administration,
27 and provision for paid sick leave or vacation time or
28 business-related insurance, if it is so determined by a majority vote
29 of blind vendors after the department provides to each vendor full
30 information on all matters relevant to these purposes. The
31 department shall seek the necessary approval for expenditures of
32 set-aside funds for life insurance contributions or premiums.

33 (b) No set-aside funds shall be collected where the monthly net
34 proceeds are less than one thousand dollars (\$1,000). This amount
35 shall be annually adjusted by the department to reflect changes in
36 the cost of living. The average of the separate indices of cost of
37 living for Los Angeles and San Francisco, as published by the
38 United States Bureau of Labor Statistics, shall be used as the basis
39 for determining the change in the cost of living.

1 (c) Set-aside funds collected from the operation of all vending
2 facilities administered by the Business Enterprise Program shall
3 be placed in a single fund.

4 (d) As used in this section, “net proceeds” shall be the sum of
5 the amount remaining from the sale of articles or services and the
6 amount of any vending machine or other income accruing to blind
7 vendors after the cost of sale and other expenses (excluding
8 set-aside charges required to be paid by the blind vendors) have
9 been deducted.

10 (e) It is the intent of the Legislature that the expenditure of the
11 service charges authorized by this section shall be supplemental
12 to any current appropriations available for these purposes and shall
13 not constitute an offset or diminution of any appropriations.

14 (f) An amount equal to 10 percent of the wages paid by a vendor
15 to any blind person, as defined in Section 19153, or to any disabled
16 person, as defined in regulations issued by the department, shall
17 be deducted from any service charge paid by the vendor, in order
18 to encourage vendors to employ more blind and disabled workers
19 and thereby set an example for industry and government. There
20 shall be no deduction from any service charge paid by a vendor if
21 the vendor does not pay wages at least equal to the minimum wages
22 required of employers pursuant to Chapter 1 (commencing with
23 Section 1171) of Part 4 of Division 2 of the Labor Code.