

**AB-81 COVID-19 relief.** (2021-2022)

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Assembly Bill No. 81**CHAPTER 5**

An act to amend Sections 789.4, 1785.20.4, 1788.65, 1788.66, and 1942.9 of, and to amend and renumber Section 1179.04.5 of, the Civil Code, to amend Sections 871.10, 1179.03, and 1179.05 of the Code of Civil Procedure, to amend Sections 50897.1 and 50897.3 of the Health and Safety Code, to amend Section 4003 of the Unemployment Insurance Code, and to amend Section 11157 of the Welfare and Institutions Code, relating to COVID-19 relief, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor February 23, 2021. Filed with Secretary of State February 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 81, Ting. COVID-19 relief.

(1) Existing law, the COVID-19 Tenant Relief Act, until July 1, 2025, establishes procedural requirements and limitations on evictions for nonpayment of rent due to COVID-19 rental debt, as defined. Existing law, among other things, prohibits a tenant that delivers a declaration, under penalty of perjury, of COVID-19-related financial distress from being deemed in default with regard to the COVID-19 rental debt, as specified.

Existing law makes an ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction subject to certain restrictions, including that the specified period of time during which a tenant is permitted to repay COVID-19 rental debt may not extend beyond the period that was in effect on August 19, 2020, and a provision may not permit a tenant a period of time that extends beyond August 31, 2021, to repay COVID-19 rental debt.

This bill would instead, among other things, prohibit an ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county from permitting a tenant a period of time that extends beyond August 31, 2022, to repay COVID-19 rental debt.

Existing law requires a plaintiff, in an action seeking recovery of COVID-19 rental debt, to attach to the complaint documentation showing that the plaintiff has made a good faith effort to investigate whether governmental rental assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant's efforts to obtain rental assistance from any governmental entity or other third party, as specified. Existing law requires an action subject to that provision that was pending as of January 29, 2021, to be stayed until July 1, 2021.

This bill would instead, among other things, require those actions to be stayed until August 1, 2021.

(2) Existing law provides for the payment of unemployment compensation benefits to eligible persons who are unemployed through no fault of their own through a federal-state unemployment insurance program administered by the Employment Development Department. Under existing law, unemployment compensation benefits are paid from the Unemployment Fund, which is continuously appropriated for this purpose.

Existing law provides for the payment of temporary federal-state emergency unemployment compensation benefits authorized under specified federal law to eligible individuals in this state for weeks of unemployment beginning on or after February 1, 2009, and continuing until the week ending 4 weeks prior to the last week for which 100% federal sharing is authorized under the federal American Recovery and Reinvestment Act of 2009, except as provided, if specified economic indicators trigger the payment of those benefits. Existing law also provides for the payment of temporary federal-state emergency unemployment compensation benefits to eligible individuals in this state for weeks of unemployment beginning on or after March 18, 2020, and continuing until the week ending 4 weeks prior to the last week for which 100% federal sharing is authorized by the federal Families First Coronavirus Response Act (FFCRA) or for weeks of unemployment ending 4 weeks prior to the last week for which Congress, pursuant to any future amendment of the Federal-State Extended Unemployment Compensation Act of 1970, has authorized 100% federal sharing, except as provided, if specified economic indicators trigger the payment of those benefits.

This bill would provide that with respect to weeks of unemployment beginning on or after March 18, 2020, and continuing until the week ending 4 weeks prior to the last week for which 100% federal sharing is authorized by the FFCRA, this period shall be interpreted to retroactively include any subsequent extension of the last week for which 100% federal sharing is authorized under the FFCRA, and shall take effect as if the amendment extending full federal funding was enacted as part of the FFCRA.

This bill would provide that, with respect to whether the state is in an extended benefit period beginning on November 1, 2020, through December 31, 2021, as permitted by specified federal law, the requirement that no extended benefit period may begin prior to the 14th week following the end of a prior extended benefit period which was in effect shall not apply. The bill would also state that, when authorized by federal law to temporarily waive the "off" period, the requirement that no extended benefit period may begin prior to the 14th week following the end of a prior extended benefit period shall not apply.

Because the bill would provide for the payment of additional amounts from the Unemployment Fund, a continuously appropriated special fund, it would make an appropriation.

(3) Existing federal law provides for the Supplemental Nutrition Assistance Program (SNAP), known in California as CalFresh program, under which supplemental nutrition assistance benefits allocated to the state by the federal government are distributed to eligible individuals by each county. Existing federal law, the Consolidated Appropriations Act of 2021, prohibits federal pandemic unemployment compensation payment, as described, from being regarded as a resource, as specified, for the purpose of determining eligibility for prescribed programs, including SNAP.

Existing federal law provides for allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) block grant program to eligible states. Existing law provides for the California Work Opportunity and Responsibility to Kids (CalWORKs) program, under which, through a combination of state and county funds and federal funds received through the TANF program, each county provides cash assistance and other benefits to qualified low-income families. Existing law exempts certain types of payments, including specified amounts of disability-based unearned and earned income, received by recipients of aid under the CalWORKs program from consideration as income for purposes of determining eligibility and aid amount.

This bill would additionally exempt any federal pandemic unemployment compensation from consideration as income and resources for purposes of determining initial and continued eligibility and grant amount for the CalWORKs program, and would require this exemption to remain in effect so long as that compensation is exempt as income for purposes of establishing eligibility for the CalFresh program pursuant to the federal Consolidated Appropriations Act of 2021 or other law. By expanding the scope of eligibility for the CalWORKs program, and thereby increasing the duties of counties administering that program, the bill would impose a state-mandated local program.

(4) 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted

above.

(5) Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill would provide that the continuous appropriation would not be made for purposes of implementing the bill.

(6) This bill would appropriate \$5,000,000 from the General Fund to the Franchise Tax Board to be allocated to existing California Earned Income Tax Credit for outreach contracts to provide increased awareness of the Golden State Stimulus, as provided.

(7) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 789.4 of the Civil Code is amended to read:

789.4. (a) In addition to the damages provided in subdivision (c) of Section 789.3, a landlord who violates Section 789.3, if the tenant has provided a declaration of COVID-19 financial distress pursuant to Section 1179.03 of the Code of Civil Procedure, shall be liable for damages in an amount that is at least one thousand dollars (\$1,000) but not more than two thousand five hundred dollars (\$2,500), as determined by the trier of fact.

(b) This section shall remain in effect until July 1, 2021, and as of that date is repealed.

SEC. 2. Section 1179.04.5 of the Civil Code is amended and renumbered as Section 1179.04.5 of the Code of Civil Procedure, to read:

1179.04.5. Notwithstanding Sections 1470, 1947, and 1950 of the Civil Code, or any other law, for the duration of any tenancy that existed during the covered time period, the landlord shall not do either of the following:

(a) Apply a security deposit to satisfy COVID-19 rental debt, unless the tenant has agreed, in writing, to allow the deposit to be so applied. Nothing in this subdivision shall prohibit a landlord from applying a security deposit to satisfy COVID-19 rental debt after the tenancy ends, in accordance with Section 1950.5 of the Civil Code.

(b) Apply a monthly rental payment to any COVID-19 rental debt other than the prospective month's rent, unless the tenant has agreed, in writing, to allow the payment to be so applied.

SEC. 3. Section 1785.20.4 of the Civil Code is amended to read:

1785.20.4. A housing provider, tenant screening company, or other entity that evaluates tenants on behalf of a housing provider shall not use an alleged COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, as a negative factor for the purpose of evaluating a prospective housing application or as the basis for refusing to rent a dwelling unit to an otherwise qualified prospective tenant.

SEC. 4. Section 1788.65 of the Civil Code is amended to read:

1788.65. (a) Notwithstanding any other law, a person shall not sell or assign any unpaid COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the time period between March 1, 2020, and June 30, 2021.

(b) This section shall remain in effect until July 1, 2021, and as of that date is repealed.

SEC. 5. Section 1788.66 of the Civil Code is amended to read:

1788.66. Notwithstanding any other law, a person shall not sell or assign any unpaid COVID-19 rental debt, as defined in Section 1179.02 of the Code of Civil Procedure, for the time period between March 1, 2020, and June 30, 2021, of any person who would have qualified for rental assistance funding provided by the Secretary of the

Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), where the person's household income is at or below 80 percent of the area median income for the 2020 calendar year.

SEC. 6. Section 1942.9 of the Civil Code is amended to read:

1942.9. (a) Notwithstanding any other law, a landlord shall not, with respect to a tenant who has COVID-19 rental debt, as that term is defined in Section 1179.02 of the Code of Civil Procedure, and who has submitted a declaration of COVID-19-related financial distress, as defined in Section 1179.02 of the Code of Civil Procedure, do either of the following:

(1) Charge a tenant, or attempt to collect from a tenant, fees assessed for the late payment of that COVID-19 rental debt.

(2) Increase fees charged to the tenant or charge the tenant fees for services previously provided by the landlord without charge.

(b) Notwithstanding any other law, a landlord who temporarily reduces or makes unavailable a service or amenity as the result of compliance with federal, state, or local public health orders or guidelines shall not be considered to have violated the rental or lease agreement, nor to have provided different terms or conditions of tenancy or reduced services for purposes of any law, ordinance, rule, regulation, or initiative measure adopted by a local governmental entity that establishes a maximum amount that a landlord may charge a tenant for rent.

SEC. 7. Section 871.10 of the Code of Civil Procedure is amended to read:

871.10. (a) In any action seeking recovery of COVID-19 rental debt, as defined in Section 1179.02, the plaintiff shall, in addition to any other requirements provided by law, attach to the complaint documentation showing that the plaintiff has made a good faith effort to investigate whether governmental rental assistance is available to the tenant, seek governmental rental assistance for the tenant, or cooperate with the tenant's efforts to obtain rental assistance from any governmental entity, or other third party pursuant to paragraph (3) of subdivision (a) of Section 1947.3 of the Civil Code.

(b) Except as provided in subdivision (c), an action subject to subdivision (a), the court may reduce the damages awarded for any amount of COVID-19 rental debt, as defined in Section 1179.02, sought if the court determines that the landlord refused to obtain rental assistance from the state rental assistance program created pursuant to Chapter 17 (commencing with Section 50897) of Part 2 of Division 31 of the Health and Safety Code, if the tenant met the eligibility requirements and funding was available.

(c) Subdivision (b) shall not apply within any jurisdiction that received a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and did not accept a block grant pursuant to Section 50897.2 of the Health and Safety Code and is not subject to paragraph (5) of subdivision (a) of that section.

(d) An action to recover COVID-19 rental debt, as defined in Section 1179.02, that is subject to this section shall not be commenced before August 1, 2021.

(e) Subdivisions (a) through (d), inclusive, shall not apply to an action to recover COVID-19 rental debt, as defined in Section 1179.02, that was pending before the court as of January 29, 2021.

(f) Except as provided in subdivision (h), any action to recover COVID-19 rental debt, as defined in Section 1179.02, that is subject to this section and is pending before the court as of January 29, 2021, shall be stayed until August 1, 2021.

(g) This section shall not apply to any unlawful detainer action to recover possession pursuant to Section 1161.

(h) Actions for breach of contract to recover rental debt that were filed before October 1, 2020, shall not be stayed and may proceed, except that this subdivision shall not apply to actions filed against any person who would have qualified under the rental assistance funding provided through the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and where the person's household income is at or below 80 percent of the area median income for the 2020 calendar year.

SEC. 8. Section 1179.03 of the Code of Civil Procedure is amended to read:

1179.03. (a) (1) Any notice that demands payment of COVID-19 rental debt served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 shall be modified as required by this section. A notice which does not meet the requirements of this section, regardless of when the notice was issued, shall not be sufficient to establish a cause of action for unlawful detainer or a basis for default judgment.

(2) Any case based solely on a notice that demands payment of COVID-19 rental debt served pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) or (3) of Section 1161 may be dismissed if the notice does not meet the requirements of this section, regardless of when the notice was issued.

(3) Notwithstanding paragraphs (1) and (2), this section shall have no effect if the landlord lawfully regained possession of the property or obtained a judgment for possession of the property before the operative date of this section.

(b) If the notice demands payment of rent that came due during the protected time period, as defined in Section 1179.02, the notice shall comply with all of the following:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall set forth the amount of rent demanded and the date each amount became due.

(3) The notice shall advise the tenant that the tenant cannot be evicted for failure to comply with the notice if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the date that the notice to pay rent or quit or notice to perform covenants or quit expires, by any of the methods specified in subdivision (f).

(4) The notice shall include the following text in at least 12-point font:

"NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, your landlord will not be able to evict you for this missed payment if you sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, but you will still owe this money to your landlord. If you do not sign and deliver the declaration within this time period, you may lose the eviction protections available to you. You must return this form to be protected. You should keep a copy or picture of the signed form for your records.

You will still owe this money to your landlord and can be sued for the money, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

For information about legal resources that may be available to you, visit lawhelpca.org."

(c) If the notice demands payment of rent that came due during the transition time period, as defined in Section 1179.02, the notice shall comply with all of the following:

(1) The time period in which the tenant may pay the amount due or deliver possession of the property shall be no shorter than 15 days, excluding Saturdays, Sundays, and other judicial holidays.

(2) The notice shall set forth the amount of rent demanded and the date each amount became due.

(3) The notice shall advise the tenant that the tenant will not be evicted for failure to comply with the notice, except as allowed by this chapter, if the tenant delivers a signed declaration of COVID-19-related financial distress to the landlord on or before the date the notice to pay rent or quit or notice to perform covenants or quit expires, by any of the methods specified in subdivision (f).

(4) For notices served before February 1, 2021, the notice shall include the following text in at least 12-point type:

"NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, you may sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, and your landlord will not be able to evict you for this missed payment so long as you make the minimum payment (see below). You will still owe this money to your landlord. You should keep a copy or picture of the signed form for your records.

If you provide the declaration form to your landlord as described above AND, on or before January 31, 2021, you pay an amount that equals at least 25 percent of each rental payment that came due or will come due during the period between September 1, 2020, and January 31, 2021, that you were unable to pay as a result of decreased income or increased expenses due to COVID-19, your landlord cannot evict you. Your landlord may require you to submit a new declaration form for each rental payment that you do not pay that comes due between September 1, 2020, and January 31, 2021.

For example, if you provided a declaration form to your landlord regarding your decreased income or increased expenses due to COVID-19 that prevented you from making your rental payment in September and October of 2020, your landlord could not evict you if, on or before January 31, 2021, you made a payment equal to 25 percent of September's and October's rental payment (i.e., half a month's rent). If you were unable to pay any of the rental payments that came due between September 1, 2020, and January 31, 2021, and you provided your landlord with the declarations in response to each 15-day notice your landlord sent to you during that time period, your landlord could not evict you if, on or before January 31, 2021, you paid your landlord an amount equal to 25 percent of all the rental payments due from September through January (i.e., one and a quarter month's rent).

You will still owe the full amount of the rent to your landlord, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

For information about legal resources that may be available to you, visit lawhelpca.org."

(5) For notices served on or after February 1, 2021, the notice shall include the following text in at least 12-point type:

"NOTICE FROM THE STATE OF CALIFORNIA: If you are unable to pay the amount demanded in this notice, and have decreased income or increased expenses due to COVID-19, you may sign and deliver the declaration form included with your notice to your landlord within 15 days, excluding Saturdays, Sundays, and other judicial holidays, and your landlord will not be able to evict you for this missed payment so long as you make the minimum payment (see below). You will still owe this money to your landlord. You should keep a copy or picture of the signed form for your records.

If you provide the declaration form to your landlord as described above AND, on or before June 30, 2021, you pay an amount that equals at least 25 percent of each rental payment that came due or will come due during the period between September 1, 2020, and June 30, 2021, that you were unable to pay as a result of decreased income or increased expenses due to COVID-19, your landlord cannot evict you. Your landlord may require you to submit a new declaration form for each rental payment that you do not pay that comes due between September 1, 2020, and June 30, 2021.

If you were unable to pay any of the rental payments that came due between September 1, 2020, and June 30, 2021, and you provided your landlord with the declarations in response to each 15-day notice your landlord sent to you during that time period, your landlord could not evict you if, on or before June 30, 2021, you paid your landlord an amount equal to 25 percent of all the rental payments due from September 2020 through June 2021.

You will still owe the full amount of the rent to your landlord, but you cannot be evicted from your home if you comply with these requirements. You should keep careful track of what you have paid and any amount you still owe to protect your rights and avoid future disputes. Failure to respond to this notice may result in an unlawful detainer action (eviction) being filed against you.

YOU MAY QUALIFY FOR RENTAL ASSISTANCE. In addition to extending these eviction protections, the State of California, in partnership with federal and local governments, has created an emergency rental assistance program to assist renters who have been unable to pay their rent and utility bills as a result of the COVID-19 pandemic. This program may be able to help you get caught up with past-due rent. Additionally, depending on the availability of funds, the program may also be able to assist you with making future rental payments.

While not everyone will qualify for this assistance, you can apply for it regardless of your citizenship or immigration status. There is no charge to apply for or receive this assistance.

Additional information about the extension of the COVID-19 Tenant Relief Act and new state or local rental assistance programs, including more information about how to qualify for assistance, can be found by visiting <http://housingiskey.com> or by calling 1-833-422-4255."

(d) An unsigned copy of a declaration of COVID-19-related financial distress shall accompany each notice delivered to a tenant to which subdivision (b) or (c) is applicable. If the landlord was required, pursuant to Section 1632 of the Civil Code, to provide a translation of the rental contract or agreement in the language in which the contract or agreement was negotiated, the landlord shall also provide the unsigned copy of a declaration of COVID-19-related financial distress to the tenant in the language in which the contract or agreement was negotiated. The Department of Real Estate shall make available an official translation of the text required by paragraph (4) of subdivision (b), paragraph (4) of subdivision (c), and paragraph (5) of subdivision (c) in the languages specified in Section 1632 of the Civil Code by no later than February 15, 2021.

(e) If a tenant owes a COVID-19 rental debt to which both subdivisions (b) and (c) apply, the landlord shall serve two separate notices that comply with subdivisions (b) and (c), respectively.

(f) A tenant may deliver the declaration of COVID-19-related financial distress to the landlord by any of the following methods:

(1) In person, if the landlord indicates in the notice an address at which the declaration may be delivered in person.

(2) By electronic transmission, if the landlord indicates an email address in the notice to which the declaration may be delivered.

(3) Through United States mail to the address indicated by the landlord in the notice. If the landlord does not provide an address pursuant to subparagraph (1), then it shall be conclusively presumed that upon the mailing of the declaration by the tenant to the address provided by the landlord, the declaration is deemed received by the landlord on the date posted, if the tenant can show proof of mailing to the address provided by the landlord.

(4) Through any of the same methods that the tenant can use to deliver the payment pursuant to the notice if delivery of the declaration by that method is possible.

(g) Except as provided in Section 1179.02.5, the following shall apply to a tenant who, within 15 days of service of the notice specified in subdivision (b) or (c), excluding Saturdays, Sundays, and other judicial holidays, demanding payment of COVID-19 rental debt delivers a declaration of COVID-19-related financial distress to the landlord by any of the methods provided in subdivision (f):

(1) With respect to a notice served pursuant to subdivision (b), the tenant shall not then or thereafter be deemed to be in default with regard to that COVID-19 rental debt for purposes of subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161.

(2) With respect to a notice served pursuant to subdivision (c), the following shall apply:

(A) Except as provided by subparagraph (B), the landlord may not initiate an unlawful detainer action before July 1, 2021.

(B) A tenant shall not be guilty of unlawful detainer, now or in the future, based upon nonpayment of COVID-19 rental debt that came due during the transition period if, on or before June 30, 2021, the tenant tenders one or more payments that, when taken together, are of an amount equal to or not less than 25 percent of each transition period rental payment demanded in one or more notices served pursuant to subsection (c) and for which the tenant complied with this subdivision by timely delivering a declaration of COVID-19-related financial distress to the landlord.

(h) (1) (A) Within the time prescribed in Section 1167, a tenant shall be permitted to file a signed declaration of COVID-19-related financial distress with the court.

(B) If the tenant files a signed declaration of COVID-19-related financial distress with the court pursuant to this subdivision, the court shall dismiss the case, pursuant to paragraph (2), if the court finds, after a noticed hearing on the matter, that the tenant's failure to return a declaration of COVID-19-related financial distress within the time required by subdivision (g) was the result of mistake, inadvertence, surprise, or excusable neglect, as those terms have been interpreted under subdivision (b) of Section 473.

(C) The noticed hearing required by this paragraph shall be held with not less than five days' notice and not more than 10 days' notice, to be given by the court, and may be held separately or in conjunction with any regularly noticed hearing in the case, other than a trial.

(2) If the court dismisses the case pursuant to paragraph (1), that dismissal shall be without prejudice as follows:

(A) If the case was based in whole or in part upon a notice served pursuant to subdivision (b), the court shall dismiss any cause of action based on the notice served pursuant to subdivision (b).

(B) Before July 1, 2021, if the case is based in whole or in part on a notice served pursuant to subdivision (c), the court shall dismiss any cause of action based on the notice served pursuant to subdivision (c).

(C) On or after July 1, 2021, if the case is based in whole or in part on a notice served pursuant to subdivision (c), the court shall dismiss any cause of action based upon the notice served pursuant to subdivision (c) if the tenant, within five days of the court's order to do so, makes the payment required by subparagraph (B) of paragraph (2) of subdivision (g), provided that if the fifth day falls on a Saturday, Sunday, or judicial holiday the last day to pay shall be extended to the next court day.

(3) If the court dismisses the case pursuant to this subdivision, the tenant shall not be considered the prevailing party for purposes of Section 1032, any attorney's fee provision appearing in contract or statute, or any other law.

(i) Notwithstanding any other law, a notice which is served pursuant to subdivision (b) or (c) that complies with the requirements of this chapter and subdivision (e) of Section 798.56 of the Civil Code or paragraphs (2) and (3) of Section 1161, as applicable, need not include specific language required by any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county.

SEC. 9. Section 1179.05 of the Code of Civil Procedure is amended to read:

1179.05. (a) Any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction is subject to all of the following:

(1) Any extension, expansion, renewal, reenactment, or new adoption of a measure, however delineated, that occurs between August 19, 2020, and June 30, 2021, shall have no effect before July 1, 2021.

(2) Any provision which allows a tenant a specified period of time in which to repay COVID-19 rental debt shall be subject to all of the following:

(A) If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date on or before August 1, 2021, any extension of that date made after August 19, 2020, shall have no effect.

(B) If the provision in effect on August 19, 2020, required the repayment period to commence on a specific date after August 1, 2021, or conditioned commencement of the repayment period on the termination of a proclamation of state of emergency or local emergency, the repayment period is deemed to begin on August 1, 2021.

(C) The specified period of time during which a tenant is permitted to repay COVID-19 rental debt may not extend beyond the period that was in effect on August 19, 2020. In addition, a provision may not permit a tenant a period of time that extends beyond August 31, 2022, to repay COVID-19 rental debt.

(b) This section does not alter a city, county, or city and county's authority to extend, expand, renew, reenact, or newly adopt an ordinance that requires just cause for termination of a residential tenancy or amend existing ordinances that require just cause for termination of a residential tenancy, consistent with subdivision (g) of Section 1946.2, provided that a provision enacted or amended after August 19, 2020, shall not apply to rental payments that came due between March 1, 2020, and June 30, 2021.

(c) The one-year limitation provided in subdivision (2) of Section 1161 is tolled during any time period that a landlord is or was prohibited by any ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction based on nonpayment of rental payments from serving a notice that demands payment of COVID-19 rental debt pursuant to subdivision (e) of Section 798.56 of the Civil Code or paragraph (2) of Section 1161.

(d) It is the intent of the Legislature that this section be applied retroactively to August 19, 2020.

(e) The Legislature finds and declares that this section addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

(f) It is the intent of the Legislature that the purpose of this section is to protect individuals negatively impacted by the COVID-19 pandemic, and that this section does not provide the Legislature's understanding of the legal validity on any specific ordinance, resolution, regulation, or administrative action adopted by a city, county, or city and county in response to the COVID-19 pandemic to protect tenants from eviction.

SEC. 10. Section 50897.1 of the Health and Safety Code is amended to read:

50897.1. (a) (1) Funds available for rental assistance pursuant to this chapter shall consist of state rental assistance funds made available pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and shall be administered by the department in accordance with this chapter and applicable federal law.

(2) Each locality described in Section 50987.2 shall receive an allocation of rental assistance funds, calculated in accordance with the state reservation table.

(3) Except as otherwise provided in this chapter, funds available for rental assistance administered pursuant to Section 50897.3 shall consist of state rental assistance funds calculated pursuant to the state reservation table.

(b) Funds provided for and administered pursuant to this chapter shall be used in a manner consistent with federal law, including the prioritization of assistance specified in Section 501(c)(4) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260). In addition, in providing assistance pursuant to this chapter, the department and, if applicable, the program implementer shall prioritize communities disproportionately impacted by COVID-19, as determined by the department. State prioritization shall be as follows:

(1) Round one priority shall be eligible households, as specified in Section 501(c)(4) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), to expressly target assistance for eligible households with a household income that is not more than 50 percent of the area median income.

(2) Round two priority shall be communities disproportionately impacted by COVID-19, as determined by the department.

(3) Round three priority shall be eligible households that are not otherwise prioritized as described in paragraphs (1) and (2), to expressly include eligible households with a household income that is not more than 80 percent of the area median income.

(c) (1) Except as otherwise provided in paragraph (2), eligible uses for funds made available to a grantee under this chapter shall be as follows:

(A) Rental arrears.

(B) Prospective rent payments.

(C) Utilities, including arrears and prospective payments for utilities.

(D) Any other expenses related to housing as provided in Section 501(c)(2)(A) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(2) For purposes of stabilizing households and preventing evictions, rental arrears shall be given priority for purposes of providing rental assistance pursuant to this chapter.

(3) Remaining funds not used as described in paragraph (2) may be used for any eligible use described in subparagraphs (B), (C), and (D) of paragraph (1).

(d) A grantee may provide payment of rental arrears directly to a landlord on behalf of an eligible household by entering into an agreement with the landlord, subject to both of the following:

(1) Assistance for rental arrears shall be set at compensation of 80 percent of an eligible household's unpaid rental debt accumulated from April 1, 2020, to March 31, 2021, inclusive, per eligible household.

(2) (A) Acceptance of a payment made pursuant to this subdivision shall be conditioned on the landlord's agreement to accept the payment as payment in full of the rental debt owed by any tenant within the eligible household for whom rental assistance is being provided for the specified time period. The landlord's release of

claims pursuant to this subparagraph shall take effect only upon payment being made to the landlord pursuant to this subdivision.

(B) The landlord's agreement to accept payment pursuant to this subdivision as payment in full, as provided in subparagraph (A), shall include the landlord's agreement to release any and all claims for nonpayment of rental debt owed for the specified time period, including a claim for unlawful detainer pursuant to paragraph (2) and (3) of Section 1161 of the Code of Civil Procedure, against any tenant within the eligible household for whom the rental assistance is being provided.

(e) If a landlord refuses to participate in a rental assistance program for the payment of rental arrears, as described in subdivision (d), a member of an eligible household may apply for rental arrears assistance from the grantee. Assistance for rental arrears pursuant to this subdivision shall be limited to compensation of 25 percent of the eligible household's unpaid rental debt accumulated from April 1, 2020, to March 31, 2021, inclusive.

(f) Funds used to provide assistance for prospective rent payments for an eligible household shall not exceed 25 percent of the eligible household's monthly rent.

(g) An eligible household that receives assistance pursuant to subdivision (e) shall receive priority in providing assistance for the eligible uses specified in subparagraphs (B), (C), and (D) of paragraph (1) of subdivision (c).

(h) Assistance provided under this chapter shall be provided to eligible households or, where applicable, to landlords on behalf of eligible households that are currently housed and occupying the residential unit for which the assistance is requested at the time of the application.

(i) For purposes of the protections against housing discrimination provided under the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), assistance provided under this chapter shall be deemed to be a "source of income," as that term is defined in subdivision (i) of Section 12927 of the Government Code.

(j) (1) Notwithstanding any other law, except as otherwise provided in subdivision (i), assistance provided to an eligible household for a payment as provided in this chapter or as provided as a direct allocation to grantees from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall not be deemed to be income for purposes of the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) or used to determine the eligibility of an eligible household, or any member of an eligible household, for any state program or local program financed wholly or in part by state funds.

(2) Notwithstanding any other law, for taxable years beginning on or after January 1, 2020, and before January 1, 2025, gross income shall not include a tenant's rent liability that is forgiven by a landlord as provided in this chapter or as rent forgiveness provided through funds grantees received as a direct allocation from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(k) The department may adopt, amend, and repeal rules, guidelines, or procedures necessary to carry out the purposes of this chapter, including guidelines regarding the administration of federal rental assistance funds received under Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) that are consistent with the requirements of that federal law and any regulations promulgated pursuant to that federal law. The adoption, amendment, or repeal of rules, guidelines, or procedures authorized by this subdivision is hereby exempted from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(l) Any interest that the state, a locality, or, if applicable, the program implementer derives from the deposit of funds made available pursuant to this chapter or pursuant to subdivision (e) of Section 925.6 of the Government Code shall be used to provide additional assistance under this chapter.

(m) Upon notification from the Director of Finance to the Joint Legislative Budget Committee that additional federal rental assistance resources have been obtained, that assistance may be deployed in a manner consistent with this chapter. Any statutory provision established by subsequent federal law specific to the administration of those additional resources shall supersede the provisions contained in this chapter to the extent that there is a conflict between those federal statutory provisions and this chapter. Consistent with the authority provided in subdivision (l), to implement future federal rental assistance, the department shall make corresponding programmatic changes to effectuate the program in compliance with federal law.

(n) Notwithstanding any other law, a third party shall be prohibited from receiving compensation for services provided to an eligible household in applying for or receiving assistance under this chapter, except that this prohibition shall not apply to any contracted entity that renders those services upon the express authorization by the department, the program implementer, or a locality.

(o) Assistance provided under this chapter shall include a receipt that provides confirmation of payment or forgiveness, or both payment and forgiveness, as applicable, that has been made. The receipt shall be provided to both the eligible household and the landlord.

(p) For purposes of this section:

(1) "Rental debt" includes rent, fees, interest, or any other financial obligation under a lease for use and occupancy of the leased premises, but does not include liability for torts or damage to the property beyond ordinary wear and tear.

(2) "Specified time period" means the period of time for which payment is provided, as specified in the agreement entered into with the landlord.

SEC. 11. Section 50897.3 of the Health and Safety Code is amended to read:

50897.3. (a) (1) (A) The department may contract with a vendor to serve as the program implementer to manage and fund services and distribute emergency rental assistance resources pursuant to this section. A vendor selected to serve as program implementer shall demonstrate sufficient capacity and experience to administer a program of this scope and scale.

(B) The program implementer shall have existing relationships with community-level partners to ensure all regional geographies and target communities throughout the state have access to the program.

(C) (i) The program implementer shall have the technological capacity to develop and to implement a central technology-driven application portal and system that serves landlords and tenants, has mobile and multilanguage capabilities, and allows an applicant track the status of their application. The application system shall have the capacity to handle the volume of expected use without disruption.

(ii) The system shall begin accepting applications no later than March 15, 2021 and be available 24 hours a day, seven days a week, with 99 percent planned uptime rating.

(iii) The system shall support, at minimum, a database of 1,000,000 application records.

(iv) The system shall support at minimum 20,000 concurrent full-access users, allowing users to create, read, update and delete transactions based upon their user role.

(D) (i) The program implementer shall demonstrate experience with developing and managing direct payment or grant programs, or direct payment and grant programs, including, but not limited to, program and application development, outreach and marketing, translation and interpretation, fraud protections and approval processes, secure disbursement, prioritizing the use of direct deposit, customer service, compliance, and reporting.

(ii) The program interface shall include, but not be limited to, the following:

(I) Capability such that either the landlord or the tenant may initiate an application for assistance and that both parties are made aware of the opportunity to participate in the rental assistance program and accept the program parameters.

(II) Appropriate notifications to ensure that both parties understand that rental assistance is awarded in rounds of funding based on eligibility and that the eligible household is reminded that payment is ultimately being provided directly to the landlord, but the payment will directly address the eligible household's rental arrears or prospective rent, as applicable.

(III) Notification to both parties, including the landlord and the eligible household, respectively, of the initiation and completion of the application process, whether the process is initiated by the landlord or the eligible household. Upon payment, the program implementer shall provide an electronic record that payment has been made and keep all records available for the duration of the program, or as otherwise provided under state or federal law.

(E) The program implementer shall be able to manage a technology-driven duplication of benefits process in compliance with federal law.

(F) The program implementer shall comply with all state protections related to the use of personally identifiable information, including providing any necessary disclosures and assuring the secure storage of any personally identifiable information generated, as part of the application process.

(G) The program implementer shall coordinate its program activities with education and outreach contractors and any affiliated service or technical assistance providers, including those that reach non-English speaking and hard-to-reach households, with considerations for racial equity and traditionally underserved populations.

(2) The department may establish a contract with one or more education and outreach contractors to conduct a multilingual statewide campaign to promote program participation and accessibility.

(3) In accordance with paragraphs (1) and (2), the department shall seek contracted solutions that minimize total administrative costs, such that savings may be reallocated for use as direct assistance.

(4) The department may receive rental assistance program funding from localities or federally recognized tribes to administer on their behalf in a manner consistent with this chapter.

(b) (1) (A) A county with a population less than or equal to 200,000 and any locality that is eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall receive assistance pursuant to the state reservation table, to be administered in accordance with this section.

(B) A locality that was eligible for, but did not receive, a direct allocation of assistance from the Secretary of the Treasury pursuant to Section 501 of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) and was eligible for, but did not receive, block grant assistance under Section 50897.2 shall receive its proportionate share of assistance, as determined by the state reservation table, to be administered in accordance with this section.

(2) (A) A locality that was eligible for, but did not receive, block grant funds pursuant to Section 50897.2, and has elected to administer its direct share of assistance provided under Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), shall have its proportionate share of block grant funds administered pursuant to this section.

(B) To minimize legal liability and potential noncompliance with federal law, specifically those violations described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), the department, or, if applicable, the program implementer, may request that localities described in this paragraph enter into a data sharing agreement for the purpose of preventing unlawful duplication of rental assistance to eligible households. Notwithstanding any other law, localities that enter into a data sharing agreement as required by this subparagraph may disclose personally identifying information of rental assistance applicants to the department or the program implementer for the purposes described in this subparagraph.

(C) Except as otherwise provided in subparagraph (B), a locality that is subject to assistance provided under this paragraph and received a direct allocation from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) shall not be eligible for administrative and technical assistance provided by the department, including, but not limited to, support for long-term monitoring and reporting.

(D) The state, the department, or the program implementer acting on behalf of the department, shall be indemnified from liability in the administration of assistance pursuant to this paragraph, specifically any violation described in Section 501(k)(3)(B) of Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260).

(3) To the extent permitted by federal law, a locality that elects to participate in the program as provided in this section, and that received rental assistance funding directly from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260), shall add those funds received directly from the Secretary of the Treasury and any share of rental assistance funding provided pursuant to Section 50897.2 to the funds allocated to it pursuant to this section. Except as otherwise provided in paragraph (1) of subdivision (d), the total amount of funds described in this subparagraph

shall be used by the grantee in accordance with this section. Participation shall be conditioned upon having an executed standard agreement with the Department.

(4) To the extent permitted by federal law, a federally recognized tribe that receives rental assistance funds directly from the Secretary of the Treasury pursuant to Subtitle A of Title V of Division N of the federal Consolidated Appropriations Act, 2021 (Public Law 116-260) may add its direct federal allocation of funds to be administered pursuant to this section. Participation shall be conditioned upon having an executed standard agreement with the department.

(5) The department may establish additional funding targets within the reservation pool to support an equitable distribution that targets eligible households most impacted by COVID-19.

(c) Funds allocated pursuant to this section shall be used for those eligible uses specified in, and subject to the applicable requirements of, Section 50897.1.

(d) (1) Except as otherwise provided in paragraph (3), a grantee that receives funds pursuant to this section shall contractually obligate those funds no later than July 31, 2021. The department may, in its discretion, reallocate any funds allocated to a grantee that are not contractually obligated by that date to other grantees participating in the program that have expended at least 50 percent of their reservation pools or have an oversubscribed application list for rental assistance.

(2) In reallocating funds pursuant to this subdivision, the department or, if applicable, the program implementer acting on behalf of the department shall prioritize reallocating those unused funds to provide financial assistance for rental arrears accumulated on or after April 1, 2020, and before the expiration of the program.

(3) Funds administered on behalf of a federally recognized tribe as provided in paragraph (4) of subdivision (b) are not subject to the requirements of this subdivision.

(e) (1) In any legal action to recover rent or other financial obligations under the lease that accrued between April 1, 2020, and June 30, 2021, before entry of any judgment in the plaintiff's favor, the plaintiff shall verify both of the following under penalty of perjury:

(A) The landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount claimed.

(B) The landlord does not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount claimed.

(2) In any unlawful detainer action seeking possession of residential rental property based on nonpayment of rent or any other financial obligation under the lease, the court shall not enter a judgment in favor of the landlord unless the landlord verifies all of the following under penalty of perjury:

(A) That the landlord has not received rental assistance or other financial compensation from any other source corresponding to the amount demanded in the notice underlying the complaint.

(B) That the landlord has not received rental assistance or other financial compensation from any other source for rent accruing after the date of the notice underlying the complaint.

(C) That the landlord does not have any pending application for rental assistance or other financial compensation from any other source corresponding to the amount demanded in the notice underlying the complaint.

(D) That the landlord does not have any pending application for rental assistance or other financial compensation from any other sources for rent accruing after the date of the notice underlying the complaint.

(f) Notwithstanding any other state or local law, policy, or ordinance, for purposes of ensuring the timely implementation of resources pursuant to this section, a locality that has a population greater than 200,000 may enter into an agreement with the department to have its share of funds administered pursuant to this section by the department and may redirect those funds to the department for that purpose.

SEC. 12. Section 4003 of the Unemployment Insurance Code is amended to read:

4003. (a) The provisions and definitions of terms in the Federal-State Extended Unemployment Compensation Act of 1970, as amended by the federal Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), apply to this part. "Federal-state extended benefits" means benefits payable under this part.

(b) (1) To the extent that the provisions and definitions of terms in the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) are in effect in federal law and are in conflict with, or supplement the provisions and definitions applicable pursuant to subdivision (a), the provisions and definitions of the American Recovery and Reinvestment Act of 2009 shall apply to this part.

(2) To the extent that the provisions and definitions of terms in the federal Families First Coronavirus Response Act (Public Law 116-127) are in effect in federal law and are in conflict with, or supplement the provisions and definitions applicable pursuant to, subdivision (a), the provisions and definitions of the federal Families First Coronavirus Response Act shall apply to this part.

(c) There is an "on" indicator for purposes of federal-state extended benefits for a week if one of the following applies:

(1) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the preceding two calendar years, and equaled or exceeded 5 percent.

(2) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 6 percent, regardless of the rate of insured unemployment in the two previous years.

(3) With respect to weeks of unemployment beginning on or after February 1, 2009, and continuing until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by subdivision (a) of Section 2005 of Public Law 111-5 for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code, both of the following apply:

(A) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent.

(B) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period referred to in subparagraph (A) equals or exceeds 110 percent of that average rate of total unemployment for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(4) With respect to weeks of unemployment beginning on or after March 18, 2020, and continuing until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by the federal Families First Coronavirus Response Act (Public Law 116-127), which shall be interpreted to retroactively include any subsequent extension of the last week for which 100 percent of federal sharing is authorized under that act and shall take effect as if the amendment extending full federal funding was enacted as part of that act, or for weeks of unemployment ending four weeks prior to the last week for which Congress, pursuant to any future legislation, has authorized 100 percent federal sharing, for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code as that section read as of the operative of date of the act adding this paragraph, both of the following apply:

(A) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent.

(B) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period referred to in subparagraph (A) equals or exceeds 110 percent of that average rate of total unemployment for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(d) There is an "off" indicator for a week if, for the period consisting of that week, and the 12 weeks immediately preceding the week, none of the criteria specified in subdivision (c) results in an "on" indicator.

(e) For purposes of this section, the rate of insured unemployment for a 13-week period shall be determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of the period.

(f) The indicators specified in subdivisions (c) and (d) shall be operative only if mandated or permitted by federal law.

(g) Notwithstanding any other provision of this part, the Governor may, if permitted by federal law, suspend the payment of extended duration benefits under this part, to the extent necessary to ensure that otherwise eligible individuals are not denied, in whole or in part, the receipt of emergency unemployment compensation benefits authorized by the federal Supplemental Appropriations Act of 2008 (Public Law 110-252), the Unemployment Compensation Extension Act of 2008 (Public Law 110-449), and the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and that the state receives maximum reimbursement from the federal government for the payment of those emergency benefits.

(h) Notwithstanding the provisions of subdivision (c), with respect to weeks of unemployment beginning on or after December 19, 2010, and continuing until the earlier of the date authorized by Section 502(b) of Public Law 111-312, or the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by Section 2005(a) of Public Law 111-5 for all claims, except for reimbursable entities described in Section 3306(c)(7) of the Internal Revenue Code, the following applies:

(1) There is an "on" indicator for purposes of federal-state extended benefits for a week if one of the following applies:

(A) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the preceding three calendar years, and equaled or exceeded 5 percent.

(B) The rate of insured unemployment under this part for the period consisting of that week and the 12 weeks immediately preceding the week equaled or exceeded 6 percent, regardless of the rate of insured unemployment in the three previous years.

(C) The average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three months for which data for all states are published before the close of that week, equals or exceeds 6.5 percent and the average rate of total unemployment in this state, seasonally adjusted, as determined by the United States Secretary of Labor, for the three-month period equals or exceeds 110 percent of that average rate of total unemployment for any or all of the corresponding three-month periods ending in the three preceding calendar years.

(2) There is an "off" indicator for a week if, for the period consisting of that week, and the 12 weeks immediately preceding the week, none of the criteria specified in paragraph (1) results in an "on" indicator.

(3) The indicators specified in paragraphs (1) and (2) shall be operative only if mandated or permitted by federal law.

(i) (1) Notwithstanding any other provision of this part, with respect to whether the state is in an extended benefit period beginning on November 1, 2020, through December 31, 2021, as permitted by the Continued Assistance for Unemployed Workers Act of 2020, the requirement in the Federal-State Extended Unemployment Compensation Act of 1970 that no extended benefit period may begin prior to the 14th week following the end of a prior extended benefit period which was in effect shall not apply.

(2) Notwithstanding any other provision of this part, when authorized by federal law to temporarily waive the "off" period, the requirement in the Federal-State Extended Unemployment Compensation Act of 1970 that no extended benefit period may begin prior to the 14th week following the end of a prior extended benefit period which was in effect shall not apply.

SEC. 13. Section 11157 of the Welfare and Institutions Code is amended to read:

11157. (a) Notwithstanding Section 11008, all lump-sum income received by an applicant or recipient shall be regarded as income in the month received, except nonrecurring lump-sum social insurance payments, which shall include social security income, railroad retirement benefits, veteran's benefits, workers' compensation, and disability insurance.

(b) Except as otherwise provided in this part, for purposes of this chapter and Chapter 2 (commencing with Section 11200), "income" shall be deemed to be the same as applied under the Aid to Families with Dependent Children program on August 21, 1996, except that the following are exempt from consideration as income:

(1) Income that is received too infrequently to be reasonably anticipated, as exempted in federal Supplemental Nutrition Assistance Program (SNAP) regulations.

(2) Income from a college work-study program under Title IV of the federal Higher Education Act or Article 18 (commencing with Section 69950) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code or college work-study program, as established in the annual Budget Act, for individuals receiving aid under Chapter 2 (commencing with Section 11200).

(3) (A) Except as provided for in subparagraph (B), an award or scholarship provided by a public or private entity to or on behalf of a dependent child based on the child's academic or extracurricular achievement or participation in a scholastic, educational, or extracurricular competition.

(B) For purposes of Chapter 2 (commencing with Section 11200), an award or scholarship provided by a public or private entity to or on behalf of a dependent child.

(c) For purposes of Chapter 2 (commencing with Section 11200), any income or stipend paid by the United States Census Bureau, a governmental entity, or a nonprofit organization for temporary work related to improving participation in the decennial census that is earned during the year preceding a decennial census and during the year of the decennial census is not income.

(d) (1) Any federal pandemic unemployment compensation, as described under Subchapter 2 (commencing with Section 9021) of Chapter 116 of Title 15 of the United States Code, is exempt from consideration as income and resources for the purposes of determining initial and continued eligibility and grant amount for the CalWORKs program.

(2) The exemption described under paragraph (1) shall remain in effect so long as federal pandemic unemployment compensation is exempt as income for purposes of establishing eligibility for the CalFresh program (Chapter 10 (commencing with Section 18900) of Part 6), pursuant to the federal Consolidated Appropriations Act of 2021 or any other law.

SEC. 14. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 15. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 16. No appropriation pursuant to Section 15200 of the Welfare and Institutions Code shall be made for purposes of implementing this act.

SEC. 17. Five million dollars (\$5,000,000) is hereby appropriated from the General Fund to augment Schedule (1) of Item 7730-001-0001 of the 2020 Budget Act for the Franchise Tax Board to be allocated to existing California Earned Income Tax Credit outreach contracts to provide increased awareness of the Golden State Stimulus. To provide timely distribution of funds for Golden State Stimulus awareness, the Franchise Tax Board, and its administrative partner, the Department of Community Services and Development are exempt from all provisions of state contracting law governing the amendment of contracts. Furthermore, funds for Golden State Stimulus outreach shall be distributed to contractors at the sole discretion Executive Officer of the Franchise Board.

SEC. 18. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.