



# CALI

California Association of  
Licensed Investigators



**CAMPAIGN  
FOR  
CALI**

2020 Annual Legislative Day  
March 9, 2020

## KEY ISSUES

### PI Businesses Organized as LLCs

SB 1271 [Morrell] – **CALI is sponsoring** this legislation to extend the January 1, 2021 statutory sunset on the authority of state-licensed private investigators to have their businesses organized as LLCs. The bill would extend the authority for three additional years.

Senate Business, Professions and Economic Development and Judiciary Committees

### Workers' Status as Employee or Independent Contractor

**CALI appreciates** the provisions Assembly Member Gonzalez placed into AB 5 of 2019, with the support of the California Labor Federation, that clarifies the criteria utilized for the determination of a licensed private investigator's status as an independent contractor or an employee.

Going forward, and retroactively as well, the Borello criteria and other specific factors set forth in the measure will be utilized for the determination of an individual as an employee or an independent contractor for this profession.

### Microbusiness Tax Credit for New Hires

AB 2041 [M Dahle] - **CALI supports** this measure that would provide a tax credit in an amount that is equal to 30% of the amount paid or incurred by a microbusiness [a business with 10 or fewer employees] for wages of up to 3 qualified employees.

This credit would be capped at 5,000 per qualified employee. The bill would define "qualified employee" to mean a full or part-time employee who is between 18 to 25 years of age and has not previously received wages from any employer.

Status—Assembly Revenue and Taxation Committee

### Peace Officer Background Investigations

AB 3341 [Muratsuchi] - This bill would require that the extensive background investigation for peace officers be conducted by a peace officer who has completed all applicable training offered by the Commission on Peace Officer Standards and Training [POST].

*[continued]*



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**CALI is discussing with the author** potential revisions that would ensure that licensed private investigators who have completed the same POST training will be able to continue to provide these background investigations. Status – Assembly— awaiting Committee Assignment

## Minimum Franchise Tax

**CALI supports** legislative efforts to provide tax relief and economic incentives to businesses by reducing the minimum corporate taxes that are set forth in law.

AB 2306 [Melendez] – would repeal the minimum franchise tax imposed upon a corporation doing business in the state, on and after January 1, 2020. Status – Assembly Revenue and Taxation Committee

AB 2929 [Arambula] - would provide that a single-owner corporation, or a single-member limited liability company, is not subject to the minimum franchise tax or annual tax in the company's first taxable year.

The bill would subject those entities to an annual increase in those taxes by \$200 commencing in the second taxable year, and every taxable year thereafter, until the entity is subject to 100% of those taxes.

Status—Assembly Revenue and Taxation Committee

## Wait Times for License Renewals

SB 878 [Jones] - **CALI supports** this measure that would require each board within the Department of Consumer Affairs that issues licenses to prominently display the current timeframe for processing initial and renewal license applications on its internet website.

Status— Senate Business, Professions and Economic Development Committee

## Licensure Reciprocity with Other States

AB 2185 [Patterson] - This measure would require each board within the Department of Consumer Affairs to issue a license to an applicant if the person currently holds a license in good standing in another state in the same discipline and practice level.

The bill would require that person to meet specified requirements, including that the person has held the license and has practiced in the licensed field in the other state for at least 3 of the last 5 years and pays all applicable fees.

**CALI is contacting the author** to express concerns that the measure does not condition reciprocity on the other state providing the same recognition to California licensees — as set forth in the PI Act.

Status—Assembly Business and Profession Committee



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