



CALIFORNIA STATE TREASURER JOHN CHIANG

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Treasurer Chiang's 2016 Legislative Agenda

*Second Year in Office Sees Continued Strong Emphasis on Social Gains,
from Housing to Improving Government Transparency to Helping Workers Save*

SACRAMENTO – State Treasurer John Chiang has affirmed which bills figure at the top of his list of legislative priorities in 2016.

“These bills are on my ‘must pass’ list because they will help the state flourish today and thrive tomorrow,” he said.

“This is legislation that will continue to set the tone and pace for what I’ve been focusing on during my first year as treasurer – reimagining how we can help California’s workers, businesses, financial centers and environment thrive at the forward edge of a fast-changing economy.”

The legislation the treasurer will work to pass into law this year includes:

- **[Assembly Bill 2833](#), authored by Assemblyman Ken Cooley (D-Rancho Cordova)**. Public pension funds, made up of taxpayer dollars and the earnings of state workers, are among the largest investors in private equity and they pay large fees to the firms that handle their investments. Despite positive performance, the profit strategies private equity firms employ too often run counter to the values of public fund trustees and their constituents, particularly with respect to transparency of fees. “Every dollar paid to the Wall Street managers of hedge and private equity funds is a dollar that isn’t available to ensure benefits are adequately funded and minimize taxpayer costs,” he said. AB 2833 would require private equity firms to disclose all fees charged to California public pension funds and their trustees.
- **[Assembly Bill 2334](#), authored by Assemblymen Kevin Mullin (D-South San Francisco) and Philip Y. Ting (D-San Francisco)**. Incentivizing California-based jobs and manufacturing while promoting clean technology and reducing pollution and energy consumption is a win-win for the entire state. AB 2334 would accomplish this by increasing the annual award cap of the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) sales and use tax exclusion from \$100 million to \$350 million annually, while also allowing un-awarded funds to be carried forward to future years. “This program is helping to re-energize the role of aerospace in our economy, as well as to establish California as the new frontier of low-polluting self-driving cars,” the treasurer said.
- **[Senate Bill 1029](#), authored by Senator Robert M. Hertzberg, (D-Van Nuys)**. This legislation is based on the recommendations of the Treasurer’s Task Force on Bond Accountability, which

was tasked with identifying best practices for tracking bond proceeds. SB 1029 requires the issuer of any state or local government debt to publicly disclose how it uses borrowed money. It also requires all state and local agencies to make an annual report to the treasurer's office until the debt is fully repaid or redeemed. A few months ago, the treasurer unveiled DebtWatch, a transparency tool designed to enable taxpayers and the media to access debt data on California's 4,200 units of local government. SB 1029 would expand the data available in DebtWatch.

- **[Assembly Bill 2726](#), authored by Assemblyman Kevin McCarty (D-Sacramento).** Unlike 33 states and the District of Columbia, California does not offer parents with college-bound children any type of tax incentive to save for college. Meanwhile, even middle class families are being priced out of a higher education. Education remains the key to participating in today's information-based economy, noted Treasurer Chiang, yet surveys in 2012 and 2013 found that while most parents agree that a college education is crucial many have not started saving. "California needs to empower and support families that want to build college savings," the treasurer said. AB 2726 would spur more families to save for college through the state's ScholarShare program, offering tax credits of up to 20% of contributions for a maximum credit of \$500.
- **[Assembly Bill 1920](#), authored by Assemblyman Ed Chau (D-Arcadia).** By giving legislative authority to levy fines for noncompliance to the Tax Credit Allocation Committee (TCAC), AB 1920 can ensure that rental housing developments that receive low-income housing tax credits actually follow through on the requirement that they rent to income eligible applicants, limit rents and keep units affordable for extremely low-income households. This is an important step in protecting the state's stock of affordable housing statewide and therefore a strong priority for the treasurer.
- **[Senate Bill 873](#), authored by Senator Jim Beall (D-San Jose).** Low-income housing tax credits are the primary source of capital to construct and rehabilitate thousands of affordable housing units each year. SB 873 would allow developers who have little or no tax liability to sell the credits to an investor without the investor becoming a limited partner in a project. If an investor can treat the credit as an asset rather than income, the investor will pay closer to the face value of the credit. SB 873 will significantly increase the value of low-income housing tax credits and will thus allow many more affordable housing units to be built for the same level of state tax expenditure.
- **[Senate Bill 1234](#), authored by Senate President pro Tempore Kevin De León, (D-Los Angeles).** Treasurer Chiang strongly endorses this legislation, which would provide an opportunity for the approximately 6.8 million private-sector workers who currently lack any retirement savings plan at work to begin saving for a dignified retirement. SB 1234, otherwise known as "Secure Choice," would require all employers with five or more employees to either provide their own retirement savings plan or to automatically enroll their employees in the state-administered Secure Choice Program. Participants could opt out if they prefer not to participate. Employers would not contribute to the accounts. Secure Choice accounts would be simple, low-risk, and portable, allowing workers to continue saving in the same account as they change jobs throughout their working lives. Nearly one-third of California's senior households are living at or below the poverty level and subsequent generations are projected to retire with even less. The current retirement savings market place is not working. Secure Choice is an important first step toward ensuring California workers will not have to retire into poverty or work for the rest of their lives.

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