

# Highlights of 2023 Chaptered Legislation

The legislation noted below is a compendium of many, but not necessarily all, of the chaptered bills that may affect or be of interest to licensees of the Department of Financial Protection and Innovation (DFPI). Unless otherwise noted, these bills will go into effect January 1, 2024.

If you have any questions about these bills, please contact your program contact or email [ask.dfpi@dfpi.ca.gov](mailto:ask.dfpi@dfpi.ca.gov).

The full text of these bills may be found at:  
<https://leginfo.legislature.ca.gov/faces/home.xhtml>

## **Major Legislation**

- **AB 39 (Grayson)**

Digital financial asset businesses: regulatory oversight.

[AB 39, Chapter 792, Statutes of 2023](#)

(Financial Code)

AB 39, beginning July 1, 2025, would require any person seeking to engage in crypto asset business activity of more than \$50,000 annually with or on behalf of a California resident to obtain a license from the Department of Financial Protection and Innovation (DFPI). Starting July 1, 2025, only stablecoins approved by DFPI may be exchanged, stored, or transferred by a covered person. The bill requires DFPI to create a licensing regime for certain crypto activities, process applications, investigate applicants, process annual reports, impose fees, conduct exams, approve stablecoins and take enforcement actions as needed. The bill allows the DFPI Commissioner to issue a conditional license to an applicant pending compliance with certain requirements.

- **AB 386 (Stephanie Nguyen)**

California Right to Financial Privacy Act.

[AB 386, Chapter 433, Statutes of 2023](#)

(Government Code)

AB 386 increases the time period for which banking records are requested by law enforcement from financial institutions regarding suspected financial abuse to 90

days before and 60 days after the date of the occurrence of suspected financial abuse and increase the types of records that can be obtained.

- **AB 1116 (Grayson)**  
Money Transmission Act.  
[AB 1116, Chapter 463, Statutes of 2023](#)  
(Financial Code)

AB 1116 will modernize California's money transmitter laws more closely align with the Conference of State Bank Supervisors (CSBS) Model Law and join other states in creating a more uniform regulatory process across all 50 states. This bill does not codify any section of the model law relating to digital assets (see AB 39 and SB 401 for legislative activity on digital assets).

- **AB 1228 (Holden)**  
Fast food restaurant industry: Fast Food Council: health, safety, employment, and minimum wage.  
[AB 1228, Chapter 262, Statutes of 2023](#)  
(Labor Code)

AB 1228 revises and recasts provisions of AB 257 (Holden, Chapter 246, Statutes of 2022), known as the Fast Food Accountability and Standards Recovery Act (FAST Act) and only becomes operative if Referendum No. 1939 (Attorney General No. 22-0005) is withdrawn by its proponents by January 1, 2024. This bill creates a modified version of the Fast Food Council created under the FAST Act to establish annual minimum wages and minimum standards for fast food restaurant workers. The bill modifies the minimum wage provisions in the FAST Act to impose a \$20 per hour minimum wage for fast food restaurant workers, effective April 1, 2024. The bill maintains the existing Labor Commissioner enforcement provisions, as specified, and remedies for violations as currently found in the FAST Act. The bill specifies that all provisions, with some exceptions, will become inoperative as of January 1, 2029.

- **AB 1312 (Committee on Banking and Finance)**  
Financial transactions.  
[AB 1312, Chapter 100, Statutes 2023](#)  
(Civil Code and Financial Code)

AB 1312 corrects errors and outdated references within sections of the Financial Code and Civil Code.

- **AB 1414 (Kalra)**  
Civil actions: consumer debt.

[AB 1414, Chapter 688, Statutes of 2023](#)

(Code of Civil Procedure)

AB 1414 excludes consumer debt from the definition of “book account”. The bill requires a creditor in an action alleging a book account to have in the creditor’s possession records of all debits and credits forming each transaction used to determine the amount alleged to be due if the obligation, incurred on or after January 1, 2024, is not initially payable on the face of a note or contract.

- **AB 1759 (Assembly Committee on Accountability and Administrative Review)**

State archives.

[AB 1759, Chapter 145, Statutes 2023](#)

(Government Code)

AB 1759 requires agencies to notify the Secretary of State if the agency digitizes records, regardless of whether they digitize them in-house or through a third-party vendor. This bill requires the records management coordinator designated by a state agency to notify the Secretary of State when a record is lost or destroyed before it has met the retention period specified on the agency’s approved retention schedule. The bill also makes other changes that do not impact DFPI related to definitions, indexing, and renaming units within the Secretary of State’s Office.

- **SB 33 (Glazer)**

Commercial financing: disclosures.

[SB 33, Chapter 376, Statutes of 2023](#)

(Financial Code)

SB 33 deletes the January 1, 2024, sunset date for existing provisions requiring commercial financing lenders to provide the total cost of financing expressed as an annualized rate. This bill extends that annualized rate disclosure requirement indefinitely.

- **SB 54 (Skinner)**

Venture capital companies: reporting.

[SB 54, Chapter 594, Statutes of 2023](#)

(Business and Professions Code and Government Code)

SB 54 requires certain venture capital companies to report diversity data to the Civil Rights Department (CRD) based on voluntary surveys of business founders. If a company fails to report on time, the bill allows CRD to file an ex-petition with

a superior court, seeking to compel the person to comply, pay a penalty to CRD, and any other relief the court deems appropriate.

- **SB 261 (Stern)**

Greenhouse gases: climate-related financial risk.

[SB 261, Chapter 383, Statutes of 2023](#)

(Health and Safety Code)

SB 261 requires companies with an annual gross revenue in excess of \$500 billion to file a financial risk report disclosing the entity's climate-related financial risk and measures adopted to reduce and adapt to the risk disclosed. The bill also requires the California Air Resources Board to contract with a "climate reporting organization" to annually prepare a public report, review the climate-related financial risk contained in climate-related financial risk reports, and analyze the systemic and sector wide climate-related financial risks facing the state.

- **SB 401 (Limón)**

Digital financial asset transaction kiosks.

[SB 401, Chapter 871, Statutes of 2023](#)

(Financial Code)

SB 401 requires the Department of Financial Protection and Innovation (DFPI) to regulate crypto kiosks by limiting the amount of money or crypto assets a person can take out of a kiosk, requiring a written disclosure prior to a transaction, capping transaction fees, requiring receipts with specific information, and requiring DFPI to post a public list of kiosk locations. Limits on transactions go into effect on January 1, 2024. Disclosures and fee limits go into effect on January 1, 2025.

- **SB 455 (McGuire)**

State of emergency: mortgage servicers: disasters.

[SB 455, Chapter 873, Statutes of 2023](#)

(Civil Code)

SB 455 requires will ensure information about a home's rebuild or repair after a natural disaster is passed to subsequent mortgage services. Specifically, the bill requires a transferor mortgage servicer to disclose to a transferee mortgage servicer certain information related to the rebuild, repair, or replacement of a property damaged in a specified emergency. Further, the bill requires a transferee or purchaser mortgage servicer that receives the required disclosure to comply with the terms as agreed upon by the original mortgage servicer.

- **SB 666 (Min)**  
Small business: commercial financing transactions.  
[SB 666, Chapter 881, Statutes of 2023](#)  
(Civil Code)

SB 666 restricts the types of fees that commercial financing providers and brokers can charge small businesses and small business owners on the financing they provide.

- **SB 790 (Padilla)**  
Public records: contracts for goods and services.  
[SB 790, Chapter 77, Statutes of 2023](#)  
(Government Code)

SB 790 explicitly states that any executed contract by a state or local agency, including the price and payment terms, is a public record. The bill makes void and unenforceable any written agreement provision stating such a contract is confidential or proprietary. The bill does not require disclosure of a record that is otherwise exempt from disclosure or prohibited from disclosure under federal or state law.

## **Other Legislation**

- **AB 231 (Chen)**  
Shareholders' meetings: remote communication.  
[AB 231, Chapter 115, Statutes of 2023](#)  
(Corporations Code)

AB 231 provides additional flexibility to corporations to offer audiovisual or audio-only participation in shareholder or member meetings.

- **AB 258 (Reyes)**  
Economic development: small businesses: Small Business Information Act: internet web portal.  
[AB 258, Chapter 423, Statutes of 2023](#)  
(Government Code)

AB 258 creates an internet web portal on the GO-Biz website to support small businesses in locating access to resources. The bill's implementation will be led by the Small Business Advocate.

- **AB 302 (Ward)**  
Department of Technology: high-risk automated decision systems: inventory.  
[AB 302, Chapter 800, Statutes of 2023](#)  
(Government Code)

AB 302 requires the Department of Technology to conduct an inventory of all high-risk automated decision systems being used in state agencies by September 1, 2024.

- **AB 473 (Aguiar-Curry)**  
Motor vehicle manufacturers, distributors, and dealers.  
[AB 473, Chapter 332, Statutes of 2023](#)  
(Vehicle Code)

AB 473 modifies several provisions of the laws governing the relationship between new motor vehicle manufacturers and the franchisees that operate car dealerships.

- **AB 590 (Hart)**  
State-funded assistance grants and contracts: advance payments.  
[AB 590, Chapter 535, Statutes of 2023](#)  
(Government Code)

AB 590 authorizes a state agency administering a grant program to provide for advance payments to a recipient 501(c)(3) nonprofit organization.

- **AB 947 (Gabriel)**  
California Consumer Privacy Act of 2018: sensitive personal information.  
[AB 947, Chapter 551, Statutes of 2023](#)  
(Civil Code)

AB 947 includes personal information that reveals a consumer's citizenship or immigration status in the definition of "sensitive personal information" for purposes of the California Consumer Privacy Act.

- **AB 1587 (Ting)**  
Financial transactions: firearms merchants: merchant category code.  
[AB 1587, Chapter 247, Statutes of 2023](#)  
(Financial Code)

AB 1587 requires financial institutions that facilitate payment card transactions to implement a merchant category code for firearms merchants.

- **SB 95 (Roth)**  
Commercial transactions.  
[SB 95, Chapter 210, Statutes of 2023](#)  
(Commercial Code)

SB 95 revises and recasts California's version of the Uniform Commercial Code to reflect recent updates developed by the Uniform Law Commission related to the treatment of digital assets.

- **SB 259 (Seyarto)**  
Reports submitted to legislative committees.  
[SB 259, Chapter 148, Statutes of 2023](#)  
(Government Code)

SB 259 requires a state agency to post on its internet website any report required or requested by law or identified in the Legislative Analyst Office's Supplemental Report of the Budget Act, and requires Legislative Counsel to make available to the public a link to the list of state and local agency reports.

- **SB 447 (Atkins)**  
Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project.  
[SB 447, Chapter 199, Statutes of 2023](#)  
(Government Code and Welfare and Institutions Code)

SB 447 repeals the prohibition on state travel to anti-LGBTQIA+ states. It also establishes the Building and Reinforcing Inclusive, Diverse, Gender-Supportive Equity Project (BRIDGE Project) within GO-Biz to raise public awareness and promote civil rights and antidiscrimination through education, advertising, and marketing activities.

- **SB 478 (Dodd)**  
Consumers Legal Remedies Act: advertisements.  
[SB 478, Chapter 400, Statutes of 2023](#)  
(Civil Code, Government Code, Streets and Highways Code, and Vehicle Code)

SB 478 makes it an unlawful business practice to advertise, display, or offer a price for a good or service that does not include all mandatory fees or charges, except as provided or exempted.

- **SB 522 (Niello)**  
Uniform Fiduciary Income and Principal Act.  
[SB 522, Chapter 28, Statutes of 2023](#)

(Probate Code)

SB 522 repeals the existing Uniform Principal and Income Act and recasts and updates those provisions under a new name, the Uniform Fiduciary Income and Principal Act.

- **SB 544 (Laird)**

Bagley-Keene Open Meeting Act: teleconferencing.

[SB 544, Chapter 216, Statutes of 2023](#)

(Government Code)

SB 544 revises and repeals, until January 1, 2026, certain teleconference requirements under the Bagley-Keene Open Meeting Act, which requires all meetings of a state body be open and public.