

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2149

Introduced by Assembly Member Bonilla

February 17, 2016

~~An act to amend Section 22380 of the Financial Code, relating to consumer loans. An act to add Part 13.5 (commencing with Section 31001) to Division 2 of the Revenue and Taxation Code, relating to medical marijuana.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2149, as amended, Bonilla. ~~Consumer loans: Pilot Program for Increased Access to Responsible Small Dollar Loans. State Board of Equalization: state agencies: collection of cash payments: medical marijuana-related businesses.~~

Existing law, the Compassionate Use Act of 1996, an initiative measure enacted by the approval of Proposition 215 at the November 5, 1996, statewide general election, allows the use of marijuana for medical purposes. The Medical Marijuana Regulation and Safety Act provides for the licensure and regulation of commercial medical marijuana activity by various state entities, as specified. The Fee Collection Procedures Law, the violation of which is a crime, provides procedures for the collection of certain fees and surcharges.

This bill would authorize the State Board of Equalization to collect cash payments from medical marijuana-related businesses for other state agencies, including the Department of Consumer Affairs and the Employment Development Department, if that state agency has entered into an agreement with the board. The bill would require the agreement to include specified provisions including that the board be reimbursed

for the administrative costs of the collection, as specified, from the fund for which collection was authorized, upon appropriation by the Legislature.

The bill would require the board to administer and collect the payments in accordance with the Fee Collection Procedures Law. By expanding the application of the Fee Collection Procedures Law, the violation of which is a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Commissioner of Business Oversight and makes a willful violation of its provisions a crime. Existing law, until January 1, 2018, establishes the Pilot Program for Increased Access to Responsible Small Dollar Loans for the purpose of allowing greater access for responsible installment loans in principal amounts of at least \$300 and less than \$2,500. Existing law, on or before January 1, 2017, requires the commissioner to post a report on his or her Internet Web site containing specified information including a recommendation whether the program should be continued after January 1, 2018.~~

~~This bill would require, on or before January 1, 2018, the commissioner to also post a report that provides the number of borrowers who were students and obtained loans for specified purposes.~~

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

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

- 1 SECTION 1. Part 13.5 (commencing with Section 31001) is
- 2 added to the Revenue and Taxation Code, to read:

PART 13.5. MEDICAL MARIJUANA STATE PAYMENT
COLLECTION LAW

31001. This part shall be known, and may be cited, as the Medical Marijuana State Payment Collection Law.

31002. (a) For purposes of this part, the references in the Fee Collection Procedures Law to “fee” shall include any fee, fine, penalty, or other charge required to be paid by a person that is a medical marijuana-related business, and references to “feepayer” shall include a person required to pay those fees.

(b) “State agency,” as used in this part, includes, but is not limited to, the following:

- (1) Department of Consumer Affairs.
- (2) Department of Food and Agriculture.
- (3) Department of Public Health.
- (4) Employment Development Department.
- (5) State Water Resources Control Board.
- (6) Franchise Tax Board.

31003. (a) The board may enter into an agreement with a state agency to collect cash payments for any fee, fine, penalty, or other charge payable to the state agency by a person that is a medical marijuana-related business in accordance with provisions of this part.

(b) The board shall collect fees, fines, penalties, and other charges if the board enters into an agreement with a state agency to make those collections. The agreement shall include the following:

- (1) A provision that the board be reimbursed for the administrative costs of the collection from the fund for which cash payments are collected, upon appropriation of the Legislature.
- (2) A provision that the board transmit the collected moneys to the Treasurer to be deposited in the State Treasury to the credit of the fund for which collection was authorized.
- (3) A provision that describes the administrative costs the board will incur in carrying out the collection and administration, which costs shall not exceed ten percent of the moneys collected.
- (4) A savings clause that provides the board the authority to collect and to make refunds after the sunset date if a sunset date exists.

1 (5) A provision that sets forth the due date for payment of the
2 fee, fine, penalty, or other charge and return by the feepayer.

3 (c) The board shall administer and collect the payments
4 authorized by an agreement made pursuant to this part pursuant
5 to the Fee Collection Procedures Law (Part 30 (commencing with
6 Section 55001)), except that Article 1.1 (commencing with Section
7 55050) of Chapter 3 of that part shall not apply.

8 SEC. 2. No reimbursement is required by this act pursuant to
9 Section 6 of Article XIII B of the California Constitution because
10 the only costs that may be incurred by a local agency or school
11 district will be incurred because this act creates a new crime or
12 infraction, eliminates a crime or infraction, or changes the penalty
13 for a crime or infraction, within the meaning of Section 17556 of
14 the Government Code, or changes the definition of a crime within
15 the meaning of Section 6 of Article XIII B of the California
16 Constitution.

17 SECTION 1. Section 22380 of the Financial Code is amended
18 to read:

19 22380. (a) (1) ~~On or before July 1, 2015, and again, on or~~
20 ~~before January 1, 2017, the commissioner shall post a report on~~
21 ~~his or her Internet Web site summarizing utilization of the Pilot~~
22 ~~Program for Increased Access to Responsible Small Dollar Loans.~~
23 ~~The report required to be submitted on or before July 1, 2015, shall~~
24 ~~additionally include the information required by former Section~~
25 ~~22361, summarizing utilization of the Pilot Program for Affordable~~
26 ~~Credit-Building Opportunities, which was created by Chapter 640~~
27 ~~of the Statutes of 2010.~~

28 (2) ~~On or before January 1, 2018, the commissioner shall post~~
29 ~~a report on the same Internet Web site that provides the number~~
30 ~~of borrowers who were students and obtained a loan for school~~
31 ~~textbooks, materials, and electronics, along with the time period~~
32 ~~to which the report corresponds.~~

33 (b) ~~The information disclosed to the commissioner for the~~
34 ~~commissioner's use in preparing the report described in this section~~
35 ~~is exempted from any requirement of public disclosure by~~
36 ~~paragraph (2) of subdivision (d) of Section 6254 of the Government~~
37 ~~Code.~~

38 (c) ~~If there is more than one licensee approved to participate in~~
39 ~~the program under this article, the report required pursuant to~~

1 ~~subdivision (a) shall state information in aggregate so as not to~~
2 ~~identify data by specific licensee.~~

3 ~~(d) The report required pursuant to paragraph (1) of subdivision~~
4 ~~(a) shall specify the time period to which the report corresponds,~~
5 ~~and shall include, but not be limited to, the following for that time~~
6 ~~period:~~

7 ~~(1) The number of entities that applied to participate in the~~
8 ~~program.~~

9 ~~(2) The number of entities accepted to participate in the program.~~

10 ~~(3) The reason or reasons for rejecting applications for~~
11 ~~participation, if applicable. This information shall be provided in~~
12 ~~a manner that does not identify the entity or entities rejected.~~

13 ~~(4) The number of program loan applications received by lenders~~
14 ~~participating in the program, the number of loans made pursuant~~
15 ~~to the program, the total amount loaned, the distribution of loan~~
16 ~~lengths upon origination, and the distribution of interest rates and~~
17 ~~principal amounts upon origination among those loans.~~

18 ~~(5) The number of borrowers who obtained more than one~~
19 ~~program loan and the distribution of the number of loans per~~
20 ~~borrower.~~

21 ~~(6) Of the number of borrowers who obtained more than one~~
22 ~~program loan, the percentage of those borrowers whose credit~~
23 ~~scores increased between successive loans, based on information~~
24 ~~from at least one major credit bureau, and the average size of the~~
25 ~~increase.~~

26 ~~(7) The income distribution of borrowers upon loan origination,~~
27 ~~including the number of borrowers who obtained at least one~~
28 ~~program loan and who resided in a low-to-moderate-income census~~
29 ~~tract at the time of their loan application.~~

30 ~~(8) The number of borrowers who obtained loans for the~~
31 ~~following purposes, based on borrower responses at the time of~~
32 ~~their loan applications indicating the primary purpose for which~~
33 ~~the loan was obtained:~~

34 ~~(A) Medical.~~

35 ~~(B) Other emergency.~~

36 ~~(C) Vehicle repair.~~

37 ~~(D) Vehicle purchase.~~

38 ~~(E) To pay bills.~~

39 ~~(F) To consolidate debt.~~

40 ~~(G) To build or repair credit history.~~

- 1 ~~(H) To finance a purchase of goods or services other than a~~
2 ~~vehicle.~~
- 3 ~~(I) For other than personal, family, or household purposes.~~
- 4 ~~(J) Other.~~
- 5 ~~(9) The number of borrowers who self-report that they had a~~
6 ~~bank account at the time of their loan application, the number of~~
7 ~~borrowers who self-report that they had a bank account and used~~
8 ~~check-cashing services, and the number of borrowers who~~
9 ~~self-report that they did not have a bank account at the time of~~
10 ~~their loan application.~~
- 11 ~~(10) With respect to refinance loans, the report shall specifically~~
12 ~~include the following information:~~
- 13 ~~(A) The number and percentage of borrowers who applied for~~
14 ~~a refinance loan.~~
- 15 ~~(B) Of those borrowers who applied for a refinance loan, the~~
16 ~~number and percentage of borrowers who obtained a refinance~~
17 ~~loan.~~
- 18 ~~(C) Of those borrowers who obtained a refinance loan:~~
- 19 ~~(i) The percentage of borrowers who refinanced once.~~
- 20 ~~(ii) The percentage of borrowers who refinanced twice.~~
- 21 ~~(iii) The percentage of borrowers who refinanced more than~~
22 ~~twice.~~
- 23 ~~(D) Of those borrowers who obtained a refinance loan, the~~
24 ~~average percentage of principal paid down before obtaining a~~
25 ~~refinance loan.~~
- 26 ~~(E) Of those borrowers who obtained a refinance loan, the~~
27 ~~average amount of additional principal extended.~~
- 28 ~~(F) Of those borrowers who obtained a refinance loan, the~~
29 ~~average number of late payments made on the loan that was~~
30 ~~refinanced.~~
- 31 ~~(11) The number and type of finders used by licensees and the~~
32 ~~relative performance of loans consummated by finders compared~~
33 ~~to the performance of loans consummated without a finder.~~
- 34 ~~(12) The number and percentage of borrowers who obtained~~
35 ~~one or more program loans on which late fees were assessed, the~~
36 ~~total amount of late fees assessed, and the average late fee assessed~~
37 ~~by dollar amount and as a percentage of the principal amount~~
38 ~~loaned.~~
- 39 ~~(13) (A) The performance of loans under this article, as reflected~~
40 ~~by all of the following:~~

1 (i) ~~The number and percentage of pilot program borrowers who~~
2 ~~experienced at least one delinquency lasting between seven and~~
3 ~~29 days, and the distribution of principal loan amounts~~
4 ~~corresponding to those delinquencies.~~

5 (ii) ~~The number and percentage of pilot program borrowers who~~
6 ~~experienced at least one delinquency lasting between 30 and 59~~
7 ~~days, and the distribution of principal loan amounts corresponding~~
8 ~~to those delinquencies.~~

9 (iii) ~~The number and percentage of pilot program borrowers~~
10 ~~who experienced at least one delinquency lasting 60 days or more,~~
11 ~~and the distribution of principal loan amounts corresponding to~~
12 ~~those delinquencies.~~

13 (iv) ~~The number and percentage of pilot program borrowers~~
14 ~~who experienced at least one delinquency of greater than seven~~
15 ~~days and who did not subsequently bring their loan current.~~

16 (v) ~~Among loans that were ever delinquent for seven days or~~
17 ~~more, the average number of times borrowers experienced a~~
18 ~~delinquency of seven days or more.~~

19 (B) ~~To the extent data are readily available to the commissioner,~~
20 ~~the commissioner shall include in his or her report comparable~~
21 ~~delinquency data for unsecured loans made by persons licensed~~
22 ~~under Chapter 2 (commencing with Section 22365) of Division 9~~
23 ~~in principal amounts between two thousand five hundred dollars~~
24 ~~(\$2,500) and four thousand nine hundred ninety-nine dollars~~
25 ~~(\$4,999), and in principal amounts between five thousand dollars~~
26 ~~(\$5,000) and nine thousand nine hundred ninety-nine dollars~~
27 ~~(\$9,999), and for unsecured extensions of credit made by~~
28 ~~state-chartered banks and credit unions under the commissioner's~~
29 ~~jurisdiction, in principal amounts between two thousand five~~
30 ~~hundred dollars (\$2,500) and four thousand nine hundred~~
31 ~~ninety-nine dollars (\$4,999), and in principal amounts between~~
32 ~~five thousand dollars (\$5,000) and nine thousand nine hundred~~
33 ~~ninety-nine dollars (\$9,999).~~

34 (14) ~~The number and types of violations of this article by finders,~~
35 ~~which were documented by the commissioner.~~

36 (15) ~~The number and types of violations of this article by~~
37 ~~licensees, which were documented by the commissioner.~~

38 (16) ~~The number of times that the commissioner disqualified a~~
39 ~~finder from performing services, barred a finder from performing~~
40 ~~services at one or more specific locations of the finder, terminated~~

1 a written agreement between a finder and a licensee, or imposed
2 an administrative penalty.
3 (17) ~~The number of complaints received by the commissioner~~
4 ~~about a licensee or a finder, and the nature of those complaints.~~
5 (18) ~~Recommendations for improving the program.~~
6 (19) ~~Recommendations regarding whether the program should~~
7 ~~be continued after January 1, 2018.~~
8 (e) ~~The commissioner shall conduct a random sample survey~~
9 ~~of borrowers who have participated in the program to obtain~~
10 ~~information regarding the borrowers' experience and licensees'~~
11 ~~compliance with this article. The results of this survey shall be~~
12 ~~included in the report required by this section.~~